To amend title 18, United States Code, to establish criminal liability for negligent executive officers of major corporations, and for other purposes.

IN THE SENATE OF THE UNITED STATES

introduced the following bill; which was read twice and referred to the Committee on ______________

A BILL

To amend title 18, United States Code, to establish criminal liability for negligent executive officers of major corporations, 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. SHORT TITLE.

This Act may be cited as the “Corporate Executive
Accountability Act”.

SEC. 2. CRIMINAL LIABILITY.

(a) In General.—Part I of title 18, United States
Code, is amended by inserting after chapter 23 the fol-
lowing:
"CHAPTER 24—CORPORATIONS"


"§ 451. Negligence of executive officers

“(a) DEFINITIONS.—In this section—

“(1) the term ‘covered corporation’ means a corporation that generates more than $1,000,000,000 in revenue on an annual basis; and

“(2) the term ‘executive officer’ includes any individual who—

“(A) is described in section 240.3b–7 of title 17, Code of Federal Regulations, or any successor regulation thereto; and

“(B) by reason of the position of the individual in the corporation, has the responsibility and authority to take necessary measures to prevent or remedy violations.

“(b) CRIMINAL LIABILITY.—

“(1) IN GENERAL.—It shall be unlawful for an executive officer of a covered corporation to negligently permit or fail to prevent a violation of law described in paragraph (2).

“(2) VIOLATIONS DESCRIBED.—A violation of law described in this paragraph is—

“(A) any criminal violation of Federal or State law for which the covered corporation was
convicted or entered into a deferred or non-
prosecution agreement;

“(B) any civil violation of Federal or State
law—

“(i) for which the covered corporation
was found liable or entered into a settle-
ment agreement with any State or Federal
agency; and

“(ii) that affects the health, safety, fi-
nances, or personal data of—

“(I) not less than 1 percent of
the population of the United States; or

“(II) not less than 1 percent of
the population of a State; or

“(C) any criminal or civil violation of Fed-
eral or State law, for which the covered cor-
poration was convicted or found liable, as the
case may be, that was committed while the cov-
ered corporation was 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 re-
lating to a different criminal or civil violation.
“(c) PENALTY.—Any executive officer who violates subsection (b) shall—

“(1) for a first offense, be fined in accordance with this title, imprisoned for not more than 1 year, or both; and

“(2) for a second or subsequent offense, be fined in accordance with this title, imprisoned for not more than 3 years, or both.”.

(b) TECHNICAL AND CONFORMING AMENDMENT.—

The table of chapters in part I of title 18, United States Code, is amended by inserting after the item relating to chapter 23 the following:

“24. Corporations ................................................................. 451”.