

United States Senate

SELECT COMMITTEE ON ETHICS
HART SENATE OFFICE BUILDING, ROOM 220
SECOND AND CONSTITUTION AVENUE, NE
WASHINGTON, DC 20510-6425

April 17, 2012

Dear Colleague:

The Stop Trading on Congressional Knowledge Act of 2012, the “STOCK Act,” was signed into law on April 4, 2012 and includes new requirements for Senators and staff, some of which are already in effect.

In an effort to help you and your staff understand and comply with the STOCK Act, the Committee will issue guidance in the weeks ahead, beginning with this letter, which describes the requirements you must comply with now and provides a timeline outlining when all the provisions of the new law will go into effect.

New STOCK Act Requirements Effective Immediately

1. Starting with the Financial Disclosure Report (FDR) due on May 15, 2012, Senators must now disclose all mortgages for personal residences on Part VII of their annual FDRs. This requirement applies **only** to Senators, who must provide the name and address of the creditor; the type of liability (an initial mortgage or refinance, home equity loan, or home equity line of credit); the date it was incurred; the interest rate and any discount points used to pay down the rate; the term or duration; and the range of value. Senators are free to note on the form that the liability relates to their personal residence, but they should not include their address.

2. Senators, officers, and employees who file a FDR because their salaries are at least \$119,554 may not purchase securities as part of an initial public offering (IPO) in a manner “other than is available to the members of the public generally.”

3. All Senators, officers, and employees who file a FDR because their salaries are at least \$119,554 must now disclose negotiations or agreements for future employment within three days to the Committee, and all filers – including Senators – are now subject to recusal “whenever there is a conflict of interest, or appearance of a conflict of interest,” between their employment negotiations and their official duties. Previously, the disclosure requirement applied only to Senators and “senior staff” earning at least 75% of a Senator’s salary (currently, \$130,500). The Committee will soon be issuing new disclosure forms and instructions regarding employment negotiations and recusal.

STOCK Act Timeline of New Requirements

New Requirements Effective April 4, 2012

- Disclosure of a liability on a personal residence – **Senators only**
- Prohibition on purchasing securities through an IPO for all Senate filers who earn at least \$119,554
- Future employment disclosure and recusal for all Senate filers who earn at least \$119,554

Effective for Transactions Executed Beginning on and After July 3, 2012

- Unless you have a blind trust, you will be required to promptly report any financial transaction in excess of \$1,000. This applies to all Senate filers who earn at least \$119,554 (forms and instructions to follow). The report must be filed with the Office of Public Records no later than 30 days after receiving notification of the transaction, “but in no case later than 45 days after such transaction.”

Effective No Later Than August 31, 2012

- Public disclosure of all financial disclosure forms of Senators, officers, employees, and candidates submitted in CY 2012 on the Secretary of the Senate’s website

Within 18 months

- Electronic filing and disclosure of all financial disclosure forms of Senators, officers, employees, and candidates in a format that can be searched, sorted, and downloaded

If you need specific advice and guidance about the new requirements, please call the Ethics Committee at (202) 224-2981.

Sincerely,



Barbara Boxer
Chairman



Johnny Isakson
Vice Chairman