

ETHICS REFORMS

HR1/S1 • FOR THE PEOPLE ACT

HR1/S1, the For the People Act, is a democracy reform bill that was reintroduced in the House of Representatives on January 4, 2021. This document examines some — but by no means all — of the significant measures included in this bill related to ethics reforms.



Why do we need ethics reforms?

The basic [premise of equality is threatened when ethical standards are ignored to provide power and privilege to some at the disadvantage of others](#). Transparency in government shines a light on the actions of institutions to instill faith that they are, in fact, working for the greater good of our nation. While historically there have been political norms to guide ethical conduct, recent events have shown [a need for codification into law to ensure ethical behavior in all branches of our government](#).

Recent experience has laid bare the [distrust created when individuals serving at high levels of government do not reveal their financial ties nor their conflicts of interest](#). Mistrust continues when the president and vice president are exempt from federal conflict of interest laws, leaving a nation with no recourse against potential bad actors in positions of power. Without strong ethics guidelines, self-interested individuals can abuse public trust by using the government to advance their own interests, resulting in oppression and an imbalance of power.

HR1/S1 includes many important ethics reforms that are nonpartisan by nature. The success of our democracy depends on trust in our government and in our fellow Americans. It also depends on individuals at all levels of the federal government whose loyalty to the Constitution outweighs their self-interest or partisan priorities. Current laws are insufficient to hold elected officials to high ethical standards. Unfortunately, abuses of power and conflicts of interest have been widespread, and [public trust in the government has been at record lows for years](#).

Ethics reforms are essential in order to

promote transparency

...

prevent abuse of power and conflicts of interest

...

hold government officials accountable

...

improve public trust in the federal government

Which of MWEG's Principles of Ethical Government apply to ethics reforms?

- 1(a) People in positions of power should not lightly violate or discard long-standing political norms, especially norms that serve to limit the abuse of power (see D&C 121:39).
- 1(b) Government officials and institutions should be honest and transparent, insofar as possible without harming national security and individual rights (see D&C 123:13; Alma 37:25).
- 1(c) Elected and appointed officials and government employees alike must eschew conflicts of interest and avoid the appearance of a conflict of interest in fidelity to the public trust. Appointees to specialized government roles should be well-qualified to serve in those roles (see Mosiah 29:35-36 and D&C 134:3).
- 1(e) Government institutions and political norms that promote deliberation, reduce polarization, and stimulate compromise among competing perspectives should be safeguarded and, where lacking, adopted (see 3 Nephi 7:1-6 and 4 Nephi 1:15-17).

MWEG's understanding of ethical government is reflected in a set of governing principles organized around three basic concepts:

1 • the government's duty to adhere to the rule of law

2 • the human and civil rights of all people

3 • the civic duties and mutual accountability to people one toward another

How does HR1/S1 protect against presidential conflicts of interest?

While the disclosure of presidential tax returns was a long-standing political norm, HR1 would codify that norm into law to ensure the American people's right to transparency.

HR1/S1

- Requires the president and vice president to either meet new disclosure requirements or divest personal financial interests that pose a conflict of interest within 30 days of taking office
- Requires all presidential appointees to recuse themselves from matters in which the president or the president's spouse have substantial interests
- Requires candidates for president or vice president to disclose their individual tax returns and certain business tax returns, which would then be made publicly available
- Prohibits the award of federal contracts to any business controlled by the president, vice president, or those in any cabinet-level positions (and their spouses)

How does HR1/S1 improve the enforcement of executive branch ethics rules?

HR1/S1 limits the president's ability to remove the director of the Office of Government Ethics (OGE — the independent agency within the executive branch that is responsible for policies relating to the prevention of conflict of interest) before their term ends without a valid reason.

HR1/S1

- Requires all senior executive branch employees to sign an ethics pledge, which includes a lobbyist gift ban, a revolving door ban, an employment qualification commitment, and an agreement to enforcement
- Authorizes the OGE to conduct formal investigations of allegations of ethics violations
- Gives the OGE the ability to issue subpoenas and to review and approve recusals, exemptions, and waivers for conflict of interests laws
- Clarifies that all federal employees, including White House staff, are subject to OGE ethics regulations

How does HR1/S1 protect against foreign interference in American politics?

The Foreign Agent Registration Act of 1938 (FARA) was designed to promote transparency and protect American politics from foreign influence by requiring agents of foreign powers who engage in political activities to publicly disclose their relationship to that foreign principal. However, recent evidence shows that FARA [is significantly underenforced, and compliance is low](#). The Lobbying Disclosure Act of 1995 (LDA) requires the registration of lobbyists and disclosure of certain lobbying-related activities; however, it also provides a concerning [exemption by allowing foreign governments to hire lobbying firms without individuals registering as lobbyists](#). This limits transparency and creates vulnerabilities to foreign interference in our politics.

HR1/S1

- Establishes a FARA investigation and enforcement unit within the Department of Justice and authorizes civil penalties for violations of FARA
- Requires agents of foreign principals registered under FARA to disclose transactions of anything of financial value given to officeholders
- Reforms the LDA to expand the definition of lobbying activities to close existing loopholes
- Reduces the threshold of time spent on lobbying at which individuals must register as lobbyists under the LDA
- Requires lobbyists to disclose their status as lobbyists when they have any contact with public officials
- Prohibits receiving any compensation for lobbying done on behalf of countries with government-led human rights violations
- Promotes transparency by creating an online database of registration statements from both FARA and the LDA, to which the public has access

How does HR1/S1 limit the “revolving door” between government and industry?

The “revolving door” is used to refer to the movement of high-level officials from public sector jobs to private sector jobs and vice versa. This can refer to politicians becoming lobbyists (and vice versa) or political appointees becoming private employees seeking government contracts (and vice versa). While impossible and perhaps undesirable to completely close the “revolving door,” this frequent movement between public and private sectors creates both [conflicts of interest and undue influence on the government](#).

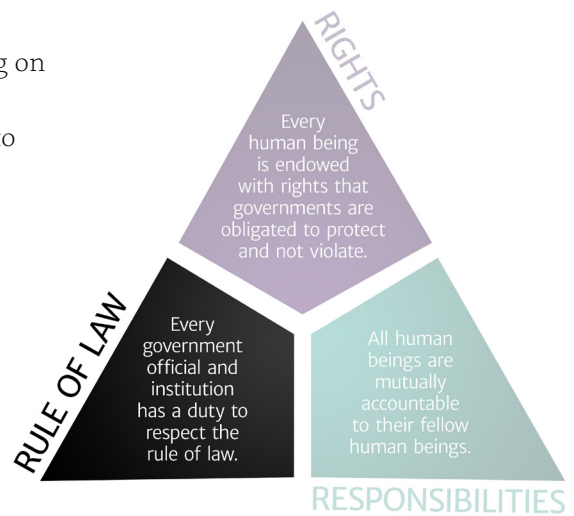
HR1/S1

- Increases the “cooling off” period prohibiting federal officials from granting government contracts to former employers from one to two years after leaving the company
- Increases the “cooling off” period prohibiting individuals from working for a company to which they previously awarded a government contract from one to two years after leaving government service
- Prohibits private corporations from giving incentive bonuses to any individual entering or leaving government service

How does HR1/S1 strengthen congressional ethical standards?

HR1/S1

- Prohibits members of the House of Representatives from serving on boards of for-profit entities, a ban that already applies to senators
- Prohibits any member of Congress from introducing or helping to pass any legislation in which they or their family have particular financial interests
- Improves transparency by making all reports required by Congress available to the public online



Are there other ethics reforms included in this bill?

This document is unable to address all the ethics reforms measures in HR1/S1, but a few other reforms of note are listed below. Currently, the Supreme Court justices are the only federal or state judges who are not subject to a written code of ethics. Additionally, there is no existing ethics code that applies to a presidential transition team. HR1/S1 would end these discrepancies.

HR1/S1

- Requires a code of ethical conduct to be developed for all federal judges, which also applies to Supreme Court justices
- Requires a regular report of the direct and indirect costs of presidential travel (including the president's family) be submitted to the Department of Defense
- Requires cabinet members and senior government officials to disclose political contributions they made or solicited
- Requires affirmations from presidential transition team members that they have no financial conflicts of interest