Executives at large corporations are rarely held accountable for wrongdoing—even when their conduct harms millions of Americans. Ten years after the financial crisis no big bank CEO has gone to jail. Two CEOs of Wells Fargo, meanwhile, walked away to plush retirements after their bank opened 3.5 million fake accounts, wrongly foreclosed on hundreds of homeowners, and illegally repossessed thousands of cars. The CEO of Equifax also retired after allowing criminals to steal the Social Security numbers of 145 million Americans.

Corporate executives often escape prosecution because it is hard to demonstrate that they are personally aware of all their company’s actions—and establishing knowledge is a critical element of proving most crimes. However, some Federal laws, including the Food, Drug, and Cosmetic Act, and the Clean Air Act already impose criminal liability on corporate leaders when a company’s negligence causes massive harm—regardless of whether leaders personally approved actions that broke the law.

Giant corporations of all kinds now pose this same risk to American families. The Corporate Executive Accountability Act builds on these existing statutes and makes it easier to send executives to jail for serious crimes by expanding criminal liability to negligent executives of corporations with more than $1 billion in annual revenue who:

- Are found guilty, plead guilty, or enter into a deferred or non-prosecution agreement for any crime.
- Are found liable or enter a settlement with any state or Federal regulator for the violation of any civil law if that violation affects the health, safety, finances, or personal data of 1% of the American population or 1% of the population of any state.
- Are found liable or guilty of a second civil or criminal violation for a different activity while operating under a civil or criminal judgment of any court, a deferred prosecution or non-prosecution agreement, or settlement with any state or Federal agency.

Punishment for such a violation will be up to a year in jail, while a second violation carries up to three years in jail, consistent with the Food, Drug and Cosmetic Act.

This new proposal complements Senator Warren’s Ending Too Big to Jail Act, which makes it easier to hold financial executives accountable by:

- Creating a permanent investigative unit for financial crimes within the Treasury Department by giving the Special Inspector General for the bailout a new mission - prosecuting financial crimes.
- Requiring executives at big larger than $10 billion to certify that there is no criminal conduct or civil fraud within the institution, making it easier to prove wrongdoing if it is later discovered.
- Putting deferred prosecution agreements under the jurisdiction of judges so that they can ensure that the agreements are in the public interest and can supervise their implementation.

The Corporate Executive Accountability Act has been endorsed by Public Citizen, Americans for Financial Reform, Take On Wall Street, and the Consumer Federation of America.