

119TH CONGRESS
1ST SESSION

S. _____

To amend chapter 131 of title 5, United States Code, to prevent financial exploitation by public office holders, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. SCHIFF introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend chapter 131 of title 5, United States Code, to prevent financial exploitation by public office holders, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Curbing Officials’ In-

5 come and Nondisclosure (COIN) Act”.

6 **SEC. 2. PROHIBITED FINANCIAL TRANSACTIONS.**

7 (a) IN GENERAL.—Chapter 131 of title 5, United

8 States Code, is amended by adding at the end the fol-

9 lowing:

1 “SUBCHAPTER IV—FINANCIAL EXPLOITATION
2 BY A PUBLIC OFFICE HOLDER

3 “§ 13151. Definitions

4 “In this subchapter:

5 “(1) COVERED INDIVIDUAL.—The term ‘cov-
6 ered individual’ means an individual described in
7 section 13103(f).

8 “(2) ENDORSEMENT.—The term ‘endorsement’
9 includes the use of the name and likeness of an indi-
10 vidual in any marketing materials relating to a fi-
11 nancial interest described in clauses (I) through (V)
12 of paragraph (4)(A)(i), including in the title of the
13 financial interest.

14 “(3) IMMEDIATE FAMILY MEMBER.—The term
15 ‘immediate family member’ means, with respect to a
16 covered individual—

17 “(A) a spouse, parent, brother or sister, or
18 child (including a child age 18 or older) of that
19 covered individual; or

20 “(B) an individual to whom the covered in-
21 dividual stands in loco parentis.

22 “(4) PROHIBITED FINANCIAL TRANSACTION.—

23 “(A) IN GENERAL.—The term ‘prohibited
24 financial transaction’ means—

1 “(i) any issuance, sponsorship, or en-
2 dorsement of—

3 “(I) a security (as defined in sec-
4 tion 3(a) of the Securities Exchange
5 Act of 1934 (15 U.S.C. 78c(a))) that
6 is a digital asset;

7 “(II) a security future (as de-
8 fined in section 3(a) of the Securities
9 Exchange Act of 1934 (15 U.S.C.
10 78c(a))) relating to a digital asset;

11 “(III) a commodity (as defined in
12 section 1a of the Commodity Ex-
13 change Act (7 U.S.C. 1a)) that is a
14 digital asset;

15 “(IV) a cryptocurrency, meme
16 coin, token, non-fungible token, or
17 other digital asset that is sold for re-
18 muneratation; or

19 “(V) a payment stablecoin;

20 “(ii) any financial interest comparable
21 to an interest described in subclause (I)
22 through (V) of clause (i) that is acquired
23 through synthetic means, such as the use
24 of a derivative, including an option, war-
25 rant, or other similar means; or

1 “(iii) any financial interest com-
2 parable to an interest described in sub-
3 clause (I) through (V) of clause (i) that is
4 acquired as part of an aggregation or com-
5 pilation of such interests through a mutual
6 fund, exchange-traded fund, or other simi-
7 lar means if such aggregation or compila-
8 tion of such interests constitutes a signifi-
9 cant portion of that mutual fund, ex-
10 change-traded fund, or other similar
11 means, as determined by the Secretary of
12 the Treasury.

13 “(B) EXCLUSIONS.—The term ‘prohibited
14 financial transaction’ does not include the mere
15 purchase, sale, holding, or other conduct relat-
16 ing to financial instruments or assets routinely
17 accessible to any member of the public.

18 **“§ 13152. Prohibition on certain transactions**

19 “(a) PROHIBITION.—Except as provided in sub-
20 section (b), a covered individual, or an immediate family
21 member of a covered individual, may not engage in a pro-
22 hibited financial transaction—

23 “(1) during the term of service of the covered
24 individual;

1 “(2) during the 180-day period ending on the
2 date on which the service of the covered individual
3 commences; or

4 “(3) during the 2-year period beginning on the
5 date on which the service of the covered individual
6 is terminated.

7 “(b) ACTS AFFECTING A PERSONAL FINANCIAL IN-
8 TEREST.—This section shall be supplementary in nature
9 to section 208 of title 18, and nothing in this section shall
10 be construed to limit the application of section 208 of title
11 18.

12 “(c) LIABILITY AND IMMUNITY.—For purposes of
13 any immunities to civil liability, any conduct relating to
14 a prohibited financial transaction under this section shall
15 be deemed an unofficial act and beyond the scope of the
16 official duties of the relevant covered individual.

17 **“§ 13153. Civil penalties**

18 “(a) CIVIL ACTION.—The Attorney General may
19 bring a civil action in any appropriate district court of the
20 United States against any covered individual, or the imme-
21 diate family member of a covered individual, who violates
22 section 13152(a).

23 “(b) CIVIL PENALTY.—Any covered individual, or the
24 immediate family member of a covered individual, who

1 knowingly violates section 13152(a) shall be subject to a
2 civil monetary penalty of—

3 “(1) not more than \$25,000 per violation;

4 “(2) 10 percent of the value of the financial in-
5 terest that is the subject of the prohibited conduct;
6 or

7 “(3) the amount of financial gain, if any, that
8 the covered individual benefitted from relating to the
9 prohibited conduct, whichever is greater.

10 “(c) DISGORGEMENT.—A covered individual, or the
11 immediate family member of a covered individual, who is
12 found to have violated section 13152(a) in a civil action
13 under subsection (a) of this section shall disgorge to the
14 Treasury of the United States any profit from the prohib-
15 ited conduct that is the subject of that civil action.”.

16 (b) CLERICAL AMENDMENT.—The table of sections
17 for chapter 131 of title 5, United States Code, is amended
18 by adding at the end the following:

“SUBCHAPTER IV—FINANCIAL EXPLOITATION BY A PUBLIC OFFICE HOLDER

“13151. Definitions.

“13152. Prohibition on certain transactions.

“13153. Civil penalties.”.

19 **SEC. 3. CRIMINAL PENALTIES RELATING TO PROHIBITED**
20 **FINANCIAL TRANSACTIONS.**

21 (a) IN GENERAL.—Chapter 11 of title 18, United
22 States Code, is amended by inserting after section 220 the
23 following:

1 **“§ 221. Prohibited financial transactions**

2 “(a) DEFINITIONS.—In this section:

3 “(1) COVERED INDIVIDUAL.—The term ‘cov-
4 ered individual’ means an individual described in
5 section 13103(f).

6 “(2) ENDORSEMENT.—The term ‘endorsement’
7 includes the use of the name and likeness of an indi-
8 vidual in any marketing materials relating to a fi-
9 nancial interest described in clauses (I) through (V)
10 of paragraph (3)(A)(i), including in the title of the
11 financial interest.

12 “(3) PROHIBITED FINANCIAL TRANSACTION.—

13 “(A) IN GENERAL.—The term ‘prohibited
14 financial transaction’ means—

15 “(i) any issuance, sponsorship, or en-
16 dorsement of—

17 “(I) a security (as defined in sec-
18 tion 3(a) of the Securities Exchange
19 Act of 1934 (15 U.S.C. 78c(a))) that
20 is a digital asset;

21 “(II) a security future (as de-
22 fined in section 3(a) of the Securities
23 Exchange Act of 1934 (15 U.S.C.
24 78c(a))) relating to a digital asset;

25 “(III) a commodity (as defined in
26 section 1a of the Commodity Ex-

1 change Act (7 U.S.C. 1a)) that is a
2 digital asset;

3 “(IV) a cryptocurrency, meme
4 coin, token, non-fungible token, or
5 other digital asset that is sold for re-
6 muneratation; or

7 “(V) a payment stablecoin;

8 “(ii) any financial interest comparable
9 to an interest described in subclause (I)
10 through (V) of clause (i) that is acquired
11 through synthetic means, such as the use
12 of a derivative, including an option, war-
13 rant, or other similar means; or

14 “(iii) any financial interest com-
15 parable to an interest described in sub-
16 clause (I) through (V) of clause (i) that is
17 acquired as part of an aggregation or com-
18 pilation of such interests through a mutual
19 fund, exchange-traded fund, or other simi-
20 lar means if such aggregation or compila-
21 tion of such interests constitutes a signifi-
22 cant portion of that mutual fund, ex-
23 change-traded fund, or other similar
24 means, as determined by the Secretary of
25 the Treasury.

1 “(B) EXCLUSIONS.—The term ‘prohibited
2 financial transaction’ does not include the mere
3 purchase, sale, holding, or other conduct relat-
4 ing to financial instruments or assets routinely
5 accessible to any member of the public.

6 “(b) BENEFITTING FROM PROHIBITED FINANCIAL
7 TRANSACTION.—Any covered individual who—

8 “(1) knowingly violates any provision of section
9 13152(a) of title 5; and

10 “(2) through such violation—

11 “(A) causes an aggregate loss of not less
12 than \$1,000,000 to 1 or more persons in the
13 United States; or

14 “(B) benefits financially, through profit,
15 gain, or advantage, directly or indirectly
16 through any family member or business asso-
17 ciate of the covered individual, from the sale,
18 purchase, or distribution of the financial inter-
19 est described in subsection (a)(3)(A)(i) issued,
20 sponsored, or endorsed in violation of section
21 13152 of title 5,

22 shall be fined under this title, imprisoned for not
23 more than 5 years, or both.

24 “(c) BRIBERY.—Any covered individual who—

1 “(1) knowingly violates any provision of section
2 13152(a) of title 5; and

3 “(2) directly or indirectly, corruptly demands,
4 seeks, receives, accepts, or agrees to receive or ac-
5 cept any thing of value personally or for any other
6 person or entity, in return for—

7 “(A) being influenced in the performance
8 of any official act;

9 “(B) being influenced to commit or aid in
10 committing, or to collude in, or allow, any
11 fraud, or make opportunity for the commission
12 of any fraud, on the United States; or

13 “(C) being induced to do or omit to do any
14 act in violation of the official duty of such offi-
15 cial or person,

16 shall be fined under this title or not more than 3
17 times the monetary equivalent of the thing of value,
18 whichever is greater, or imprisoned for not more
19 than 15 years, or both, and may be disqualified from
20 holding any office of honor, trust, or profit under
21 the United States.

22 “(d) INSIDER TRADING.—Any covered individual who
23 knowingly violates section 13152(a) of title 5 and, in com-
24 mitting such violation, also knowingly violates the provi-
25 sions of section 10(b) of the Securities Exchange Act of

1 1934 (15 U.S.C. 78j(b)) shall be fined under this title or
2 not more than 3 times the amount of financial gain, if
3 any, that the individual benefitted from relating to the
4 prohibited conduct, whichever is greater, or imprisoned for
5 not more than 15 years, or both, and may be disqualified
6 from holding any office of honor, trust, or profit under
7 the United States.

8 “(e) INTENT.—To incur criminal liability under this
9 section, it shall not be required that a covered individual
10 intended to create a financial interest described in sub-
11 section (a)(3)(A)(i) through the issuance, sponsorship or
12 endorsement of the financial interest described in sub-
13 section (a)(3)(A)(i).

14 “(f) LIABILITY AND IMMUNITY.—For purposes of
15 any immunities to civil and criminal liability, any conduct
16 relating to a prohibited financial transaction under this
17 section shall be deemed an unofficial act and beyond the
18 scope of official duties of the relevant covered individual.”.

19 (b) CLERICAL AMENDMENT.—The table of sections
20 for chapter 11 of title 18, United States Code, is amended
21 by inserting after the item relating to section 220 the fol-
22 lowing:

“221. Prohibited financial transactions.”.

1 **SEC. 4. ETHICS REQUIREMENTS RELATING TO**
2 **CRYPTOCURRENCIES AND DIGITAL ASSETS.**

3 (a) DISCLOSURE RELATING TO CRYPTOCURRENCIES
4 AND DIGITAL ASSETS.—Section 13104 of title 5, United
5 States Code, is amended—

6 (1) in subsection (a)—

7 (A) in paragraph (5)(B), by inserting
8 “cryptocurrencies, meme coins, tokens, non-fun-
9 gible tokens, payment stablecoins, or other dig-
10 ital assets that are sold for remuneration,”
11 after “commodities futures,”; and

12 (B) by adding at the end the following:

13 “(9) CRYPTOCURRENCIES AND DIGITAL AS-
14 SETS.—The identity and category of value of any
15 cryptocurrency, meme coin, token, non-fungible
16 token, payment stablecoin, or other digital asset that
17 is sold for remuneration that has a fair market value
18 that exceeds \$1,000 as of the close of the preceding
19 calendar year held by the reporting individual during
20 the preceding calendar year.”;

21 (2) in subsection (b)(1)(B), by striking “(3)
22 and (4)” and inserting “(3), (4), and (9)”;

23 (3) in subsection (d)(1)—

24 (A) in the paragraph heading, by striking
25 “(3), (4), (5), AND (8)” and inserting “(3), (4), (5),
26 (8), AND (9)”;

1 (B) in the matter preceding subparagraph
2 (A), by striking “(3), (4), (5), and (8)” and in-
3 serting “(3), (4), (5), (8), and (9)”.

4 (b) ACTS AFFECTING A PERSONAL FINANCIAL IN-
5 TEREST.—Section 208 of title 18, United States Code, is
6 amended by adding at the end the following:

7 “(e) For purposes of subsection (a), the term ‘finan-
8 cial interest’ includes an interest in the issuance, pur-
9 chase, sale, or holding of a cryptocurrency, meme coin,
10 token, non-fungible token, payment stablecoin, or other
11 digital asset that is sold for remuneration.”.

12 **SEC. 5. PUBLIC OFFICIAL CERTIFICATION REQUIREMENT.**

13 (a) DEFINITIONS.—In this section:

14 (1) PERMITTED PAYMENT STABLECOIN
15 ISSUER.—The term “permitted payment stablecoin
16 issuer” means a payment stablecoin issuer that has
17 received approval to operate under subsection (c).

18 (2) PUBLIC OFFICIAL.—The term “public offi-
19 cial” means an individual described in section
20 13103(f) of title 5, United States Code.

21 (3) SPECIAL GOVERNMENT EMPLOYEE.—The
22 term “special Government employee” has the mean-
23 ing given that term in section 202(a) of title 18,
24 United States Code.

1 (b) REQUIREMENT.—A permitted payment stablecoin
2 issuer shall ensure that no public official shall profit from
3 the issuance of payment stablecoins of the permitted pay-
4 ment stablecoin issuer.

5 (c) CERTIFICATION.—

6 (1) INITIAL CERTIFICATION.—To receive ap-
7 proval to operate as a permitted payment stablecoin
8 issuer, each payment stablecoin issuer shall submit
9 to the Director of the Office of Government Ethics
10 and the primary Federal payment stablecoin regu-
11 lator of the payment stablecoin issuer a certification
12 that no public official has a financial interest related
13 to a particular matter in which the public official
14 participates personally and substantially as a Gov-
15 ernment officer or employee, including as a special
16 Government employee, from the issuance of payment
17 stablecoins of the payment stablecoin issuer.

18 (2) RECERTIFICATION.—Not later than 90 days
19 after the issuance of the first payment stablecoin by
20 a permitted payment stablecoin issuer, and on a
21 quarterly basis thereafter, each permitted stablecoin
22 issuer shall submit to the Director of the Office of
23 Government Ethics and the primary Federal pay-
24 ment stablecoin regulator of the permitted payment
25 stablecoin issuer a certification that no public official

1 has a financial interest related to a particular mat-
2 ter in which the public official participates person-
3 ally and substantially as a Government officer or
4 employee, including as a special Government em-
5 ployee, from the issuance of payment stablecoins of
6 the permitted payment stablecoin issuer.

7 (3) PUBLIC DISCLOSURE.—The Director of the
8 Office of Government Ethics shall make the certifi-
9 cations submitted under paragraphs (1) and (2)
10 publicly available through databases maintained on
11 the official website of the Office of Government Eth-
12 ics.

13 (d) PENALTIES.—

14 (1) APPROVAL REVOCATION.—The primary
15 Federal payment stablecoin regulator of a permitted
16 payment stablecoin issuer that does not submit a
17 certification pursuant to subsection (c) shall revoke
18 the approval to operate of the permitted payment
19 stablecoin issuer.

20 (2) CRIMINAL PENALTY.—

21 (A) IN GENERAL.—Any person that sub-
22 mits a certification pursuant to subsection (c)
23 that is false shall be subject to the criminal
24 penalties set forth under section 1001 of title
25 18, United States Code.

1 (B) REFERRAL TO ATTORNEY GENERAL.—

2 If a Federal payment stablecoin regulator has
3 reason to believe that any person has violated
4 subsection (c), the Federal payment stablecoin
5 regulator shall refer the matter to the Attorney
6 General.

7 **SEC. 6. GAO REPORT TO CONGRESS.**

8 (a) DEFINITION.—In this section, the term “relevant
9 congressional committees” means—

10 (1) the Committee on Banking, Housing, and
11 Urban Affairs of the Senate;

12 (2) the Committee on Agriculture, Nutrition,
13 and Forestry of the Senate;

14 (3) the Committee on Homeland Security and
15 Governmental Affairs of the Senate;

16 (4) the Committee on Financial Services of the
17 House of Representatives;

18 (5) the Committee on Agriculture of the House
19 of Representatives; and

20 (6) the Committee on Oversight and Govern-
21 ment Reform of the House of Representatives.

22 (b) REPORT.—Not later than 360 days after the date
23 of enactment of this Act, the Comptroller General of the
24 United States shall submit to the relevant congressional
25 committees a report that contains recommendations to up-

1 date Federal laws relating to ethics and enforcement pro-
2 cedures relating to ethics in order to incorporate any regu-
3 latory frameworks relating to digital assets adopted on or
4 after the date of enactment of this Act.