

116TH CONGRESS  
1ST SESSION

# S. 1010

To amend title 18, United States Code, to establish criminal liability for negligent executive officers of major corporations, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

APRIL 3, 2019

Ms. WARREN introduced the following bill; which was read twice and referred to the Committee on the Judiciary

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## A BILL

To amend title 18, United States Code, to establish criminal liability for negligent executive officers of major corporations, 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 “Corporate Executive  
5 Accountability Act”.

6 **SEC. 2. CRIMINAL LIABILITY.**

7 (a) IN GENERAL.—Part I of title 18, United States  
8 Code, is amended by inserting after chapter 23 the fol-  
9 lowing:

1                   **“CHAPTER 24—CORPORATIONS**

“Sec.

“451. Negligence of executive officers.

2           **“§ 451. Negligence of executive officers**

3           “(a) DEFINITIONS.—In this section—

4                   “(1) the term ‘covered corporation’ means a  
5                   corporation that generates more than  
6                   \$1,000,000,000 in revenue on an annual basis; and

7                   “(2) the term ‘executive officer’ includes any in-  
8                   dividual who—

9                           “(A) is described in section 240.3b–7 of  
10                           title 17, Code of Federal Regulations, or any  
11                           successor regulation thereto; and

12                           “(B) by reason of the position of the indi-  
13                           vidual in the corporation, has the responsibility  
14                           and authority to take necessary measures to  
15                           prevent or remedy violations.

16           “(b) CRIMINAL LIABILITY.—

17                   “(1) IN GENERAL.—It shall be unlawful for an  
18                   executive officer of a covered corporation to neg-  
19                   ligently permit or fail to prevent a violation of law  
20                   described in paragraph (2).

21                   “(2) VIOLATIONS DESCRIBED.—A violation of  
22                   law described in this paragraph is—

23                           “(A) any criminal violation of Federal or  
24                           State law for which the covered corporation was

1 convicted or entered into a deferred or non-  
2 prosecution agreement;

3 “(B) any civil violation of Federal or State  
4 law—

5 “(i) for which the covered corporation  
6 was found liable or entered into a settle-  
7 ment agreement with any State or Federal  
8 agency; and

9 “(ii) that affects the health, safety, fi-  
10 nances, or personal data of—

11 “(I) not less than 1 percent of  
12 the population of the United States;  
13 or

14 “(II) not less than 1 percent of  
15 the population of a State; or

16 “(C) any criminal or civil violation of Fed-  
17 eral or State law, for which the covered cor-  
18 poration was convicted or found liable, as the  
19 case may be, that was committed while the cov-  
20 ered corporation was operating under a civil or  
21 criminal judgment of any court, a deferred  
22 prosecution or non-prosecution agreement, or  
23 settlement with any State or Federal agency re-  
24 lating to a different criminal or civil violation.

1 “(c) PENALTY.—Any executive officer who violates  
2 subsection (b) shall—

3 “(1) for a first offense, be fined in accordance  
4 with this title, imprisoned for not more than 1 year,  
5 or both; and

6 “(2) for a second or subsequent offense, be  
7 fined in accordance with this title, imprisoned for  
8 not more than 3 years, or both.”.

9 (b) TECHNICAL AND CONFORMING AMENDMENT.—  
10 The table of chapters in part I of title 18, United States  
11 Code, is amended by inserting after the item relating to  
12 chapter 23 the following:

“24. Corporations ..... 451”.

