



*Proposal for*  
**Forbidding Trading and Restricting Holdings to Reinforce Integrity in  
Government and Hold Trust Act**

**Whereas**, recent revelations have shown that some members of Congress have engaged in activities that may give the appearance of impropriety, such as trading individual stocks and using insider information for personal financial gain;

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

**Section 1:** Short Title

This Act may be cited as the "FORTHRIGHT Act."

**Section 2:** Findings and Purpose

(a) Findings

Congress finds that insider trading and individual stock ownership by elected officials, their immediate family, and their staff undermines public trust and confidence in the integrity of government and creates an unfair advantage for those with access to nonpublic information or the ability to influence policy.

(b) Purpose

The purpose of this Act is to prohibit insider trading and individual stock ownership by elected officials, their immediate family, and their staff, to require reporting of certain financial transactions, and to establish penalties for violations.

**Section 3:** Definitions

For purposes of this Act:

(a) "Elected official" means a member of Congress, the President, the Vice President, and any other elected official of the United States government.

(b) "Insider trading" means the purchase or sale of a security in breach of a fiduciary duty or other relationship of trust and confidence, while in possession of material, nonpublic information about the security.

(c) "Material, nonpublic information" means information that a reasonable investor would consider important in making an investment decision, and that has not been disclosed to the general public.

(d) "Stock ownership" refers to the direct or indirect holding of financial instruments including individual stocks, securities, commodities, or derivatives thereof, by an elected official, their spouse, dependent children, or any other person living in the household of an elected official.

(e) "Qualified blind trust" refers to a trust established by an elected official that meets the requirements set forth by the Office of Government Ethics, where the official has no control over the management of the trust and is not informed of the trust's transactions.

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### **Section 4: Prohibition on Insider Trading and Stock Ownership**

- (a) No elected official, or any person acting on their behalf, shall engage in insider trading.
- (b) No elected official or their staff shall disclose material, nonpublic information to any person who is likely to use such information for insider trading or stock trading.
- (c) No elected official, or any person acting on their behalf, shall hold individual stocks or securities.
- (c) Elected officials and their staff shall divest or place their individual stocks and securities into a qualified blind trust within 90 days of taking office or assuming their position.

### **Section 5: Reporting of Financial Transactions**

- (a) Each elected official shall file with the appropriate ethics committee of their respective chamber a quarterly report disclosing all transactions made by their qualified blind trust involving securities, commodities, or other financial instruments, including the date of the transaction, the name and type of security, and the amount of the transaction.
- (b) The report shall be made publicly available on the official website of the appropriate ethics committee within 30 days of the end of the quarter.

### **Section 6: Penalties for Violations**

Any member of Congress or immediate family member who violates this Act shall be subject to a civil penalty of not less than \$10,000 and not more than \$1,000,000 for each violation.

### **Section 7: Effective Date**

This Act shall take effect 90 days after the date of its enactment.

### **Section 8: Severability**

If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby.

### **Section 9: Repeals**

Any provisions of existing laws or regulations that are inconsistent with this Act are hereby repealed to the extent of such inconsistency.

### **Section 10: Implementation**

The appropriate ethics committees of the House of Representatives and the Senate shall promulgate rules and regulations necessary to implement this Act within 60 days of its enactment.