

[DISCUSSION DRAFT]

116TH CONGRESS
2^D SESSION

H. R. _____

To enhance civil penalties under the Federal securities laws for violations related to an attempt to exploit investors related to the COVID–19 crisis, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

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

A BILL

To enhance civil penalties under the Federal securities laws for violations related to an attempt to exploit investors related to the COVID–19 crisis, 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. CIVIL PENALTIES FOR COVID–19 SCAMS.**

4 (a) IN GENERAL.—Section 2 shall apply in an admin-
5 istrative proceeding instituted by the Securities and Ex-
6 change Commission under the Federal securities laws or
7 in a civil action brought by the Commission under the
8 Federal securities laws, if—

1 (1) a violation of the Federal securities laws is
2 established; and

3 (2) there is a separate finding, by a preponder-
4 ance of the evidence, that the violation was an at-
5 tempt to exploit investors related to the COVID–19
6 crisis.

7 (b) INCREASE IN PENALTY AMOUNT.— The range of
8 civil money penalties authorized under the Federal securi-
9 ties laws are increased by 50 percent.

10 (c) FEDERAL SECURITIES LAWS DEFINED.—In this
11 section, the term “Federal securities laws” has the mean-
12 ing given that term under section 3 of the Securities Ex-
13 change Commission Act of 1934.