

119TH CONGRESS
1ST SESSION

H. R. 1712

To amend chapter 131 of title 5, United States Code, with respect to prohibited financial transactions.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 27, 2025

Mr. LICCARDO (for himself, Mr. KHANNA, Ms. NORTON, Mr. MULLIN, Mr. GRIJALVA, Mr. THANEDAR, Mrs. TORRES of California, Mr. CARSON, Mr. SWALWELL, Mr. PETERS, Mr. SOTO, Ms. ELFRETH, Mr. GARAMENDI, Ms. BARRAGÁN, Mr. OLSZEWSKI, Mr. LIEU, Mr. GOLDMAN of New York, Mr. SMITH of Washington, and Mr. TURNER of Texas) introduced the following bill; which was referred to the Committee on Oversight and Government Reform, and in addition to the Committees on the Judiciary, and House Administration, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend chapter 131 of title 5, United States Code, with respect to prohibited financial transactions.

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 “Modern Emoluments
5 and Malfeasance Enforcement Act” or the “MEME Act”.

1 **SEC. 2. SENSE OF CONGRESS.**

2 It is the sense of Congress that Federal elected offi-
 3 cials must not utilize their position, granted by the trust
 4 of the public, for private financial gain. The issuance,
 5 sponsorship, or promotion of financial instruments by pub-
 6 lic office holders will deprive the public of the office hold-
 7 er's honest services, facilitate bribery by investors or pur-
 8 chasers, and result in public exploitation and corrupt for-
 9 eign influence. Members of Congress and the Executive
 10 Branch must not seek to use their public office to benefit
 11 financially; rather their positions are held in trust for the
 12 benefit of the American public.

13 **SEC. 3. PROHIBITED FINANCIAL TRANSACTIONS.**

14 (a) IN GENERAL.—Chapter 131 of title 5, United
 15 States Code, is amended by adding at the end the fol-
 16 lowing:

17 “SUBCHAPTER IV—FINANCIAL EXPLOI-
 18 TATION BY A PUBLIC OFFICE HOLDER

19 **“SEC. 13151. DEFINITIONS.**

20 “In this subchapter:

21 “(1) ADJACENT INDIVIDUAL.—The term ‘adja-
 22 cent individual’ means—

23 “(A) each officer or employee in the execu-
 24 tive branch holding a Senior Executive Service
 25 position (as defined under section 3132(a)(2));

1 “(B) each member of a uniformed service
2 whose pay grade is at or in excess of O–7 under
3 section 201 of title 37;

4 “(C) each officer or employee in any other
5 position determined by the Special Counsel of
6 the United States, in consultation with the Di-
7 rector of the Office of Government Ethics, to be
8 of equal classification to a position described in
9 subparagraph (A) or (B); or

10 “(D) the spouse or dependent child of any
11 individual described in subparagraph (A), (B),
12 or (C).

13 “(2) PROHIBITED FINANCIAL TRANSACTION.—

14 “(A) IN GENERAL.—The term ‘prohibited
15 financial transaction’ means the issuance, spon-
16 sorship, or promotion of a covered asset for pe-
17 cuniary gain.

18 “(B) COVERED ASSET.—The term ‘covered
19 asset’ means—

20 “(i) a security (as such term is de-
21 fined in section 3(a) of Securities Ex-
22 change Act of 1934);

23 “(ii) a security future (as such term is
24 defined in section 3(a) of Securities Ex-
25 change Act of 1934);

1 “(iii) a commodity (as defined in sec-
 2 tion 1a of the Commodity Exchange Act);

3 “(iv) a digital asset which can be sold
 4 for remuneration, including a
 5 cryptocurrency, a meme coin, a token, or a
 6 non-fungible token; or

7 “(v) any derivative, option, warrant,
 8 mutual fund, or exchange-traded fund of
 9 an asset described in clause (i), (ii), (iii),
 10 or (iv).

11 “(3) COVERED INDIVIDUAL.—The term ‘cov-
 12 ered individual’ means—

13 “(A) the President;

14 “(B) the Vice President;

15 “(C) a public official (as defined in section
 16 201(a) of title 18); or

17 “(D) the spouse or dependent child of any
 18 individual described in subparagraph (A), (B),
 19 or (C).

20 “(4) DEPENDENT CHILD.—The term dependent
 21 child has the meaning given the term in section
 22 13101.

23 **“SEC. 13152. PROHIBITION ON CERTAIN TRANSACTIONS.**

24 “(a) PROHIBITION.—Except as provided in sub-
 25 section (b), a covered individual or an adjacent individual

1 may not engage in or benefit from a prohibited financial
2 transaction—

3 “(1) during the term of service of the covered
4 individual or adjacent individual;

5 “(2) during the 180-day period prior to the
6 date on which the service of such covered individual
7 or adjacent individual commenced; or

8 “(3) during the 180-day period beginning on
9 the date on which the service of such covered indi-
10 vidual or adjacent individual is terminated.

11 “(b) ADJACENT INDIVIDUALS.—With respect to adja-
12 cent individuals, nothing in this section shall be construed
13 to limit the application of section 208 of title 18.

14 “(c) LIABILITY AND IMMUNITY.—For purposes of
15 any immunities to civil liability, any conduct comprising
16 or relating to a prohibited financial transaction under this
17 section shall be deemed an ‘unofficial act,’ and beyond the
18 scope of official duties.

19 **“SEC. 13153. CIVIL PENALTIES.**

20 “(a) CIVIL ACTION.—The Attorney General may
21 bring a civil action in any appropriate United States dis-
22 trict court against any covered individual or adjacent indi-
23 vidual who violates any provision of section 13152.

24 “(b) CONTINUING CONDUCT: Any act intended
25 to encourage the sale of a covered asset, including adver-

1 tisement, promotion, solicitation, marketing, or endorse-
2 ment of the covered asset, constitutes a violation of this
3 section.

4 “(c) CIVIL PENALTY.—The court in which any action
5 is brought under subsection (a) may assess against a cov-
6 ered individual or an adjacent individual a civil penalty
7 of not more than \$250,000.

8 “(d) DISGORGEMENT.—

9 “(1) IN GENERAL.—A covered individual or ad-
10 jacent individual shall disgorge to the Treasury of
11 the United States any profit from a prohibited fi-
12 nancial transaction or holding conducted in violation
13 of this section.

14 “(2) RETROACTIVE.—Disgorgement shall be re-
15 quired for any person who violates section 13152 re-
16 gardless of whether the issuance of the financial
17 asset transpired prior to the enactment of this Act.

18 “(e) PRIVATE RIGHT OF ACTION.—Notwithstanding
19 any contrary provision in any contract relating to the
20 asset, any investor, competitor, or other private party suf-
21 fering harm may bring an action in an appropriate district
22 court of the United States for any appropriate equitable
23 or declaratory relief, including monetary damages, with re-
24 spect to a violation of section 13152.”.

1 (b) CRIMINAL PENALTIES.—Chapter 11 of title 18,
2 United States is amended by adding at the end the fol-
3 lowing:

4 **“§ 228. Prohibited financial transactions**

5 “(a) BENEFIT FROM PROHIBITED FINANCIAL
6 TRANSACTION.—Where any covered individual or adjacent
7 individual knowingly violates any provision of section
8 13152 of title 5, and has either—

9 “(1) caused an aggregate loss of \$1,000,000 or
10 more to members of the public; or

11 “(2) benefitted financially, through profit, gain,
12 or advantage, directly or indirectly through family
13 members or business associates, from the sale, pur-
14 chase, or distribution of the covered asset issued in
15 violation of section 13152 of title 5,

16 shall be fined under this title or imprisoned for not more
17 than five years, or both.

18 “(b) BRIBERY.—Where any covered individual or ad-
19 jacent individual who knowingly violates any provision of
20 section 13152 of title 5, and directly or indirectly, cor-
21 ruptly demands, seeks, receives, accepts, or agrees to re-
22 ceive or accept anything of value personally or for any
23 other person or entity, in return for—

24 “(1) being influenced in the performance of any
25 official act;

1 “(2) being influenced to commit or aid in com-
 2 mitting, or to collude in, or allow, any fraud, or
 3 make opportunity for the commission of any fraud,
 4 on the United States; or

5 “(3) being induced to do or omit to do any act
 6 in violation of the official duty of such official or
 7 person,

8 shall be punished pursuant to section 201(b).

9 “(c) INSIDER TRADING.—Where any covered indi-
 10 vidual or adjacent individual who knowingly violates any
 11 provision of section 13152 of title 5, and violates section
 12 10(b) of the Securities Exchange Act of 1934, shall be
 13 subject to punished pursuant to section 201(b).

14 “(d) INTENT.—To incur criminal liability under this
 15 section, it is not required that the covered or adjacent indi-
 16 vidual intended to create an investment asset through the
 17 sponsorship, issuance, or promotion of the asset.

18 “(e) LIABILITY AND IMMUNITY.—For purposes of
 19 any immunities to civil and criminal liability, any conduct
 20 comprising or relating to a prohibited financial transaction
 21 under this section shall be deemed an unofficial act and
 22 beyond the scope of official duties.

23 “(f) DEFINITIONS.—In this section:

24 “(1) ADJACENT INDIVIDUAL.—The term ‘adja-
 25 cent individual’ means—

1 “(A) each officer or employee in the execu-
2 tive branch holding a Senior Executive Service
3 position (as defined under section 3132(a)(2));

4 “(B) each member of a uniformed service
5 whose pay grade is at or in excess of O–7 under
6 section 201 of title 37;

7 “(C) each officer or employee in any other
8 position determined by the Special Counsel of
9 the United States, in consultation with the Di-
10 rector of the Office of Government Ethics, to be
11 of equal classification to a position described in
12 subparagraph (A) or (B); or

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14 individual described in subparagraph (A), (B),
15 or (C).

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7 for remuneration, including a
8 cryptocurrency, a meme coin, a token, or a
9 non-fungible token; or

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20 individual described in subparagraph (A), (B),
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23 child has the meaning given the term in section
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