

Memorandum

To: Interested Parties
From: 20/20 Vision DC
Subj: TRUST Act One-Pager
Date: April 27, 2022

This memorandum outlines a model bill addressing Congressional stock trading issues. Reports and scandals, such as failed financial disclosures and insider trading among members and senior Congressional staff, have given rise to debate and bills to update the STOCK Act of 2012. We at 20/20 Vision have drafted the attached legislative text, with provisions intended to produce the best policy that is Congressionally viable, tentatively titled the TRUST Act, with a view to informing and helping achieve consensus for the ultimate compromise legislation.

Covered Persons

- Members of Congress, their spouses and dependents, and senior Congressional staff

Covered Investments

- Securities, commodities, futures, cryptocurrencies, derivatives, and any other investments secured through synthetic means

Excepted Investments

- Diversified and widely held mutual funds and diversified and widely held ETFs
- Treasury bills, notes, and bonds
- Primary compensation of spouse or dependent
- Investments in a Federal, State, or local government employee retirement plan
- Settlement Common Stock issued and as defined under the Alaska Native Claims Settlement Act
- Non-conflicted interest in small business concerns
- Investments required for ESG compliance

Trading Prohibition and Blind Trust Requirement

- Covered persons are not allowed to trade covered investments nor sit on for-profit boards
- Covered persons must place covered investments in a qualified blind trust or qualified diversified trust within 120-180 days
- The initial covered investments must be divested within 6 months of establishing the trust
- Public disclosures of certifications, blind trust agreements, and any changes to the agreement

Administration and Enforcement

- DOJ, SEC, and Office of Special Counsel will have the ability to conduct civil actions, levy a fine determined by the initial size of the investment and the number of repeated violations as well as on noncompliance
- A penalty including the disgorgement of any profits from violating investments
- Ethics Committees may provide interpretive guidance

We encourage questions and feedback on this proposal and are open to productive conversations on how to strengthen this bill. We hope this proposal can inform the final bill that Congress passes.