

119TH CONGRESS
2D SESSION

S. 4978

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

IN THE SENATE OF THE UNITED STATES

JULY 14, 2026

Mr. TUBERVILLE (for himself, Mr. JOHNSON, Mr. BUDD, Mr. LEE, and Mr. SCOTT of Florida) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

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 2026”.

1 **SEC. 2. LIMITATION ON DONATIONS MADE PURSUANT TO**
2 **SETTLEMENT AGREEMENTS TO WHICH THE**
3 **UNITED STATES IS A PARTY.**

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

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

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

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

24 (e) **REPORTS ON SETTLEMENT AGREEMENTS.**—

25 (1) **IN GENERAL.**—Not later than the end of
26 the first fiscal year that begins after the date of en-

1 actment of this Act, and annually thereafter, the
2 head of each Federal agency shall submit electroni-
3 cally to the Congressional Budget Office a report on
4 each settlement agreement entered into by that
5 agency during that fiscal year that directs or pro-
6 vides for a payment to a person or entity other than
7 the United States that is providing restitution for or
8 otherwise directly remedies actual harm (including
9 to the environment) directly and proximately caused
10 by the party making the payment, or that con-
11 stitutes payment for services rendered in connection
12 with the case, which shall include the parties to each
13 settlement agreement, the source of the settlement
14 funds, and where and how such funds were and will
15 be distributed.

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

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

22 (f) ANNUAL AUDIT REQUIREMENT.—

23 (1) IN GENERAL.—Not later than the end of
24 the first fiscal year that begins after the date of en-
25 actment of this Act, and annually thereafter, the In-

1 spector General of each Federal agency shall submit,
2 and make available on a publicly accessible website,
3 a report on any settlement agreement entered into
4 in violation of this section by that agency to—

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

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

12 (2) PROHIBITION ON ADDITIONAL FUNDING.—

13 No additional funds are authorized to be appro-
14 priated to carry out this subsection.

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