[DISCUSSION DRAFT]

116TH CONGRESS
2D 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

[ ] 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.

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

SECTION 1. CIVIL PENALTIES FOR COVID–19 SCAMS.

(a) In General.—Section 2 shall apply in an admin-
istrative proceeding instituted by the Securities and Ex-
change Commission under the Federal securities laws or
in a civil action brought by the Commission under the
Federal securities laws, if—
(1) a violation of the Federal securities laws is established; and

(2) there is a separate finding, by a preponderance of the evidence, that the violation was an attempt to exploit investors related to the COVID–19 crisis.

(b) Increase in Penalty Amount.—The range of civil money penalties authorized under the Federal securities laws are increased by 50 percent.

(c) Federal Securities Laws Defined.—In this section, the term “Federal securities laws” has the meaning given that term under section 3 of the Securities Exchange Commission Act of 1934.