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(Original Signature of Member)

119TH CONGRESS
2^D SESSION

H. R. _____

To amend chapter 131 of title 5, United States Code, to prohibit covered individuals from trading on prediction markets, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. BUDZINSKI introduced the following bill; which was referred to the Committee on _____

A BILL

To amend chapter 131 of title 5, United States Code, to prohibit covered individuals from trading on prediction markets, 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 “Preventing Real-time
5 Exploitation and Deceptive Insider Congressional Trading
6 Act” or the “PREDICT Act”.

1 **SEC. 2. RESTRICTIONS ON TRADING ON PREDICTION MAR-**
2 **KETS.**

3 (a) RESTRICTIONS.—Chapter 131 of title 5, United
4 States Code, is amended by adding at the end a new sub-
5 chapter:

6 “SUBCHAPTER IV—RESTRICTIONS ON TRADING
7 ON PREDICTION MARKETS

8 “§ 13151. Definitions

9 “In this subchapter:

10 “(1) COVERED INDIVIDUAL.—The term ‘cov-
11 ered individual’ means any of the following:

12 “(A) A Member of Congress as defined in
13 section 13101 of this title.

14 “(B) A dependent child as defined in such
15 section 13101 or a spouse of a Member of Con-
16 gress.

17 “(C) An individual or entity with fiduciary
18 duties and the authority to enter into or offer
19 to enter into an agreement, contract, or trans-
20 action with respect to prediction markets for
21 any individual described in subparagraphs (A)
22 or (B).

23 “(D) An officer or employee of the Con-
24 gress as defined in such section 13101.

25 “(E) The President.

26 “(F) The Vice President.

1 “(G) A political appointee.

2 “(H) Each officer or employee in the execu-
3 tive branch, including a special Government
4 employee, as defined in section 202 of title 18,
5 and any officer or employee of an independent
6 agency, who occupies a position classified above
7 GS–15 of the General Schedule or, in the case
8 of positions not under the General Schedule, for
9 which the rate of basic pay is equal to or great-
10 er than 120 percent of the minimum rate of
11 basic pay payable for GS–15 of the General
12 Schedule; each member of a uniformed service
13 whose pay grade is at or in excess of O–7 under
14 section 201 of title 37; and each officer or em-
15 ployee in any other position determined by the
16 Director of the Office of Government Ethics to
17 be of equal classification.

18 “(I) A judicial officer as defined in section
19 13101 of this title.

20 “(J) A judicial employee as defined in sec-
21 tion 13101 of this title.

22 “(2) INDEPENDENT AGENCY.—The term ‘inde-
23 pendent agency’ has the meaning given the term
24 ‘independent establishment’ as defined in section
25 104 of this title.

1 “(3) POLITICAL APPOINTEE.—The term ‘polit-
2 ical appointee’ means an individual—

3 “(A) occupying a position described under
4 sections 5312 through 5316 of this title (relat-
5 ing to the Executive Schedule);

6 “(B) serving under a noncareer appoint-
7 ment in the Senior Executive Service, as de-
8 fined under paragraph (7) of section 3132(a) of
9 this title; or

10 “(C) occupying a position in the executive
11 branch of the Government of a confidential or
12 policy-determining character under schedule C
13 of subpart C of part 213 of title 5, Code of
14 Federal Regulations.

15 “(4) SUPERVISING ETHICS OFFICE.—The term
16 ‘supervising ethics office’—

17 “(A) has the meaning given the term in
18 section 13101 of this title; and

19 “(B) in the case of an independent agency,
20 means the Office of Government Ethics.

21 **“§ 13152. Trading on prediction markets**

22 “(a) CONDUCT DURING FEDERAL SERVICE.—No
23 covered individual may enter into, or offer to enter into
24 an agreement, contract, or transaction that provides for
25 any purchase, sale, payment, or delivery that is dependent

1 on the occurrence, nonoccurrence, or the extent of the oc-
2 currence of a specific political event.

3 “(b) INTERPRETATIVE GUIDANCE.—The supervising
4 ethics office shall issue interpretive guidance on any rel-
5 evant term not defined in this subchapter.

6 **“§ 13153. Penalties**

7 “(a) IN GENERAL.—

8 “(1) PENALTIES.—Any covered individual who
9 violates the restrictions in section 13152 of this title
10 shall, at the direction of the supervising ethics of-
11 fice—

12 “(A) pay a fee equal to ten percent of the
13 value of the agreement, contract, or transaction
14 in violation; and

15 “(B) disgorge the profits of any agree-
16 ment, contract, or transaction that violates the
17 provisions of such section 13152.

18 “(2) PAYMENT OF PENALTY TO TREASURY.—A
19 penalty imposed under paragraph (1)(B) shall be
20 payable into the Treasury.

21 “(b) PAYMENT RESTRICTIONS.—A covered individual
22 may not pay any of the penalties under this section from
23 the following sources:

24 “(1) The Members’ Representational Allowance.

1 “(2) The Senators’ Official Personnel and Of-
2 fice Expense Account.

3 “(3) Any contribution (as defined in section
4 301(8) of the Federal Election Campaign Act of
5 1971 (52 U.S.C. 30101(8))) accepted as a can-
6 didate, and any other donation received as support
7 for activities of the individual as a holder of Federal
8 office.

9 “(4) Any other source of funds, other than a
10 salary, available to such individual through employ-
11 ment or service in the Federal Government.

12 “(c) PUBLICATION.—Each supervising ethics office
13 shall publish on a publicly available website a description
14 of—

15 “(1) each fine assessed by the supervising eth-
16 ics office pursuant to this section;

17 “(2) the reason why each such fine was as-
18 sessed; and

19 “(3) the result of each assessment.”.

20 (b) TABLE OF CONTENTS.—The table of contents for
21 chapter 131 of title 5, United States Code, is amended
22 by adding at the end the following:

SUBCHAPTER IV. RESTRICTIONS ON TRADING ON PREDICTION MARKETS

13151. Definitions.

13152. Trading on prediction markets.

13153. Penalties.