118TH CONGRESS
1ST SESSION

H. R. 788

To limit donations made pursuant to settlement agreements to which the United States is a party, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

February 2, 2023

Mr. Gooden of Texas (for himself, Mr. DesJarlais, Mr. Tiffany, Mr. Norman, Mr. Moolenaar, Mr. Luetkemeyer, Mr. Perry, Mr. Issa, Mr. Weber of Texas, Mr. Biggs, Ms. Tenney, Mr. Ellzey, Mr. Palmer, and Mr. Cline) introduced the following bill; which was referred to the Committee on the Judiciary

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A BILL

To limit donations made pursuant to settlement agreements to which the United States is a party, and for other purposes.

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

3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the “Stop Settlement Slush
5 Funds Act of 2023”.
SEC. 2. LIMITATION ON DONATIONS MADE PURSUANT TO
SETTLEMENT AGREEMENTS TO WHICH THE
UNITED STATES IS A PARTY.

(a) LIMITATION ON REQUIRED DONATIONS.—An of-
official or agent of the Government may not enter into or
enforce any settlement agreement on behalf of the United
States directing or providing for a payment to any person
or entity other than the United States, other than a pay-
ment that provides restitution for or otherwise directly
remedies actual harm (including to the environment) di-
rectly and proximately caused by the party making the
payment, or constitutes payment for services rendered in
connection with the case.

(b) PENALTY.—Any official or agent of the Govern-
ment who violates subsection (a), shall be subject to the
same penalties that would apply in the case of a violation
of section 3302 of title 31, United States Code.

(c) EFFECTIVE DATE.—Subsections (a) and (b)
apply only in the case of a settlement agreement entered
on or after the date of enactment of this Act.

(d) DEFINITION.—The term “settlement agreement”
means a settlement agreement resolving a civil action or
potential civil action.

(e) REPORTS ON SETTLEMENT AGREEMENTS.—

(1) IN GENERAL.—Not later than at the end of
the first fiscal year that begins after the date of en-
actment of this Act, and annually thereafter, the
head of each Federal agency shall submit electroni-
cally to the Congressional Budget Office a report on
each settlement agreement entered into by that
agency during that fiscal year that directs or pro-
vides for a payment to a person or entity other than
the United States that is providing restitution for or
otherwise directly remedies actual harm (including
to the environment) directly and proximately caused
by the party making the payment, or that con-
stitutes payment for services rendered in connection
with the case, which shall include the parties to each
settlement agreement, the source of the settlement
funds, and where and how such funds were and will
be distributed.

(2) PROHIBITION ON ADDITIONAL FUNDING.—
No additional funds are authorized to be appro-
priated to carry out this subsection.

(3) SUNSET.—This subsection shall cease to be
effective on the date that is 7 years after the date
of enactment of this Act.

(f) ANNUAL AUDIT REQUIREMENT.—

(1) IN GENERAL.—Not later than at the end of
the first fiscal year that begins after the date of en-
actment of this Act, and annually thereafter, the In-
Spectator General of each Federal agency shall submit
a report on any settlement agreement entered into
in violation of this section by that agency to—

(A) the Committee on the Judiciary, the
Committee on the Budget, and the Committee
on Appropriations of the Senate; and

(B) the Committee on the Judiciary, the
Committee on the Budget, and the Committee
on Appropriations of the House of Representa-
tives.

(2) Prohibition on additional funding.—
No additional funds are authorized to be appro-
priated to carry out this subsection.