

[DISCUSSION DRAFT]

115TH CONGRESS
2^D SESSION

H. R. _____

To amend the Federal Reserve Act to establish requirements for salaries, financial disclosures, and office staff of the Board of Governors of the Federal Reserve System, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

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

A BILL

To amend the Federal Reserve Act to establish requirements for salaries, financial disclosures, and office staff of the Board of Governors of the Federal Reserve System, 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. SALARIES, FINANCIAL DISCLOSURES, AND OF-**
4 **FICE STAFF OF THE BOARD OF GOVERNORS**
5 **OF THE FEDERAL RESERVE SYSTEM.**

6 (a) IN GENERAL.—Section 11 of the Federal Reserve
7 Act (12 U.S.C. 248) is amended—

1 (1) by redesignating the second subsection (s)
2 (relating to “Assessments, Fees, and Other Charges
3 for Certain Companies”) as subsection (t); and

4 (2) by adding at the end the following new sub-
5 sections:

6 “(u) ETHICS STANDARDS FOR MEMBERS AND EM-
7 PLOYEES.—

8 “(1) PROHIBITED AND RESTRICTED FINANCIAL
9 INTERESTS AND TRANSACTIONS.—The members and
10 employees of the Board of Governors of the Federal
11 Reserve System shall be subject to the provisions
12 under section 4401.102 of title 5, Code of Federal
13 Regulations, to the same extent as such provisions
14 apply to an employee of the Securities and Exchange
15 Commission.

16 “(2) TREATMENT OF BROKERAGE ACCOUNTS
17 AND AVAILABILITY OF ACCOUNT STATEMENTS.—The
18 members and employees of the Board of Governors
19 of the Federal Reserve System shall—

20 “(A) disclose all brokerage accounts that
21 the member or employee maintains, as well as
22 any accounts in which the member or employee
23 controls trading or has a financial interest (in-
24 cluding managed accounts, trust accounts, in-
25 vestment club accounts, and accounts of

1 spouses or minor children who live with the
2 member or employee); and

3 “(B) with respect to any securities account
4 that the member or employee is required to dis-
5 close to the Board of Governors, authorize the
6 brokers and dealers of such account to send du-
7 plicate account statements directly to Board of
8 Governors.

9 “(3) PROHIBITIONS RELATED TO OUTSIDE EM-
10 PLOYMENT AND ACTIVITIES.—The members and em-
11 ployees of the Board of Governors of the Federal
12 Reserve System shall be subject to the prohibitions
13 related to outside employment and activities de-
14 scribed under section 4401.103(c) of title 5, Code of
15 Federal Regulations, to the same extent as such pro-
16 hibitions apply to an employee of the Securities and
17 Exchange Commission.

18 “(4) ADDITIONAL ETHICS STANDARDS.—The
19 members and employees of the Board of Governors
20 of the Federal Reserve System shall be subject to—

21 “(A) the employee responsibilities and con-
22 duct regulations of the Office of Personnel
23 Management under part 735 of title 5, Code of
24 Federal Regulations;

1 “(B) the canons of ethics contained in sub-
2 part C of part 200 of title 17, Code of Federal
3 Regulations, to the same extent as such subpart
4 applies to the employees of the Securities and
5 Exchange Commission; and

6 “(C) the regulations concerning the con-
7 duct of members and employees and former
8 members and employees contained in subpart M
9 of part 200 of title 17, Code of Federal Regula-
10 tions, to the same extent as such subpart ap-
11 plies to the employees of the Securities and Ex-
12 change Commission.

13 “(v) DISCLOSURE OF STAFF SALARIES AND FINAN-
14 CIAL INFORMATION.—The Board of Governors of the Fed-
15 eral Reserve System shall make publicly available, on the
16 website of the Board of Governors, a searchable database
17 that contains the names of all members, officers, and em-
18 ployees of the Board of Governors who receive an annual
19 salary in excess of the annual rate of basic pay for GS-
20 15 of the General Schedule, and—

21 “(1) the yearly salary information for such indi-
22 viduals, along with any nonsalary compensation re-
23 ceived by such individuals; and

24 “(2) any financial disclosures required to be
25 made by such individuals.”.

1 (b) OFFICE STAFF FOR EACH MEMBER OF THE
2 BOARD OF GOVERNORS.—Subsection (l) of section 11 of
3 the Federal Reserve Act (12 U.S.C. 248) is amended by
4 adding at the end the following: “Each member of the
5 Board of Governors of the Federal Reserve System may
6 employ, at a minimum, 2 individuals, with such individuals
7 selected by such member and the salaries of such individ-
8 uals set by such member. A member may employ addi-
9 tional individuals as determined necessary by the Board
10 of Governors.”.