

I thank Congresswoman TORRES for introducing this important piece of legislation that addresses security at our nation's ports.

H.R. 3101 requires the Department of Homeland Security (DHS) to facilitate increased information sharing about cybersecurity among maritime interests.

The bill requires DHS to:

Develop, implement, and continually review a maritime cybersecurity risk assessment model to evaluate current and future cybersecurity risks;

Seek input from at least one information sharing and analysis organization representing maritime interests in the National Cybersecurity and Communications Integration Center;

Establish voluntary reporting guidelines for maritime-related cybersecurity risks and incidents;

Request that the National Maritime Security Advisory Committee report and make recommendations to DHS about methods to enhance cybersecurity and information sharing among security stakeholders from federal, state, local, and tribal governments; public safety and emergency response agencies; law enforcement and security organizations; maritime industry participants; port owners and operators; and maritime terminal owners and operators; and

Ensure that maritime security risk assessments include cybersecurity risks to ports and the maritime border of the United States.

As a senior member of the House Committee on Homeland Security and former Ranking Member of the Committee's Subcommittee on Border and Maritime Security, I am well aware of the hard work that the Houston Port Authority, and the Department of Homeland Security has done to secure the port, its workers, and the millions of tons of imports and exports that traverse the waters of the Port of Houston each week.

According to the U.S. Department of Transportation the U.S. maritime border covers 95,000 miles of shoreline with 361 seaports.

Ocean transportation accounts for 95 percent of cargo tonnage that moves in and out of the country, with 8,588 commercial vessels making 82,044 port calls in 2015.

The Port of Houston is a 25-mile-long complex of diversified public and private facilities located just a few hours' sailing time from the Gulf of Mexico.

In 2012, ship channel-related businesses contributed 1,026,820 jobs and generated more than \$178.5 billion in statewide economic activity.

In 2014, among U.S. ports the Port of Houston was ranked:

1st in foreign tonnage;

Largest Texas port with 46 percent of market share by tonnage and 95 percent market share in containers by total TEUS in 2014;

Largest Gulf Coast container port, handling 67 percent of U.S. Gulf Coast container traffic in 2014;

2nd in total foreign cargo value (based on U.S. Dept. of Commerce, Bureau of Census).

The Government Accountability Office (GAO) reports that the Port of Houston port, and its waterways, and vessels are part of an economic engine handling more than \$700 billion in merchandise annually.

The Port of Houston houses approximately 100 steamship lines offering services that link Houston with 1,053 ports in 203 countries.

The Port of Houston is a \$15 billion petrochemical complex, the largest in the nation and second largest worldwide.

These statistics clearly communicate the potential for a terrorist attack using nuclear or radiological material may in some estimations be low, but should an attack occur the consequences would be catastrophic, and for this reason we cannot be lax in our efforts to deter, detect and defeat attempts by terrorists to perpetrate such a heinous act of terrorism.

The Department of Homeland Security (DHS) plays an essential role in domestic defense against the potential smuggling of a weapon of mass destruction in a shipping container or the use of a bomb-laden small vessel to carry out an attack at a port.

Earlier this year, a global malware attack occurred that caused significant harm to international shipping giant A.P. Moller-Maersk.

That attack revealed serious vulnerabilities in our nation's maritime security, which is still being assessed.

The only way port operations were able to resume following the attack at one of our nation's busiest ports was to revert to a manual system to process cargo and ships.

This was not the first time that cyber criminals used technology against port operations.

Approximately \$1.3 trillion in cargo passes through our nation's 360 commercial ports.

The convenience, precision and accuracy provided by digital technology in processing cargo through our nation's ports adds to their capacity to manage tonnage.

Securing cyber technology to manage port operations, ranging from communication and navigation to engineering, safety, and cargo, is critical to protect our nation's maritime cyber infrastructure.

Government leaders and security experts are concerned that the maritime transportation system could be used by terrorists to smuggle personnel, weapons of mass destruction, or other dangerous materials into the United States.

They are also concerned that ships in U.S. ports, particularly large commercial cargo ships or cruise ships, could be attacked by terrorists.

A large-scale terrorist attack at a U.S. port, experts warn, could not only cause local death and damage, but also paralyze global maritime commerce.

This is of particular concern at the Port of Houston, which is the busiest port in the nited States in terms of foreign tonnage, second-busiest in the United States in terms of overall tonnage, and fifteenth-busiest in the world.

DHS, through U.S. Customs and Border Protection, the Transportation Security Administration, and the U.S. Coast Guard, administers several essential programs that secure our Nation's ports and waterways.

I include in the RECORD a letter dated March 30, 2017, that I sent to the Chair and Ranking Member of the Committee on Homeland Security requesting a field hearing on the topic of port security.

I ask my colleagues join me in voting to pass H.R. 3101, the Strengthening Cybersecurity Information Sharing and Coordination in Our Ports Act of 2017.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, March 30, 2017.

Hon. MICHAEL MCCAUL,
Chair, House Committee on Homeland Security,
House of Representatives, Washington, DC.

Hon. BENNIE THOMPSON,
Ranking Member, House Committee on Homeland Security, House of Representatives,
Washington, DC.

DEAR CHAIRMAN MCCAUL AND RANKING MEMBER THOMPSON: Your leadership to secure the homeland from terrorist attacks by putting the needs of the nation first in matters before the Committee is commendable. I am writing to request that as Chair and Ranking Member that you invite senior members of the Committee to join you for a meeting with Houston Port facility security and industrial manufacturing professionals to discuss the work and industry that takes place at that port.

The issue of port security remains integral to our Committee's work, and this opportunity for you, and senior members of the committee to learn more about modern ports is appreciated. Ports are indispensable to our nation's economic health as engines of commercial transportation as well as the gateway for food and essential goods to the nation's interior. The evolution of major ports, like the Port of Houston into co-location sites for manufacturing means port security challenges have expanded.

Thank you for your work to secure our nation from terrorist threats by keeping the committee abreast of the most critical security issues facing our nation. I look forward to your positive reply to this request.

Very truly yours,

SHEILA JACKSON LEE,
Member of Congress.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. MCCAUL) that the House suspend the rules and pass the bill, H.R. 3101, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

STOP SETTLEMENT SLUSH FUNDS ACT OF 2017

GENERAL LEAVE

Mr. GOODLATTE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous materials on H.R. 732.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The SPEAKER pro tempore. Pursuant to House Resolution 577 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the consideration of the bill, H.R. 732.

The Chair appoints the gentleman from Oklahoma (Mr. LUCAS) to preside over the Committee of the Whole.

□ 1504

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole

House on the state of the Union for the consideration of the bill (H.R. 732) to limit donations made pursuant to settlement agreements to which the United States is a party, and for other purposes, with Mr. LUCAS in the chair. The Clerk read the title of the bill.

The CHAIR. Pursuant to the rule, the bill is considered read the first time.

General debate shall not exceed 1 hour equally divided and controlled by the chair and ranking minority member of the Committee on the Judiciary.

The gentleman from Virginia (Mr. GOODLATTE) and the gentleman from Michigan (Mr. CONYERS) each will control 30 minutes.

The Chair recognizes the gentleman from Virginia.

Mr. GOODLATTE. Mr. Chairman, I yield myself such time as I may consume.

Last Congress, the House Judiciary Committee commenced an investigation into the Obama Justice Department's pattern or practice of requiring settling defendants to donate money to third-party groups. In its final 2 years, the Obama DOJ directed nearly \$1 billion to third parties entirely outside of Congress' spending and oversight authority.

All along, the Obama Justice Department strained to deny the obvious problem: that mandatory donation provisions create opportunities to play favorites. Deputy Associate Attorney General Geoffrey Graber testified that the Department was not "in the business of picking and choosing which organization may or may not receive any funding under the agreement."

But internal DOJ documents tell a different story. They show that, contrary to Graber's sworn testimony, the donation provisions were structured to aid the Obama administration's political friends and exclude conservative groups.

From the outset, Graber's boss, Associate Attorney General Tony West, was keenly interested in choosing the organizations that would receive settlement money. In the lead-up to the first troubling settlement, West's deputy emailed the Office of Legal Counsel asking: "Can you explain to Tony the best way to allocate some money toward an organization of our choosing?"

Explaining the final settlement to the press team, West's deputy wrote that the donation provisions require banks to "make donations to categories of entities we have specified, as opposed to what the bank might normally choose to donate to."

Sure enough, Congress received testimony, in 2016, that the donation beneficiaries were Obama administration allies. These include the Neighborhood Assistance Corporation of America, whose director calls himself a bank terrorist.

But aiding their political allies was only the half of it. The evidence of the Obama DOJ's abuse of power shows that Tony West's team went out of its way to exclude conservative groups.

On July 8, 2014, 6 days before DOJ finalized its settlement with Citi, Tony West's top deputy circulated a draft of the agreement's mandatory donation terms. A senior official from the Office of Access to Justice, who had been working closely with Tony West to direct settlement money to legal aid organizations, responded, requesting a word change.

She explained that the rewording would achieve the aim of "not allowing Citi to pick a statewide intermediary like the Pacific Legal Foundation," which she explained, "does conservative property-rights free legal services." The change was made.

It is not every day in congressional investigations that we find a smoking gun. Here we have it.

Unfortunately, the chief architect of this outrage was lauded, not punished. The recipients of the donations, from which PLF was excluded, circulated an email seeking ways to recognize "Tony West who, by all accounts, was the one person most responsible for including the donation provisions."

One organization replied: "Frankly, I would be willing to have us build a Tony West statue and then we could bow down to this statue each day after we get our \$200,000-plus."

Mr. West's abuse of power stands in stark contrast to the reassertion of integrity by the current Attorney General Sessions shut down the use of mandatory donations to benefit outside groups, barring the practice through a policy directive issued earlier this year.

This legislation, however, remains necessary because history shows that we cannot rely on the current DOJ policy remaining in place. In point of fact, in 2009, the incoming Obama administration reversed course from previous DOJ guidance that had started imposing limits on settlement payments to nonvictims. This reversal led to the abuses I highlighted.

H.R. 732 is a bipartisan bill that would make the ban on settlement payments to nonvictim third parties binding on future administrations. The bill makes clear that payments to provide restitution for actual harm directly caused, including harm to the environment, are permitted.

It was obvious, from the outset, that mandatory donation provisions create opportunities for abuse; that such abuses actually occurred is now proven.

Mr. Chairman, I call on my colleagues from both sides of the aisle to support this good governance measure, and I reserve the balance of my time.

Mr. CONYERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Stop Settlement Slush Funds Act would prohibit the Federal Government from entering into or enforcing any settlement agreement requiring donations to remediate harms that are not "directly and proximately" caused by a wrongdoer's unlawful conduct.

I, regretfully, oppose this measure for several reasons. To begin with, the bill would prohibit these types of settlement agreements even though they have been successfully used to remedy various harms, particularly those caused by reckless corporate actors.

For example, these settlement agreements helped facilitate an effective and comprehensive response to the predatory and fraudulent mortgage lending activities of financial institutions that nearly caused the economic collapse of our Nation, and that led to the Great Recession.

In fact, settlement agreements with two of these culpable financial institutions, Bank of America and Citigroup, required a donation of less than 1 percent of the overall settlement amount to fund foreclosure prevention and remediation programs to help harmed consumers.

Now, contrary to the majority's claim, the Justice Department did not use any of these settlement agreements to fund active groups. Notwithstanding the production of hundreds of pages of documents by the Justice Department, along with hundreds of pages of documents produced by private parties, we have not seen a shred of evidence that the government included unlawful or politically motivated terms in its settlement agreements with Bank of America or Citigroup.

The majority also asserts that these settlement agreements are used by the Justice Department and other agencies to circumvent the congressional appropriations process. But existing law already prevents agencies from augmenting their own funds.

By law, donations included in settlement agreements must have a clear nexus to the prosecutorial objectives of the enforcement agency. And both the Government Accountability Office and the Congressional Research Service have concluded that settlement agreements providing for secondary remediation do not violate Congress' constitutional power of the purse.

Finally, H.R. 732 would prevent the remediation of systemic harms in civil and criminal enforcement actions.

These settlement agreements allow parties to resolve their civil or criminal liability by voluntarily remediate the harms caused by their unlawful conduct. For some types of unlawful conduct, such as discrimination based on race or religion, secondary remediation of harms may be the only remedy available for systemic violations of the law.

□ 1515

The victims of such conduct are typically not themselves parties to the underlying action. Therefore, secondary remediation in the form of voluntary compliance and training programs serves as an important tool in these cases to protect victims of discrimination. Yet H.R. 732 would effectively prohibit such relief.

Given these serious problems and some others presented by the bill, I strongly am led to oppose H.R. 732.

Mr. Chairman, I reserve the balance of my time.

Mr. ISSA. Mr. Chairman, I yield myself such time as I may consume.

At this time, I would like to include in the RECORD a number of exhibits:

Exhibit A, in which under oath we had testimony that said the Department of Justice did not want to be in the business of picking or choosing organizations that may or may not receive any funding under an agreement.

Yet, exhibit B, in which the number three at Department of Justice under President Obama said, "Can you explain to Tony the best way to allocate money toward organizations of our choosing," in a \$9 billion settlement.

And in exhibit C, in which they specifically said they had concerns, including not allowing Citibank to pick a statewide intermediary like Pacific Legal Foundation that does conservative causes.

EXHIBIT A

Chairman GOODLATTE. Well, let me just add that this committee will not stand silent, nor will, I am sure, the Financial Service Committee, and you can expect that this will escalate if you do not provide the documentation that we requested over 2 months ago.

Secondly, did anyone at the Department of Justice ever consider the serious appearance of impropriety in requiring banks to make available to activist organizations the lion's share of funding that Congress has previously cut off to them? That is one of the reasons why we want to see the communications. We want to know what considerations went into making this decision to take this action.

Mr. GRABER. Thank you, Mr. Chairman. Again, understand the concern. And I can tell you that one of the reasons that the Department wanted to use a preexisting list, the one that I believe you are referring to, the HUD approved counseling agency list, is because that list is preexisting. The Department did not want to be in the business of picking and choosing which organization may or may not receive any funding under the agreement.

Chairman GOODLATTE. No, but it is the Congress' responsibility to appropriate funds, and the Congress' responsibility to be picking and choosing who gets appropriations for expenditures. And we want to know what connection there is between the fact that cuts were made and . . .

EXHIBIT B

From: Taylor, Elizabeth G. (OAAG)
Sent: Wednesday, November 06, 2013 10:58 AM
To: (OLC); Seitz, Virginia A (OLC)
Cc: Martinez, Brian (OAAG); Graber, Geoffrey (OAAG) (OLC)
Subject: back again with questions

I'm sorry to be a pest. We keep tinkering with the settlement agreement and I want to make sure that we are doing it right. I also am not sure that I am a good messenger between you and Tony because he asks me follow up questions that I'm not sure I can answer. Do you have a few minutes today to meet with Tony and let him ask you questions directly?

Here are our current issues:

Can you explain to Tony the best way to allocate some money toward an organization of our choosing? We have been discussing having the agreement provide that JPM agreed to pay \$9 billion but that, if, by the time we sign the settlement agreement, JPM

has given \$60 million to x organization, they will only have to pay \$8.04 billion. I think that's ok. We understand that we would have no control over what x organization does with the money.

Thanks

EXHIBIT C PART I

From: Frimpong, Maame Ewusi-Mensah (OAAG)

Sent: Wednesday, July 09, 2014 1:07 PM

To: (A2J)

Subject: RE: new language

Thanks! We made the proposal. They had one question whenever you have a moment.

From: (A2J)

Sent: Wednesday, July 09, 2014 9:47 AM

To: Frimpong, Maame Ewusi Mensah (OAAG)

Subject: RE: new language

You go girl. The prospective settlement was on NPR this morning, in case you didn't have your radio on . . .

Acting Senior Counselor for Access to Justice

U.S. Department of Justice

From: Frimpong, Maame Ewusi Mensah (OAAG)

Sent: Wednesday, July 09, 2014 9:42 AM

To: (A2J)

Subject: RE: new language

Cool. I will keep you posted.

From (A2J)

Sent: Wednesday, July 09, 2014 9:34 AM

To: Frimpong, Maame Ewusi Mensah (OAAG)

Cc: (A2J)

Subject: RE: new language

Importance: High

Got it. Ok, this will hopefully address the concerns we'd like to avert:

Donations to state-based Interest on Lawyers' Trust Account (IOLTA) organizations (or other statewide bar-association affiliated intermediaries) that provide funds to legal aid organizations, to be used for foreclosure prevention legal assistance and community redevelopment legal assistance.

Concerns include: a) not allowing Citi to pick a statewide intermediary like the Pacific Legal Foundation (does conservative property-rights free legal services) or a statewide pro bono entity (will conflict out of most meaningful foreclosure legal aid) we are more likely to get the right result from a state bar association affiliated entity; b) making

EXHIBIT C PART II

sure that it's legal assistance provided, not a scenario where the bank can direct IOLTA or other intermediary to give to even a legal aid organization but to do only housing counseling, for example, under the umbrella "foreclosure prevention assistance."

This get you closer?

Acting Senior Counselor for Access to Justice

U.S. Department of Justice

From: Frimpong, Maame Ewusi Mensah (OAAG)

Sent: Tuesday, July 08, 2014 6:10 PM

To: (A2J)

Subject: new language

H

I think we are going to have to be as thin as possible here, not add new definitions, and not limit to particular states. What do you think about the following:

Donations to state-based Interest on Lawyers' Trust Account (IOLTA) organizations or other statewide intermediaries that provide funds to legal aid organizations, to be used for foreclosure prevention assistance and community redevelopment assistance.

Regards,

Maame

Maame Ewusi-Mensah Frimpong

Principal Deputy Associate Attorney General

Office of the Associate Attorney General

U.S. Department of Justice

EXHIBIT D

From: Frimpong, Maame Ewusi-Mensah (OAAG)

Sent: Friday, August 15, 2014 4:01 PM

To: Canale, Ellen (OPA)

Subject: "stretching by the banks"

Hi Ellen

Here are some examples of consumer relief items that we believe require the banks to do more than they would be economically motivated to do on their own in Citi:

Make donations to categories of entities we have specified (as opposed to what the bank might normally choose to donate to).

I hope this is helpful. Let me know if you have questions or need more. Big picture, we are requiring the bank to change its behavior and at the very least, choose the actions we prefer among various options that it might be economically motivated to take. This in itself is valuable because we are pushing them to focus their activities on the borrowers and areas and relief of most concern to us and that we believe will have the greatest impact in redressing the harm their actions caused to consumers and communities.

Thanks!

Maame

EXHIBIT E

From: Martinez, Brian (OAAG)

Sent: Friday, November 15, 2013 1:04 PM

To: Graber, Geoffrey (OAAG)

Subject: Consumer Relief

Geoff, this is what we received from HUD a little while ago.

From: Smith, Damon Y

Sent: Friday, November 15, 2013 12:06 PM

To: Taylor, Elizabeth G. (OAAG)

Cc: Martinez, Brian (OAAG)

Subject: RE: update for Tony?

Attached is a clean and redline of where we are. Don't be afraid of the extent of the redline. Much of it is shifting around and the preamble, footnotes and other language are all new so we're just getting down to negotiating it.

Let me know if you have any questions or concerns.

Thanks,

Damon

From: Taylor, Elizabeth G. (OAAG)

Sent: Friday, November 15, 2013 11:48 AM

To: Smith, Damon Y (HUD)

Cc: Martinez, Brian (OAAG)

Subject: update for Tony?

Right after I sent my email, Tony called me asking for an update, especially on where we are on liquidated damages and on one or more third party beneficiaries. Can you get on a call with Tony (and me) and update him? I'm copying Brian to assist in scheduling. Let me know if you think Sec. Donovan needs to be included, but I'm sure that would complicate scheduling and Tony really just want to know where things are.

EXHIBIT F

From (A2J)

Sent: Tuesday, June 17, 2014 9:28 AM

To: Frimpong, Maame Ewusi Mensah (OAAG)

Cc: (A2J)

Subject Memo re: bank settlement

Hi Maame,

Hope all is well and that you are settling in on the 5th floor.

We wanted to give you a heads up that we will be sending a memo your way today. By way of background, Cindy contacted yesterday about an issue that we've been discussing with Tony for months and one that we've been meaning to connect with you on adding language that incorporates legal aid into the Department's large bank settlement agreements (as part of consumer/victim relief). We understand that Tony wants a quick

turnaround on this, so please feel free to reach out to us with any questions.

Best,
an
Senior Counsel
Access to Justice Initiative
U.S. Department of Justice

EXHIBIT G

DELIBERATIVE AND PRE-DECISIONAL DOCUMENT

U.S. DEPARTMENT OF JUSTICE

MEMORANDUM

To: Maame Ewusi-Mensah Frimpong

From: an

Date: June 23, 2014

Subject: Including Legal Aid Organizations in Distribution of Bank Settlement Funds

As requested by Associate Attorney General Tony West, ATJ has researched options for incorporating legal aid into the Department's large bank settlement agreements. Based on our current understanding of the potential scale, we identified three options that would best align with organizational capacity and litigation goals, and achieve the ASG's goal of a distribution mechanism that reaches a broad coalition of legal aid organizations.

The options listed below could be pursued either separately or in some combination. As set out below, we recommend a combination of options 1 and 2:

1) distribute the majority of funds set aside for legal aid to IOLTA foundations; and

2) reserve sufficient funds for a national organization to establish Consumer Protection Fellowships in specific states pursuant to the settlement, to focus on foreclosure prevention solutions that help people keep their homes and prevent future mortgage abuses.

IOLTA foundations are especially appropriate intermediaries in cases involving banks because a) they have capacity to effectively distribute large sums of money; and b) the historically low bank interest rates from the beginning of 2008 to the present, have meant the loss of hundreds of millions of dollars to legal aid programs nationally, while the need for free legal services has grown.

Legal aid offices respond to the wide range of legal problems faced by low-income communities in distress, with lawyers working on cases involving housing and consumer protection as well as family law matters and access to public benefits. Often clients have multiple, interrelated legal problems, such as a loss of housing that may exacerbate or lead to other debt problems or an acute need to access other public benefits. Some larger organizations also have expertise in broader community development work, like working on behalf of citizen groups to negotiate community benefits agreements (such as requiring development to include affordable housing or prioritize local labor). Typically, as non-profit organizations subject to oversight by boards of directors, legal aid offices have a formal process for setting local priorities with oversight and input from their boards. It could be logistically difficult for large scale funding through IOLTA to have subject matter restrictions on it (such as only for housing cases). Like most IOLTA funding, and like federal funds from the Legal Services Corporation, it is best to have as few strings as possible—both to respect established local priorities and avoid overly burdensome accounting. However, for the smaller portion of funding in option 2, it makes sense to be targeted both as to geography and subject matter.

Finally, while we recommend as few restrictions as possible on funding going to legal aid organizations, we note that some organizations already live with funding re-

strictions—such as not being allowed to pursue class actions. If, to build support for these ideas generally, there is a need to fashion reasonable restrictions, then ATJ can help with further development of such options.

EXHIBIT H

From: Bob LeClair

To: Charles Dunlap; david; Amy Sings in the Timber; Judith Baker; Shannon Scruggs; Amy Johnson; Libhart, Stephanie S.; Choy, Stephanie; Norsworthy, Nancy; Alvaro Flores; comalley; lphillips

Cc: Groudine, Beverly

Subject: RE: NAIP letter to Tony West at DOJ

Date: Friday, August 22, 2014 2:32:43 PM

Great idea! We should do a resolution, and we also should do some formal plaque that would say "for outstanding service" or other such words.

Frankly, I would be willing to have us build a statue and then we could bow down to this statue each day after we get our \$200,000+.

Heap big fun!

Bob LeClair.

From: Charles Dunlap

Sent: Friday, August 22, 2014 12:21 PM

To: david; Amy Sings in the Timber; Judith Baker; Shannon Scruggs; Amy Johnson; Libhart, Stephanie S.; Bob LeClair; Choy, Stephanie; Norsworthy, Nancy; Alvaro Flores; comalley; lphillips

Cc: Groudine, Beverly

Subject: NAIP letter to Tony West at DOJ

Hi NAIP Board members. Now that it has been more than 24 hours for us all to try and digest the Bank of America settlement, I would like to discuss ways we might want to recognize and show appreciation for the Department of Justice and specifically Associate Attorney General Tony West who by all accounts was the one person most responsible for including the IOLTA provisions. I am in the process of sending him a thank you letter today on behalf of NAIP and all of its members. I also wanted to see if there are any other ideas to honor him and the DOJ in a more meaningful way (resolution, other award, ceremony at the midyear?) and am looking for any creative ideas to try and show him how important this is to our community and more importantly what a huge impact it will have on those in need. Any ideas are appreciated. Thanks again for your suggestions.

Chuck

INDIANA BAR

Charles R. Dunlap

Executive Director

EXHIBIT I PART I

The Leadership Conference on Civil and Human Rights

The Leadership Conference

MEMORANDUM

TO: Elizabeth Taylor, US Department of Justice

FROM The Leadership Conference on Civil and Human Rights

RE: JPMorgan Chase Toxic MBS Accountability in Prince William County, VA

DATE: November 8, 2013

Thank you for taking my call earlier today. I thought our conversation was helpful, and I appreciate your willingness to hear my suggestions regarding a "pilot project on community reinvestment" in Prince William County, Virginia, as an element of the anticipated JPMorgan Chase settlement. For the record, it is important that I offer the following disclaimer: this proposal is made on our own initiative, and without the encouragement, approval, or suggestion by either you or the Department of Justice.

By way of background, The Leadership Conference on Civil and Human Rights is the

nation's leading civil and human coalition. We have been actively involved for many years in housing and lending policies both before and in the wake of nation's financial crisis. As I mentioned when we spoke, we are working with several community-based organizations in Prince William County that seek to promote the public interest through leveraged investments in neighborhoods that have been hard hit by home foreclosures.

For example, VOICE, a broad-based citizens organization with 50 religious and community institution members in Northern Virginia, has asked The Leadership Conference to assist them in their fight to get JPMorgan to reinvest a portion of the more than \$300 million in equity it stripped from Prince William County, VA communities and families through predatory loans, toxic Mortgage-backed Securities (MBSs), and foreclosures (see attached one-page summary of JP Morgan's Prince William track record).

We are asking DOJ officials negotiating with JPMorgan Chase to consider including in any settlement significant equity capital or grant funds to promote and capitalize a Prince William County Restoration Fund (see attached concept paper) which will revitalize blighted neighborhoods, rebuild homeownership, and address

EXHIBIT I PART II

Metro IAF

VOICE for justice

NATIONAL COMMUNITY RESTORATION FUND

JP MORGAN CHASE & FEDERAL GOVERNMENT

MBS SETTLEMENT

Goal: Require JPMorgan Chase to reinvest some of the equity its predatory mortgages stripped from communities as part of the US Department of Justice's proposed \$13 Billion Settlement with JPMorgan over regulatory issues and mortgage-backed securities (MBSS).

Metro Industrial Areas Foundation, a network of 22 broad-based citizens organizations in the East, Midwest, and South, proposes that this occur in one of two ways:

Ideal Proposal: The Federal Government should require JPMorgan Chase to pay \$2 billion in cash to capitalize a National Community Restoration Fund that would help restore communities and be available on a competitive basis. The National Restoration Fund could capitalize 50 local community restoration equity funds to rebuild communities across the country that were destroyed by JPMorgan's predatory loans and toxic MBSS.

Alternative Proposal: The Federal Government should include in its consent agreement, as part of the consumer relief portion, a requirement that JPMorgan Chase capitalize local community restoration equity funds through significant grants (at least \$10 million+ each) or Equity Equivalent (EQ2) investments over 20+ years on a non-recourse basis at very low interest rates (0%-1%) to rebuild communities devastated by foreclosure. JPMorgan Chase could be given enhanced credit towards its settlement requirements for this type of grant or investment.

Background: JPMorgan Chase's predatory loans—packaged into toxic MBSS—did not just hurt investors and individual homeowners; they destroyed entire communities for which JPMorgan should be held accountable to reinvest. MBSS allowed predatory lenders to originate trillions of dollars of sub-prime loans that were structured to fail, targeted at low-wealth and minority borrowers, and concentrated in low-income neighborhoods in cities and aging suburbs throughout the US. The cumulative effect of these failed mortgages was to:

Leave large-numbers of blighted and vacant homes that depress property values,

preventing remaining homeowners from securing a loan modification because they are underwater. These properties also attract crime and other public safety issues;

Devastate homeownership rates, replacing owners with renters vulnerable to negligent absentee investors and destabilizing neighborhoods;

Create pressures on available affordable rental housing as demand rises from families recently foreclosed, raising rents and making rental housing unaffordable;

Deny large swaths of former homeowners, who are stuck in high-priced rental housing,

EXHIBIT J

Best,
Peter J. Kadzik
Principal Deputy Assistant Attorney General

Office of Legislative Affairs

From: Martin Trimble
Sent: Saturday, February 15, 2014 6:13 PM

To: Kadzik, Peter J (OLA)
Cc: Luke Albee; Michelle Malwurm; Clyde Ellis; Keith Savage; Wilson Michael; Frank McMillan

Subject: VOICE/Metro IAF Meeting with US Deputy Attorney General Tony West

MR. KADZIK: It was good to talk with you on Wednesday. Thank you for agreeing to speak with US Deputy Attorney General Tony West about meeting with VOICE—Virginians Organized for Interfaith Community Engagement Leaders—to discuss VOICE & Metro Industrial Areas Foundation's (Metro IAF) proposal to create a \$5 Billion National Community Equity Restoration Fund to rebuild communities devastated by predatory loans and toxic Mortgage Backed Securities issued by financial institutions.

The VOICE-Metro IAF National Community Equity Restoration Fund concept paper is attached. As you know, VOICE worked with Senator Mark Warner, Federal officials, and other allies to get "grants to capitalize community equity restoration funds" included as one way JP Morgan Chase can fulfill its consumer relief obligations under the Department of Justice-JP Morgan Chase \$13 billion toxic Mortgage Backed Securities settlement. This precedent potentially creates a vital resource to rebuild communities hard hit by predatory loans and foreclosures. We will brief Deputy Attorney General West on how community equity restoration funds established by VOICE/Metro IAF sister groups are transforming blighted communities on a large scale in Baltimore, New York, Milwaukee as well as the VOICE restoration plan for Prince William County, VA. VOICE & Metro IAF will make the case that the Department of Justice should make "grants to capitalize community equity restoration funds" mandatory in all future settlements.

Below is background information on VOICE and its organizing to hold financial institutions accountable for the predatory loan and foreclosure crisis in Prince William County, VA as well as Metro IAF. Watch this short video for the story about VOICE's organizing: VOICE Foreclosure Organizing Video. The concept paper has details on the effectiveness of community equity restoration funds in rebuilding blighted communities.

Thank you for your consideration and I look forward to talking with you again soon.
Sincerely,

Martin Paul Trimble

EXHIBIT K

From: West, Tony (OAAG)
Sent: Tuesday, March 04, 2014 1:51 PM
To: Taylor, Elizabeth G. (OAAG)
Cc: Martinez, Brian (OAAG); Graber, Geoffrey (OAAG)
Subject: RE: meeting with VOICE
Let's discuss later today.

From: Taylor, Elizabeth (OAAG)
Sent: Tuesday, March 04, 2014 12:50 PM
To: West, Tony (OAAG)
Cc: Martinez, Brian (OAAG); Graber, Geoffrey (OAAG)
Subject: meeting with VOICE

I met today, on your behalf, with a VOICE—Virginians Organized for Interfaith Community Engagement. They would like us to include in the consumer relief portion of the next rmbs settlement a requirement that the bank contribute to a National Community Equity Restoration Fund, which, in turn, would capitalize community equity restoration funds in communities across the country that were harmed by the banks' creation and securitization of toxic mortgages. I explained the limits of what we can do in a securities settlement, including the facts that the suit is aimed at harm to investors and that the federal government could not administer such a fund. Still, proposal is According to , this kind of community equity restoration fund has been successful in developing affordable housing and restoring blighted neighborhoods in New York, Baltimore, Philadelphia, DC and Milwaukee. I will invite you and any of us who are interested to come see the work they have done in Baltimore and DC. Damon.

Damon

but says that BofA has already committed \$10 million to making low interest loans in Virginia. I'll try to find out whether BofA is getting credit toward the NMS for this money. claims that they shamed BofA into this by storming their shareholder meeting. Perhaps we can discuss this more when we meet this afternoon. I'll also scan the proposal and send it around.

EXHIBIT L CITY SETTLEMENT 7/14/14

Annex 2

E. Donations to state-based Interest on Lawyers Trust Account (IOLTA) organizations (or other statewide bar-association affiliated intermediaries) that provide funds to legal aid organizations, to be used for foreclosure prevention legal assistance and community redevelopment legal assistance E. \$1.00 payment = \$2.00 Credit* **

Menu Item 4E Minimum = \$15 million payment

F. Donations to HUD-approved housing counseling agencies to provide foreclosure prevention assistance and other housing counseling activities F. \$1.00 payment = \$2.00 Credit* **

Menu Item 4F Minimum = \$10 million payment

115% Early Incentive Credit for Menu Items 4A-F

Mr. ISSA. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. POE).

Mr. POE of Texas. Mr. Chair, I thank the gentleman for yielding, and I thank Chairman GOODLATTE for bringing forth this legislation.

Mr. Chair, I am a lawyer, like many of our members on the Judiciary Committee. I served as a prosecutor and as a judge, and we have a lot of those legal beagles on our Judiciary Committee.

Although I worked primarily in State court as a judge and a prosecutor, I have always had great respect for those people in the Justice Department who work on behalf of the people of the United States in Federal court. However, over the last few years, my opinion of the Justice Department has changed, and it has changed not for the better.

It has changed because I see that the Justice Department is acting as a political entity. I didn't say partisan entity. I said as a political entity, making decisions that appear to be based on politics rather than the law and policy.

This legislation does one thing: it tries to elevate the Justice Department back to a nonpolitical entity, which it has, unfortunately, in my opinion, become a political entity. It is unfortunate that it has become that. Some of the things that the Justice Department has done, and this legislation I think would prevent, would be to make sure that the Justice Department does not become a political entity in determining settlements of lawsuits that the Justice Department files on behalf of the American public.

So what happens is that these lawsuits are settled, and then the Justice Department tells the defendant: We the people are suing. You contribute to this entity and this will all go away. This case will be settled. There won't have to be a trial.

So that is what has been happening over the last few years.

In 2012, the Department of Justice forced Gibson Guitars to pay a \$50,000 "community service payment" to the National Fish and Wildlife Foundation, even though the Foundation was not a victim of the crime that Gibson Guitars was involved in. It had no connection to that case.

The National Fish and Wildlife Foundation received a bigger windfall again in 2012, when the government required British Petroleum—we all remember the BP spill—to donate \$2.5 billion to the Foundation over a 5-year period in connection with the criminal investigation of the Gulf of Mexico oil spill.

Discretion on the part of the Department of Justice on where the money goes smells, Mr. Chairman. It doesn't pass the smell test.

In 2006, the Department of Justice forced a wastewater plant that had been accused of violating the Clean Water Act to give \$1 million to the United States Coast Guard Alumni Association. Now, I love the Coast Guard. We probably all love the Coast Guard. But government shouldn't be making a decision to give taxpayer money, or money, to any association. It is political decisions that the Justice Department has been making.

The wastewater treatment firm was also forced to pay another \$1 million to the Greater New Haven Water Pollution Control Authority in Connecticut to fund unspecified environmental improvement projects.

A recent attack on the DOJ bank settlement with Goldman Sachs required a \$250 million fee to be assessed, financing donations toward affordable housing. This is a political decision by the Justice Department. And there are many other examples that we will put into the RECORD. This should not be a Department of Justice decision on a settlement. If they sue somebody and

they settle the case, the money should go to the victims of that lawsuit. It should not go to the Department of Justice's discretion to pick political entities.

Remember, I didn't say partisan. I just said political entities. Go to the victim. Go to the Victims of Crime Act. Go to where crime victims get funds. Go back to the U.S. Treasury, but the money should not be discretionary with the Justice Department.

The CHAIR. The time of the gentleman has expired.

Mr. ISSA. Mr. Chair, I yield an additional 1 minute to the gentleman.

Mr. POE of Texas. But let's take the politics, the decisionmaking, and the credibility—or lack of credibility—of the Justice Department in settling cases on behalf of the United States people, and take it away from the Justice Department and put it where it is supposed to go: to the victims of that lawsuit.

That is where it should go. And if it doesn't go there, then it should go to the Victims of Crime Act, a Federal Government entity where funds for criminal violations go into a fund. Or it should go to the United States Treasury.

Remove the politics no matter who the President is. Remove the politics of the Justice Department so they can regain credibility with the American people for being involved in justice, not politics.

And that is just the way it is.

Mr. CONYERS. Mr. Chairman, I yield 5 minutes to the gentleman from Rhode Island (Mr. CICILLINE), a distinguished member of the House Judiciary Committee, who is ranking member on the Subcommittee on Regulatory Reform, Commercial and Antitrust Law.

Mr. CICILLINE. Mr. Chair, I thank the gentleman for yielding.

Mr. Chair, I rise in opposition to H.R. 732, the inaptly titled Stop Settlement Slush Funds Act of 2017, which would flatly ban the enforcement of any settlement agreement that seeks to remedy the general harms caused by unlawful conduct.

This prohibition would broadly apply to all civil and criminal settlements with limited exception, encroaching on the Justice Department's longstanding legal authority to negotiate and enter settlement agreements.

Since its establishment in 1870, the Justice Department has possessed plenary authority to litigate on behalf of the government in all civil and criminal litigation except as otherwise provided by law.

Since at least as early as 1888, the Supreme Court has upheld this broad grant of authority, holding that it extends to settling litigation on behalf of the government or making enforcement decisions in light of priorities and resources.

In *Heckler v. Chaney*, for example, the Court held in 1985 that, in many cases, enforcement decision within the Justice Department's expertise make it

"far better equipped than the courts to deal with the many variables involved in the proper ordering of its priorities."

This rationale also extends to the terms of settlement agreements, which "involve numerous complicated technical issues as well as important judgments respecting the use of limited prosecutorial resources" and are "best left in the hands of expert agencies and prosecutors, rather than dictated by Congress or the Federal courts," as environmental law professor Joel Mintz has noted.

H.R. 732 undermines this longstanding policy by strictly curtailing the enforcement discretion of the Justice Department and the other enforcement agencies when resolving a party's civil or criminal liability on behalf of the Federal Government.

As the Justice Department observed last Congress in the context of a substantively similar bill, "limiting the Department's discretion to negotiate appropriate terms of settlement, which are voluntary and agreed to by the parties, may result in fewer settlement agreements, protracted litigation, and delays for victims who need the relief."

Without this discretionary authority, the Department concluded that, "the government may not be able to adequately address the full scope of the harms that a defendant's illegal actions caused."

In contrary to the arguments of the gentleman from Virginia, despite 2 years of investigation by the Judiciary Committee into the Justice Department's use of settlement agreements, no evidence was found to show that the mortgage fraud settlements contain terms that were politically motivated. But we did learn that the sole mission of the Justice Department's settlements under the prior administration was to aid the families whose economic security was jeopardized by reckless Wall Street behavior and prevent them from losing their homes due to fraudulent mortgage practices.

There are many examples where generalized harm is impossible to calculate or impractical to quantify in the courts. Without this ability by the Justice Department to enter into these settlement agreements, corporate wrongdoers are going to be free to do whatever they want.

I give you one example: Deepwater Horizon, which destroyed the coastline. As part of that settlement, there was State-based cleanup that was provided. There was funding for the National Fish and Wildlife Foundation for remediation; things that were directly responsive to the harm caused. But you couldn't quantify to an individual person, and that is what this legislation will prevent.

Mr. Chair, I urge my colleagues to oppose this measure.

Mr. ISSA. Mr. Chairman, I yield myself such time as I may consume.

If the minority has not gone through the discovery that we have, that we

placed in the RECORD, I will be glad to give Mr. CICILLINE or anyone else a copy.

I am just going to repeat, though, after receiving testimony that they didn't pick winners and losers, what we are marking as exhibit B and exhibit C make it clear they were, and specifically choosing, to exclude a "conservative group."

I think the important things here, though, Mr. Chairman, are if they want to have money in a settlement, such as the Deepwater Horizon tragedy, they certainly could, as long as it directly provides aid to the victims; which, of course, cleanup did. But when we look at these others, one of the great things is if they want to put it into a victim's fund as part of it, a government-controlled fund, they can if they want.

If the Department of Justice wants specific authority the way they do, for example, in water settlements, particularly related to Native American Tribes, they offer a deal, they put one together, and, Mr. Chairman, they come to Congress. This Congress, in the last Congress, settled multiple longstanding disputes with Tribes. What is interesting is they made sure the money went to those who had been harmed when they came to Congress and said: Please codify this agreement.

But in the many agreements that seems to go on in the Obama administration—and we now have the smoking gun of that—they made political decisions. Making political decisions is why you have to put this back in the light of day and with real congressional oversight.

What is amazing is, during the markup of this bill, there were a number of Members of the other party who specifically talked about not trusting the current occupant of the White House and the current Attorney General. It baffles me that they would not want to take back this authority knowing that the Department of Justice could bring to us a request for a bill that would authorize a specific settlement that could have outside groups or grant authority on a case-by-case basis.

□ 1530

The reality is the slush fund system has to stop. That is why Chairman GOODLATTE's bringing this bill today was so critical.

Mr. Chairman, I reserve the balance of my time.

Mr. CONYERS. Mr. Chairman, I yield 30 seconds to the gentleman from Tennessee (Mr. COHEN).

Mr. COHEN. You have got a minority report you are putting in which cites lists of abuses; is that correct?

Mr. ISSA. It is majority. Yes, you have copies of it.

Mr. COHEN. I just wondered, do you have in there all the things Chris Christie did that came up in a hearing that we held in 2009 in our committee showing the abuses of the system by Chris Christie?

The CHAIR. The Chair would remind Members to address their remarks to the Chair, please.

Mr. ISSA. Mr. Chairman, the gentleman asks for a colloquy.

Although I don't have them, I am sure they prove the same point: that the light of day, the cleanliness of sunlight, and congressional oversight and appropriation would have protected against the abuses the gentleman is probably describing.

Mr. COHEN. Mr. Chairman, Mr. PASCRELL will discuss it in more detail.

The CHAIR. The time of the gentleman has expired.

Mr. CONYERS. Mr. Chairman, I yield the gentleman from Tennessee an additional 30 seconds.

Mr. COHEN. Mr. Chairman, Mr. PASCRELL will go into this in some detail.

But we held hearings on this, and we didn't have any support from the other side of the aisle when we pointed out all of the abuses that were going on in New Jersey, Mr. Chairman, with monitors being appointed that were making \$52 million—Mr. Ashcroft, in particular—other monitors who had involvement in cases that Mr. Christie was involved in, which his brother was involved in, and where money was given to Mr. Christie's law school and other pet projects. Nobody on the other side criticized it. It was only when they cared about Obama.

Mr. ISSA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the gentleman's points are good. I am afraid his conclusion may be the part I have to differ slightly with, Mr. Chairman.

The gentleman from Tennessee is right to note past and other indiscretions. That is why we have this bill before you today. In fact, it is why passage is so important.

We don't want to have anybody of either party—the current occupant of the White House is from my party, a Republican. The current Attorney General is from my party, a Republican and former Republican Senator. The fact is that now is the time not to necessarily disparage any past activity but to stop it.

We are not a body that is supposed to trust as much as we are a body to have some trust and to verify. When we find wrongdoing, it is our job to make sure it doesn't happen again. This bill, including the comments of the gentleman from Tennessee, seeks to do that. I am convinced that it is good for that reason, and it is even good for the example that Mr. COHEN suggests.

Mr. Chairman, I reserve the balance of my time.

Mr. CONYERS. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. NADLER), who is the ranking member on the Subcommittee on Courts, Intellectual Property, and the Internet.

Mr. NADLER. Mr. Chairman, I rise in strong opposition to H.R. 732. This misguided legislation would restrict the government's flexibility to resolve lawsuits against corporate wrongdoers and would make it harder to provide a remedy to all those who are harmed by the company's malfeasance.

Under well-established law, when settling claims with some corporate defendants, the Department of Justice may seek to include among the terms a contribution by the defendant to a third-party organization. Because it is often difficult to identify each individual who was harmed by the company's actions, particularly those who suffered the secondary effects of such wrongdoing, these third-party payments are intended to address the generalized harms caused by corporate bad actors. But this bill would prohibit any payment to a party that is not for restitution or to remedy a harm that is "directly and proximately" caused by the defendant. Such restrictions will needlessly hamper the Department of Justice's ability to efficiently resolve claims and to provide relief to all those injured by a defendant's actions.

For example, in the wake of the financial crisis, the Department of Justice, under Attorney General Holder, sued several large banks whose egregious misconduct destabilized the housing market and threw millions of people out of their homes, with millions more placed on the brink of foreclosure, all while the banks reaped massive profits. The banks agreed to resolve these claims by paying record-setting fines to the government in recognition of the tremendous damage they had caused.

Some of these voluntary agreements also included payments to housing counseling agencies and legal aid organizations responsible for assisting homeowners devastated by the foreclosure crisis that those banks helped create. The Republican majority sneers at these nationally recognized community organizations, however, and dismisses them as nothing more than activist groups. Republicans are so concerned that funds were going to organizations that help level the playing field between corporations and individuals that they drafted this legislation to prohibit the government from entering into a settlement that provides for any third-party payments.

Homeowners and communities across the country are still struggling with the aftermath of the foreclosure crisis, and the third-party payments negotiated by the Obama administration have been vital in helping both the direct victims and all those who suffered the collateral consequences of the banks' misconduct.

Attorney General Sessions recently announced that his Justice Department will not include such terms in the settlements it negotiates. But supporters of this bill insist that we must tie the hands of future administrations as well, weakening their ability to efficiently resolve claims and preventing them from using this tool to seek relief for the victims of corporate misdeeds.

This unnecessary and irresponsible legislation is yet another attempt by the Republican majority to favor wealthy corporations over individuals, and I urge my colleagues to oppose it.

Mr. ISSA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to make sure I provide a little clarity. We are not talking about leftwing, rightwing, or other groups who get it. What we are talking about is a basic question of fungibility of money.

If something has been done wrong and a judge or the Department of Justice has X amount of determination of wrongdoing, the first question is: How much of that money can get to the victims? In a perfect world, the victims are made 100 percent whole. In a perfect world, 100 percent of the money passes from the perpetrator to the victim.

The Department of Justice making a decision not to a left- or rightwing group, but a political decision to give \$1 million to the Coast Guard, to their charitable foundation, was a decision that clearly was not part of the mitigation but, rather, a general charitable decision. That was \$1 million that did not go to the victim, did not go to the general Treasury, but it went to the whims of a bureaucrat.

We seek to make sure that, if that is an appropriate action, they come to Congress with that and not decide that charity begins with some unelected individual in the Department of Justice.

Mr. Chairman, I reserve the balance of my time.

Mr. CONYERS. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Georgia (Mr. JOHNSON), who is a member of the Judiciary Committee.

Mr. JOHNSON of Georgia. Mr. Chairman, I thank the gentleman from Michigan for the time.

Mr. Chairman, I rise in opposition to H.R. 732, which would prohibit the U.S. Government from entering into settlement agreements or enforcing settlement agreements if the settlement agreement includes a term that provides a payment to be made to a third party. In the class action context, these donations are known as cy-pres.

Under existing laws, settlements from Federal enforcement actions can include payments to third parties to advance programs that assist with recovery, benefits, and relief for communities harmed by lawbreakers to the extent such payments further the objectives of the enforcement action. This bill would cut that ability off. It cuts off any payments to third parties other than individualized restitution and other forms of direct payment for actual harm. That restriction would handcuff Federal enforcement officials from actually doing justice.

This legislation arose out of the Wall Street too-big-to-fail episode in 2008, which resulted in the Great Recession, where millions of Americans lost their homes to foreclosure because of the actions of these too-big-to-fail banks insofar as the subprime mortgage crisis is concerned.

So the Department of Justice sued these big banks, which, by the way,

have continued to just get bigger and bigger after they received their Wall Street bailout, and the American people who lost their homes did not receive a bailout.

This legislation is to protect those same banks, and I would add that we have got Steve Mnuchin now as the head of the Treasury Department in the Trump administration. So this legislation is in keeping with that which would protect and coddle these Wall Street thugs who have now ascended to the seat of government and look to lock down their control. With this legislation, they prevent themselves from being sued.

My friends on the other side of the aisle are complicit. They support too big to fail. They support the big banks. It is at the expense of the little guy, the people who work hard every day working for a salary, an honest day's work for an honest day's pay, which seems to be harder and harder to do these days because of the legislation that this Congress passes.

This is just another in a long line of pieces of legislation that coddles and protects those who really need no protection. They should be under the jail for what they have done to the American people.

I fight against this kind of legislation. It is wrong for America, and it is wrong for its citizens. It is great for the big banks.

Mr. ISSA. Mr. Chairman, I yield myself 1 minute in short response.

Mr. Chairman, sometimes the obvious is missed in the debate. The gentleman from Georgia talks about locking down power. Quite frankly, Republicans do have a majority in the House and a slim majority in the Senate, and the current occupant of the White House is from my party. So when we are trying to reduce potential misconduct by the executive branch, we are not doing it to take any money away.

As a matter of fact, this law would clearly cause more money to flow from the same amount of initial payment, more money to flow to the victims. So we are trying to flow more money to the victims. We are in no way reducing any aspect of settlements other than, if the current occupant of the White House, the President, and the Attorney General want to give to the charity of their choice, they can either do it with their own money or they can come to Congress for authority.

Mr. Chairman, I reserve the balance of my time.

Mr. CONYERS. Mr. Chairman, I yield 30 seconds to the gentleman from Georgia (Mr. JOHNSON).

Mr. JOHNSON of Georgia. Mr. Chairman, the Department of Justice, the same Federal agency that obtained benefits for the homeowners who were hurt by the excesses of the big banks, that Justice Department is now controlled by Jefferson Beauregard Sessions, who is not very keen on trying to recover damages on behalf of the

people. If he has to get permission from Steve Mnuchin of the Treasury Department to do it, they work so hand in hand, you know that there is not going to be any relief for the homeowners of this country.

Mr. ISSA. Mr. Chairman, I reserve the balance of my time.

Mr. CONYERS. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New Jersey (Mr. PASCRELL).

Mr. PASCRELL. Mr. Chairman, Mr. Ranking Member, Chairman GOODLATTE, I start by expressing my appreciation to Chairman GOODLATTE for acknowledging the actions that were taken by the Governor of New Jersey when he was the U.S. attorney back in 2006 to 2007.

By the way, the former Justice Department was not even in existence yet.

I agree with much, on both sides, of what has been said here, but I think we are missing the point. The legislation is needed to prohibit this from happening again.

Congressman POE, the gentleman from Texas, wants to take the political preference out of the Justice Department. He is absolutely correct, I agree, but not just about where the money is going to go.

We have a major problem here. I have been shouting from the rooftops about the need to reform the Justice Department's settlement agreement process for almost a decade on this floor.

When we talk about lawsuits being settled, deferred prosecutions are to get rid of the defendant so that the defendant, at the cost of doing business, pays a fine. That is how it is done. This bill does nothing about that—zero.

□ 1545

Many of the corporations that stood before the courts—and I am not a lawyer, as most of you guys and gals are—they stood before the courts for 15 years, representing those corporations, and what they got out of it was: Look, we are going to slap you on the wrist. We are going to give you a little fine. At that time, you can give the money to whoever you wish. And then you go away. Nobody is prosecuted. Nobody goes to jail. Nobody is going to go to jail with these banks that cheated middle class folks. Nobody. Guaranteed.

But under the guise of “ensuring accountability,” H.R. 732 is a political exercise missing real reprimand for these practices, reforms to the system, or redress to actual victims.

For years, we have known deferred prosecution agreements get out of hand, regardless of whether there is a Democrat running the Presidency or a Republican. So for anybody to stand up there and just say this was Obama's problem, they don't know history.

I suggested a modest reform to improve the transparency of these agreements. I was rebuffed by some of the very people who are in this room.

The CHAIR. The time of the gentleman has expired.

Mr. CONYERS. Mr. Chair, I yield an additional 30 seconds to the gentleman.

Mr. PASCRELL. There is much to be said here, but if we remember the Bristol-Myers Squibb case, they avoided prosecution for securities fraud in exchange for \$5 million to the Governor's law school alma mater. Now, that is what is going on.

Mr. Chairman, you don't accept that. If you are on the Judiciary Committee, you can't accept that either. You have got to be kidding me. To allow the courts to do something like this—and any administration, Democrat or Republican, to go along with this—no wonder the people have little faith in the justice system in the United States of America.

I simply want fairness, Mr. Chairman. I have asked for it many times. This is not a new subject to me, and I will be back talking about it again.

Mr. ISSA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to take a moment to agree with the gentleman from New Jersey. The idea that you can pay a fine to get out from underneath criminal prosecution is one that I would like to see either eclipsed to where it is almost invisible and rarely used or done away with altogether. I would certainly agree to join with the gentleman in finding further prohibitions to that practice.

It has been too often that a corporation able to pay large amounts of money not only escapes its actions, but, of course, it escapes the prosecution of key individuals who may, in some cases, be responsible for the loss of life and/or health.

So I want to join with the gentleman from New Jersey. That is not what this bill is about. It doesn't deal with it, nor does it fail to deal with it. It is not the subject of the bill.

I urge the gentleman, who does agree with a portion of what we have to say, to work with me. I will be happy to be his cosponsor on a piece of legislation to try to curtail that practice.

Today, we are trying to curtail a practice in which we have examples of both Republicans and Democrats in the Office of the Attorney General, their justice departments, from making settlements that seem to have political bias. And that is what we are here to stop.

Mr. Chair, I reserve the balance of my time.

Mr. CONYERS. Mr. Chairman, I yield 3 minutes to the gentlewoman from Texas (Ms. JACKSON LEE), the ranking member of the Crime, Terrorism, Homeland Security, and Investigations Subcommittee of the Judiciary Committee.

Ms. JACKSON LEE. Mr. Chair, I would only offer to say that there is not one Judiciary Committee Democrat on this so-called bipartisan bill. That is where you first start the bipartisanship: you work with members who may, in fact, believe that some of the issues that have been raised by my

good friend from California may have merit.

Maybe this bill could have been drafted in a way that would have responded to some of the failures, if there are some, such as evidenced by our good friend from New Jersey, who recalled a lot of failures not by Democrats but by Republicans. But when you start off with a bill talking about slush funds, then you negate the good work of so many organizations that have benefited to do the very good that the consent decree was intended to do.

Today, I stood with the Latinas Against Domestic Violence. They came here to stand against the violence against women that goes on and on and on. Some of them may be in the gallery.

But what I would say, Mr. Chairman, is: Why would we not want to give that organization funds if they were in line to get dollars to help prevent or intervene in the vileness of domestic violence?

So the idea that our friends on the other side are missing is the value some of these entities have been given.

The only word that I have heard over and over again, as I have heard from the administration, I have heard from the Attorney General, the former Secretary of Health and Human Services, is one word. In fact, I think the English language has been limited to one word on the floor of the House: Obama. I like to call him President Barack Obama. That is the respect I give him.

Every legislative initiative has come forward on the shoulders of a man who finishes 8 years, might I say, with a great deal of respect.

So here is what the bill the people are opposed to will do:

This bill would not give dollars to those victims who are harmed and could engage in workplace monitoring, as well as other payments to remedy generalized harm, including remedies designed to prevent the recurrence of sexual violence or discrimination in the workplace.

They wouldn't give it to an environmental remedy project, such as needed cleanup efforts following the hazardous toxic pollutant spills that spoil protected areas, preventing families and children from enjoying recreation on State lands designed for public use.

They wouldn't give it to federally certified housing counseling intermediaries by preventing housing counseling, relief to communities that have been preyed upon by financial institutions that have broken the law.

I even hate to use the term "slush." They are dollars out of a consent decree that are managed and monitored by career professionals to those in need.

So I am opposed to the underlying bill, and I will offer an amendment.

The CHAIR. The time of the gentleman has expired.

Mr. CONYERS. Mr. Chair, I yield an additional 20 seconds to the gentleman.

Ms. JACKSON LEE. I will also be on this floor offering letters opposing, again, not only this dastardly named legislation—who would want to see this in the CONGRESSIONAL RECORD: slush fund—undermining, as I said, the professionalism of our career employees in the DOJ and undermining American citizens and nonprofits who are working every day to make the life of America and America's children better.

This is a bad bill. Vote it down. It is not bipartisan. No Judiciary Committee Democrat saw fit for it to be legitimate.

Mr. Chair, I rise in strong opposition to H.R. 732, the "Stop Settlement Slush Funds Act of 2017."

The proposed legislation, as currently drafted, is intended to preclude all third-party payments in settlement agreements, other than restitution to identifiable victims.

Specifically, this legislation seeks to block federal law from including payments that provide relief in negotiated settlements to victims, such as in cases of predatory lending, employment discrimination and pollution through environmental hazardous.

For the average American, this harmful bill translates as thwarting settlement donations to legitimately harmed victims for:

1. Workplace monitoring, as well as, other payments to remedy generalized harm, including remedies designed to prevent the recurrence of sexual violence or discrimination in the workplace;

2. Environmental remedy projects, such as needed clean-up efforts following the hazardous, toxic pollutant spills that spoil protected areas, preventing families and children from enjoying recreation time on state lands designed for public use; or

3. Federally-certified housing counseling intermediaries by preventing housing counseling relief to communities that have been preyed upon by financial institutions that have broken the law.

This legislation fails to recognize the critical role and positive benefits that housing counseling organizations now play in addressing and ensuring that the discriminatory practices and abuses, like those that led to the housing and financial crisis, never happen again.

The Republican narrative suggests that this bill attempts to make technical changes to the way that courts operate; but in reality, for the everyday hard working American, this legislation along with its companion bills (H.R. 720, the "Lawsuit Abuse Reduction Act," and H.R. 725, the "Innocent Party Protection Act,") is merely a concerted effort to chip away at Americans' ability to seek justice and, therefore, must be opposed.

This legislation is intended to cut off proceeds from government settlements to "third-party" entities, which would stop a critical source of funding for the nonprofit sector—including public interest community organizations, foundations or trusts and other similar groups.

Oftentimes, allowing these monies to be available to third-parties is the best way to assure harmed persons will be made whole.

By barring government settlements from directing payments to non-profit organizations, this legislation would thereby hamstring the parties' ability to fully remedy the wrongdoing underlying the lawsuit.

Congress lacks the time, expertise, and resources to properly review and make enforcement decisions on behalf of Federal agencies.

The cost of delays associated with this scheme would have devastating consequences for the public health, environment, and local communities.

H.R. 732 would greatly strain Congress' already limited legislative resources and scarce time, while opening the doors to industry influence and obstruction in routine enforcement matters.

This legislation pushes the everyday hard working American to the margins of the justice system by requiring restitution only in cases with a showing of actual harm directly and proximately caused by the party making the payment.

The bill's definition excludes any payment by a party to provide restitution for, or otherwise, remedy the actual harm, directly and proximately caused by the alleged conduct of the party that is the basis for the settlement agreement, including payments requiring monitoring and other payments for generalized harm.

This exception is too narrowly drawn to allow for numerous beneficial uses of settlement monies, especially for vulnerable plaintiffs trying to access the courts in search of restitution from legitimate harm.

As you know, following the subprime meltdown, the U.S. Department of Justice pursued lawsuits against mortgage lenders and banks that engaged in discriminatory lending practices, such as those targeted by this legislation.

Research shows that African Americans and Latinos were discriminated against and steered into subprime loans even when they qualified for conventional loans.

Moreover, African Americans and Latinos were two to three times more likely than white homebuyers to receive subprime loans which resulted in foreclosure rates 10 times that of conventional loans.

Pursuant to the settlement agreements, available under current law, the Justice Department ordered that financial institutions dedicate a portion of their settlement payments to U.S. Department of Housing and Urban Development (HUD) certified housing counseling intermediaries to provide consumer relief in the communities that were hit hardest.

HUD has approved thirty-seven housing counseling intermediaries that financial institutions have the discretion to choose as third-party providers of consumer relief under the terms of the Justice Department settlement agreements.

Additionally, these HUD-certified housing counseling providers deliver financial education and coaching to individuals to inform them of their home-buying options and rights, and to ensure they become and remain homeowners.

In fact, since 2008, 40 affiliates have provided housing counseling services—to date serving more than 200,000 clients in mostly underserved areas.

The success of housing counseling programs is undisputed.

Borrowers who have used housing counseling are one-third less likely to be seriously delinquent on their loan payments, and those who are in default are 60 percent more likely to save their homes.

The benefits of these programs are tangible and must continue to be made available to the public.

This example is particularly pertinent as Houston recovers from hurricane Harvey, a tragedy that displaced tens of thousands of my constituents.

There are still over 61 thousand people living in hotels throughout Texas.

The public has found itself in need of protection from environmental harms caused by absconding deep pocket defendants.

To ensure these protections, the Environmental Protection Agency (EPA) may request Supplemental Environmental Projects (SEPs) in settlement agreements to offset the harms of unlawful conduct by requiring parties to undertake an environmentally beneficial project or activity that "is not required by law," but that a defendant agrees to undertake as part of the settlement of an enforcement action.

In workplace discrimination cases, victims are guarded by the Civil Rights Act passed by Congress in 1964 to remove discriminatory barriers and to promote equality in employment opportunities.

Cases, nonetheless, involving workplace discrimination claims often occur without identifiable victims and tend to affect the interests of persons who are not likely to receive compensation for unlawful conduct (e.g., unidentifiable victims such as former and future employees).

In these cases, a settling party that violated antidiscrimination laws may seek to resolve its civil liability through workplace monitoring or training programs that seek to remedy systemic unlawful conduct.

Furthermore, the claim that the funding received by organizations to provide home counseling services to harmed individuals amount to a "slush fund," is an egregious and shameless attempt to smear and impugn the integrity of longstanding and trusted nonprofits and civil rights organizations.

As the Justice Department has observed, remedies can correct both noncompliance and recidivism through settlement terms that require a party to undertake activity to prevent future misconduct.

Not only is this legislation an unnecessary intrusion into the province of the federal courts, it is a part of a larger push to limit Americans' ability to seek justice in a court of law.

An innocent-sounding name aside, this bill poses a grave threat to our court system—the nation's stronghold for protecting our democracy.

In the current political climate, where the justice system is the last line of defense for our nation's values, I urge my colleagues not to cede that ground.

Congress should applaud and elevate the benefits of housing counseling, and the good work of frontline organizations, in righting the injustices of the past and present.

The working men and women of America, as well as their families deserve fair and impartial access to real justice when major corporations, inadvertently as it may be, inflict harm.

It is our duty as guardians of the judicial system to ensure real restitution is available to all, including the most vulnerable.

For these reasons, I urge all Members to vote against H.R. 732.

Mr. Chairman, I include in the RECORD a letter from National Urban League and a letter from Public Citizen.

NATIONAL URBAN LEAGUE,
New York, NY, February 1, 2017.

Re Opposition to H.R. 732—The Stop Settlement Slush Funds Act of 2017.

Hon. BOB GOODLATTE,
Chairman, Judiciary Committee,
Washington, DC.

Hon. JOHN CONYERS,
Ranking Member, Judiciary Committee,
Washington, DC.

DEAR CHAIRMAN GOODLATTE AND RANKING MEMBER CONYERS: As President and CEO of the National Urban League, the nation's largest historic civil rights organization dedicated to economic empowerment of African Americans and other underserved urban communities, I write to urge you to oppose H.R. 732, the Stop Settlement Slush Funds Act of 2017. This legislation seeks to block federal law enforcement from including in negotiated settlements payments that provide relief to victims of predatory lending. Specifically, the bill targets federally certified housing counseling intermediaries such as the National Urban League by preventing these organizations from providing housing counseling relief to communities that have been preyed upon by financial institutions that have broken the law. H.R. 732 fails to recognize the critical role and positive benefits that housing counseling organizations now play in addressing and ensuring that the discriminatory practices and abuses, like those that led to the housing and financial crisis, never happen again.

As you know, following the subprime meltdown, the U.S. Department of Justice pursued law suits against mortgage lenders and banks that engaged in discriminatory lending practices. Research shows that African Americans and Latinos were discriminated against and steered into subprime loans even when they qualified for conventional loans. Moreover, African Americans and Latinos were two to three times more likely than white homebuyers to receive subprime loans which resulted in foreclosure rates 10 times that of conventional loans. Pursuant to the settlement agreements, the Justice Department ordered that financial institutions dedicate a portion of their settlement payments to U.S. Department of Housing and Urban Development (HUD) certified housing counseling intermediaries to provide consumer relief in the communities that were hit hardest.

The National Urban League is one of thirty-seven HUD-approved housing counseling intermediaries that financial institutions have the discretion to choose as third-party providers of consumer relief under the terms of the Justice Department settlement agreements. The National Urban League is accredited by the Better Business Bureau and has a 4-star rating from Charity Navigator, placing it in the top 10 percent of all U.S. charities for adhering to good governance, fiscal responsibility and other best practices.

As a HUD-certified housing counseling provider, the National Urban League successfully delivers financial education and coaching to individuals to inform them of their home-buying options and rights, and to ensure they become and remain homeowners. In fact, since 2008, 40 of our affiliates have provided housing counseling services—to date serving more than 200,000 clients in mostly underserved areas.

The success of housing counseling programs provided by National Urban League and others is undisputed. Borrowers who have used housing counseling are one-third less likely to be seriously delinquent on their loan payments, and those who are in default are 60 percent more likely to save their homes. The benefits of these programs are tangible and must continue to be made available to the public.

On a separate note, it has come to my attention the National Urban League and National Council of La Raza have been singled out during recent hearings on this legislation. The claims made during congressional testimony that the funding received by our organizations to provide home counseling services amounts to a "slush fund," is an egregious and shameless attempt to smear and impugn the integrity of longstanding and trusted nonprofits and civil rights organizations. Congress should applaud and elevate the benefits of housing counseling, and the good work of frontline organizations, like the National Urban League, in righting the injustices of the past and present.

Therefore, I respectfully urge you to oppose H.R. 732 and any efforts to include similar provisions in legislation moving through Congress.

Sincerely,

MARC H. MORIAL,
President and CEO.

PUBLIC CITIZEN,
Washington, DC, February 1, 2017.

Re Oppose the assault on civil justice.

HOUSE OF REPRESENTATIVES,
Judiciary Committee,
Washington, DC.

DEAR HONORABLE MEMBERS OF THE U.S. HOUSE JUDICIARY COMMITTEE: On behalf of Public Citizen, a non-profit membership organization with more than 400,000 members and supporters nationwide, we express extreme opposition to a slate of three harmful bills scheduled to be marked-up in Committee tomorrow: the Lawsuit Abuse Reduction Act of 2017 (H.R. 720), the Innocent Party Protection Party Act of 2017 (H.R. 725), and the Stop Settlement Slush Funds Act of 2017 (H.R. 732). Seen separately, these bills attempt to make technical changes to the way that courts operate; taken together they are a concerted effort chip away at Americans' ability to seek justice and, therefore, must be opposed.

LAWSUIT ABUSE REDUCTION ACT OF 2017 (H.R. 720)

The proposed Rule 11 changes in H.R. 720 will make federal litigation more complicated, costly, and inaccessible to consumers and employees. We urge you to reject this legislation.

Currently, judges have discretion to impose sanctions on a lawyer or a party in litigation to deter sanctionable conduct in pleadings, motions, and other court papers. The so-called Lawsuit Abuse Reduction Act, or LARA, would revise Rule 11 of the Federal Rules of Civil Procedure to require sanctions, rather than leaving the decision whether to impose sanctions to the discretion of federal judges. This proposal would make litigation longer and more expensive.

The problems with this bill are not theoretical, but proven. In 1983, changes to Federal Rule 11 removed judicial discretion for issuing sanctions. Those changes were overturned a decade later, because the 1983 Rule caused a marked increase in business-to-business litigation and abusive Rule 11 motion practice by lawyers arguing more about sanctions than about the merits of the cases. Because 1983 changes proved to discourage lawyers from cooperating with each other, the changes prolonged litigation, rather than advancing the goal of coming to a just conclusion. We must not repeat this failed experiment.

Additionally, LARA would obstruct Americans' access to justice, especially in cases such as those alleging civil rights violations, as those types of cases can be based on novel legal theories. In those cases, LARA would chill the filing of meritorious suits, and justice for some will go unserved.

INNOCENT PARTY PROTECTION PARTY ACT OF
2017 (H.R. 725)

H.R. 725, the Innocent Party Protection Act (called the Fraudulent Joinder Protection Act in previous Congresses) is a supposed fix for an imagined problem. It addresses a federal district court's consideration of a plaintiff's motion to remand a case to state court, after a defendant has removed the case from the state court in which it was filed to federal district court on the theory that the plaintiff had fraudulently joined a non-diverse defendant for the purpose of defeating federal-court jurisdiction. The purpose of the bill is to assist defendants in keeping cases in federal court after removal. The bill purports to achieve this purpose by specifying that the federal court consider evidence, such as affidavits, and by specifying four findings that would require a federal district court to deny a plaintiff's motion to remand.

Congress should not get into the business of micro-managing the motion practice of the federal courts without strong evidence that current court procedures are not serving their purpose: facilitating justice. In this instance, there is no evidence to support the assumption that the district courts are not denying motions to remand in appropriate cases. Congress has no basis to revise the courts' procedures when the current standards are not producing unjust results. The Committee should hesitate before taking the step into micromanagement of the federal courts' consideration of one specific type of motion, where that motion has existed for more than a century and there are only the flimsiest of arguments in favor of changing it.

STOP SETTLEMENT SLUSH FUNDS ACT OF 2017
(H.R. 732)

This legislation is intended to cut off proceeds from government settlements to "third-party" entities, which would stop a critical source of funding for the nonprofit sector—including public interest community organizations, foundations or trusts and other similar groups.

The bill would bar government settlements from directing payment to non-profit organizations, thereby hamstringing the parties' ability to fully remedy the wrongdoing underlying the lawsuit. Oftentimes, allowing these monies to be available to third-parties is the best way to assure harmed persons will be made whole.

Not only are these three bills unnecessary intrusions into the province of the federal courts, they are part of a larger push to limit Americans' ability to seek justice in a court of law. Their innocent-sounding names aside, these bills pose a grave threat to our court system—the nation's stronghold for protecting our democracy. In the current political climate, where the justice system is the last line of defense for our nation's values, we urge you not to cede that ground.

Sincerely,

LISA GILBERT,
Director, Public Citizen's Congress Watch division.

SUSAN HARLEY,
Deputy Director, Public Citizen's Congress Watch division.

Mr. ISSA. Mr. Chairman, I yield myself such time as I may consume.

The gentlewoman spoke quickly, and I know she had a lot of important information there. Some of it simply was wrong.

One of them is that she touched on environmental cleanup. Very clearly, nothing in this legislation would limit

the cleanup related to the wrongdoing or the damage. Not so. A third party could be hired to do the cleanup.

Additionally, nothing stops a settlement from requiring a company to have counseling or other mitigation. It simply stops the Department of Justice from picking a charity of its choosing to go to do it.

Now what I would really like the gentlewoman—who may not be on the floor any longer—to understand is that the Department of Justice has grant authority and does multiple grants every single month of the year to some of the very same groups under its authority that these settlements are going toward. Congress has allowed it a certain amount of money to provide grants for general harm.

Additionally, every year, Congress allocates hundreds of millions of dollars to some of the very same groups and efforts the gentlewoman knows that we are talking about.

So, although her speech was quick, the thing that she said that may have misled some people here in the Chamber I think needs to be corrected. Direct harm will be mitigated. It can be done by anyone. A company can agree and be forced under supervision to mitigate and to hire people to help in that effort.

Very clearly, many of the groups being talked about here today already receive money through the grant process or through direct appropriation by Congress. That is the right way to do it. It is the reason this is a bipartisan bill and this is an effort by our Congress to make sure that we hold the reins of authority where they should be under the Constitution.

Mr. Chairman, I reserve the balance of my time.

Mr. CONYERS. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. MEEKS).

Mr. MEEKS. Mr. Chairman, I thank the gentleman for yielding.

I wish what the gentleman from California was saying was right, but as I listen to these tax cuts that are being talked about, many of these fine programs that help individuals from being thrown out of their house or in need of illegal aid are being cut back.

Each time I have seen on the floor the priorities of the party of the gentleman from California, I see that these essential, consumer-oriented not-for-profits are losing their funding.

So I rise today to urge my colleagues to vote "no" on H.R. 732. This bill would tie the hands of prosecutors that go after financial fraud, including the mortgage schemes that led to the 2008 crisis.

Apparently, my Republican colleagues have forgotten that not just Democrats, but all Americans, faced the negative effects of the mortgage fraud that led to the worst financial crisis since the Great Depression.

Americans lost nearly \$13 trillion in wealth, the unemployment rate reached a high of 10 percent, and 11

million Americans lost their homes. We all saw business opportunities evaporate in our communities and good-paying jobs wither away.

To reverse these wrongs, the Obama administration reached record settlements with firms that engaged in fraud. Through these settlement agreements, the Department of Justice directed billions of dollars toward: number one, affordable housing initiatives, including downpayment programs that would help young people enter the housing market; number two, financial counseling programs that would help consumers avoid unsafe financial products; and number three, community development initiatives that would spur economic growth in rural and urban communities alike.

So I am baffled that my colleagues would want to prevent our prosecutors from ensuring fraudulent firms to right their wrongs.

The CHAIR. The time of the gentleman has expired.

Mr. CONYERS. Mr. Chair, I yield an additional 1 minute to the gentleman.

Mr. MEEKS. This should not be a partisan issue, Mr. Chairman; not at all. Americans from the East, from the West, from the North, from the South, from middle America; Americans who are Democrats, Republicans, and Independents have all suffered as a result of what the Justice Department has done by fighting to make sure that we correct this wrong by fighting and winning decisions on making sure that those who have no voice, have a voice.

Many of the individuals who were funded here were giving a voice to the voiceless. Without that voice, those who have will continue to do and perpetuate the fraud that is committed upon many.

So this should not be a red issue; this should not be a blue issue. Just as former President Barack Obama said, this should be a red, white, and blue issue. It is a red, white, and blue issue where justice should be given a fair chance to prevail for all of America's people.

Mr. ISSA. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I am putting this sign up not for the people in the Chamber, because people in the Chamber on the other side have continued to read the same talking points from their leadership that says there is no evidence.

This is in the record. This is a bigger part of it. So for the people in their offices who will come down to vote, if there is not a motion to recommit, they are not going to get an opportunity to see this.

So I hope that they will look just now and realize this is one of those things you don't normally get. As Chairman GOODLATTE said, this is a smoking gun. This is a clear statement that an ideological bent against a non-profit was very specifically there, while other emails in the same chain of emails shows that they were picking who they wanted.

□ 1600

That is the politics that was going on. It is the politics we are trying to prevent. As I said in my previous statement, the Department of Justice is given a number of dollars for grant programs, and we may not always agree with how those grant programs are run, but we give them that.

Additionally, the Congress appropriates a tremendous amount of money, much of it going to the same groups. A little over 1½ years ago, 2 years ago, this body came together on the reauthorization on Violence Against Women, which has and will continue to do very good work in exactly the area that people are talking about.

This is the reason we have legislation before us today. We have had political activity that has been going on, according to the Democrats, by Republican Attorneys General; according to this document, by the last Attorneys General. The fact is, we need the legislation. We have to have it.

Mr. Chairman, I reserve the balance of my time.

Mr. CONYERS. Mr. Chairman, in closing, I note that a broad coalition of public interest organizations, including Public Citizen, Americans for Financial Reform, the National Urban League, among others, strongly oppose H.R. 732. They warn: "This measure would undermine law enforcement goals by reducing the availability of suitable remedies to address these kind of injuries to the public caused by illegal conduct."

This bill is, in effect, a gift to lawbreakers that comes at the expense of families and communities impacted by injuries that cannot be addressed by direct restitution, and so I have to ask: Why are we giving a gift to lawbreakers in the guise of H.R. 732?

If you value, as I do, upholding the rule of law, then you will join me and many others in opposing this seriously flawed measure.

I thank everyone who has participated in this discussion, and I yield back the balance of my time.

Mr. ISSA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in closing, I don't believe there is any question at all but that the minority has missed the point. In no way, shape, or form are we changing. We intend to make sure the Department of Justice prosecutes wrongdoing, both criminal and civil.

The gentleman from New Jersey (Mr. PASCRELL) rightfully said we shouldn't have money paid in lieu of criminal prosecution; it should be both. I agree with him.

What we are dealing with here is a recognition that, under Republican and Democratic administrations, we have had mandatory donations that, in fact, went to charities, if you will, or organizations of the choice of those political entities. The fact is what we are doing is reining in—reining in—wrongdoing that is actual and has been observed, nothing more.

One of the challenges we face every day and one of the reasons I am imploring both sides to come together on this vote, one of the challenges we face is how much of our obligation we have ceded to the executive branch, often then only to be horrified when, behind closed doors, unelected, unaccountable people make decisions that would never be made on the House floor or the Senate floor, and this is one of them.

We are scrutinized when we pick non-profits to provide funding to on the left, on the right, or, if there is such a thing left in America, in the middle. We are scrutinized. But when we scrutinize the Department of Justice's action, according to my colleagues, under Republicans, there has been clear wrongdoing. According to the documents that we put in the RECORD today and showed on the floor, in the last administration, there was clear partisan politics.

We are simply saying, if they want to make that kind of a settlement, bring it to Congress; otherwise, it is very clear that they must—and I repeat, must—stop the action of taking money that would otherwise go to the victims and moving it to nondescript third parties of their choosing, no matter how benevolent they might be, including the Coast Guard Foundation. It can't continue to happen. We have to have the money that is in settlements flow to the victims or flow to the Treasury.

Mr. Chairman, I urge passage of the bill, and I yield back the balance of my time.

The Acting CHAIR (Mr. FITZPATRICK). All time for general debate has expired.

Pursuant to the rule, the bill shall be considered for amendment under the 5-minute rule.

The amendments recommended by the Committee on the Judiciary, printed in the bill, shall be considered as adopted, and the bill, as amended, shall be considered as read.

The text of the bill, as amended, is as follows:

H.R. 732

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Stop Settlement Slush Funds Act of 2017".

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

(a) LIMITATION ON REQUIRED DONATIONS.—An 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 or loan to any person or entity other than the United States, other than a payment or loan that provides restitution for or otherwise directly remedies actual harm (including to the environment) directly and proximately caused by the party making the payment or loan, or constitutes payment for services rendered in connection with the case or a payment pursuant to section 3663 of title 18, United States Code.

(b) PENALTY.—Any official or agent of the Government 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 concluded 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, a plea agreement, a deferred prosecution agreement, or a non-prosecution agreement.

(e) REPORTS ON SETTLEMENT AGREEMENTS.—

(1) IN GENERAL.—Beginning at the end of the first fiscal year that begins after the date of the enactment of this Act, and annually thereafter, the head of each Federal agency shall submit electronically to the Congressional Budget Office a report on each settlement agreement entered into by that agency during that fiscal year that directs or provides for a payment or loan to a person or entity other than the United States that provides restitution for or otherwise directly remedies actual harm (including to the environment) directly and proximately caused by the party making the payment or loan, or constitutes payment for services rendered in connection with the case, including 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 appropriated 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 the enactment of this Act.

(f) ANNUAL AUDIT REQUIREMENT.—

(1) IN GENERAL.—Beginning at the end of the first fiscal year that begins after the date of the enactment of this Act, and annually thereafter, the Inspector General of each Federal agency shall submit a report to the Committees on the Judiciary, on the Budget and on Appropriations of the House of Representatives and the Senate, on any settlement agreement entered into in violation of this section by that agency.

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

The Acting CHAIR. No further amendment to the bill, as amended, shall be in order except those printed in part B of House Report 115-363. Each such further amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

AMENDMENT NO. 1 OFFERED BY MR. GOODLATTE

The Acting CHAIR. It is now in order to consider amendment No. 1 printed in part B of House Report 115-363.

Mr. GOODLATTE. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 3, line 17, insert "and, to the extent any victim thereof was an identifiable person, suffered by the payee or lendee," before "or constitutes".

Page 3, insert after line 19 the following (and redesignate succeeding subsections accordingly):

(b) LIMITATION ON CY-PRES.—Amounts remaining after all claims have been satisfied shall be repaid proportionally to each party who contributed to the original payment.

Page 3, line 21, insert after “subsection (a)” the following: “or (b)”.

Page 4, line 1, strike “and (b)” and insert “, (b), and (c)”.

The Acting CHAIR. Pursuant to House Resolution 577, the gentleman from Virginia (Mr. GOODLATTE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Virginia.

Mr. GOODLATTE. Mr. Chairman, I yield myself such time as I may consume.

The Stop Settlement Slush Funds Act of 2017 prohibits settlements that provide for payments to nonvictim third parties. But what happens to leftover money if the settlement does not specifically provide for its disposition?

It turns out that this situation is ripe for abuse.

In 2013, a shocking New York Times expose revealed that the Obama administration bilked over a billion dollars from the taxpayer-funded Judgment Fund and handed it to special interests. The case, called Keepseagle, concerned claims against the Department of Agriculture.

The settlement, spearheaded by then Assistant Attorney General Anthony West, vastly overstated the number of claims against the government. One result was a \$60 million windfall for the plaintiff's lawyer, who was on President Obama's transition team the year before.

The other result was \$380 million in funds left over. This was taxpayer money. But instead of demanding it back, the Department of Justice agreed to direct it to nonvictim third parties to be selected by the same plaintiff's lawyer and member of President Obama's transition team. This, quite rightly, troubled the presiding judge.

My amendment would close this loophole by requiring that money left over after all victims have been compensated must be returned to wherever it came from.

This amendment also clarifies that permitted remedial payments must go to victims who suffered the injuries on which plaintiffs' claims are based. This prevents situations in which a payment is classified as remedial but is directed to an intermediary.

The abuses of power that I outlined today in the settlement context are truly disturbing. This is our opportunity to stop the abuse. We should be as comprehensive as possible.

I urge my colleagues to support this amendment, and I reserve the balance of my time.

Mr. CONYERS. Mr. Chairman, I rise in opposition to the amendment.

The Acting CHAIR. The gentleman from Michigan is recognized for 5 minutes.

Mr. CONYERS. Mr. Chair, Members of the House, this amendment makes a bad bill even worse. To begin with, it would prohibit cy-pres distributions pursuant to which parties attempt to find the next best use of funds that remain after a class action settlement has been finally administered. Cy-pres is especially important in actions where the recovery is so small for an individual class member that he or she may not bother to make a claim or where a distribution is not practical.

For example, courts under cy-pres may permit unclaimed settlement funds to provide indirect compensation to the class, such as future price reductions or remediation efforts. As a result of this amendment, however, the unclaimed settlement funds would be returned to the very entities that caused the injury in the first place. Simply put, this amendment would benefit the wrongdoers to the detriment of the victims they harmed.

In addition, this amendment would restrict the amount of compensation a victim could receive under a settlement agreement to the extent the victim was actually harmed by the wrongdoer. The amendment completely ignores the pragmatic realities of systemic harms, such as widespread long-term or latent environmental damage like lead-contaminated public water drinking systems—think of Flint, Michigan—where the extent of a victim's exposure to such harms may be difficult and, perhaps, even impossible to quantify.

In a letter opposed to this amendment, a group of public interest organizations, including Earthjustice, Public Citizen, Alliance for Justice, the Center for Justice & Democracy, and the American Association for Justice, said it is terrible public policy because wrongdoers would benefit from a windfall for cheating and harming consumers, undoing the accountability or deterrence function of the entire settlement. This is absolutely the wrong result, and so I urge that this amendment be rejected.

Mr. Chairman, I yield back the balance of my time.

Mr. GOODLATTE. Mr. Chairman, I urge my colleagues to support this important amendment which strengthens the legislation, and I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Virginia (Mr. GOODLATTE). The amendment was agreed to.

AMENDMENT NO. 2 OFFERED BY MR. COHEN

The Acting CHAIR. It is now in order to consider amendment No. 2 printed in part B of House Report 115-363.

Mr. COHEN. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 3, line 11, insert after “settlement agreement” the following: “(except as provided in subsection (g))”.

Add at the end of the bill the following:

(g) EXCEPTION.—The provisions of this Act do not apply in the case of a settlement agreement in relation to discrimination based on race, religion, national origin, or any other protected category.

The Acting CHAIR. Pursuant to House Resolution 577, the gentleman from Tennessee (Mr. COHEN) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Tennessee.

Mr. COHEN. Mr. Chairman, the reason I have this amendment is because I don't think the bill is a good bill, and it shouldn't affect settlement agreements on the basis of race, religion, national origin, or any other protected category.

I was kind of shocked that it was put in order; I will be even more shocked if it passes. But the reality is it doesn't make any difference because this bill isn't going anywhere in the Senate.

□ 1615

Most of what we do in the Judiciary Committee is highly partisan matters that won't go anywhere in the Senate. We are one of the four committees of jurisdiction that can deal with matters dealing with the White House, with Russian interference in our election, and with issues concerning obstruction of justice and the firing of James Comey with Emoluments Clause violations, abuse of power, and attacks on the judiciary.

The Senate and House Intelligence Committees have investigations. So does the Senate Judiciary Committee. Only our committee has done absolutely nothing. Absolutely nothing.

Today, Senator JEFF FLAKE, a gentleman who I served with in the House and a man of moral rectitude, said he cannot continue to serve in the Senate because to be quiet on issues concerning the White House in relation to decency, truth, and other matters would involve complicity. He couldn't remain complicit.

By our committee not taking any actions concerning activities in the White House, we are complicit. We should be the most responsible committee in the Congress because we are the people's House, and we have the judiciary, the FBI, and elections all within our purview, yet we have remained silent.

Part of the reason that has been said is because other groups are investigating. Well, we are the group that should be doing the investigating because we are the people's House. We don't not take up bills like this because the Senate is not going to pass them. We take them up all the time, throw them over there, and they don't come back.

So I am distraught by the fact that my friend JEFF FLAKE, who is one of the finest people I have served with, a man of rectitude, is not going to run for reelection. He wasn't a knee-jerk Republican, just like BOB CORCKER is not a knee-jerk Republican. And both

have said many truths today about what is going on in the executive branch.

We are an equal branch of government that has responsibility to be a check and balance, and the House Judiciary Committee has that responsibility. I once again call on the chairman of the committee to hold hearings on elections, on Russian interference in our elections, on threats to our democracy, on violations of the Emoluments Clause, obstruction of justice, and the firing of the FBI Director.

The FBI is under our charge. We should have hearings. We should have hearings on emoluments. We should have hearings on all of these issues and not be complicit. Being complicit is the same as being guilty.

Mr. Chairman, I ask that we pass the amendment, and I yield back the balance of my time.

Mr. JOHNSON of Louisiana. Mr. Chairman, I claim the time in opposition to the amendment.

The Acting CHAIR. The gentleman is recognized for 5 minutes.

Mr. JOHNSON of Louisiana. Mr. Chairman, the amendment is unnecessary because it would exempt certain discrimination settlements from the bill's ban on third-party payments. But nothing in the underlying bill prevents a victim of discrimination from obtaining relief, and that is the important point.

The Stop Settlement Slush Funds Act of 2016 explicitly permits remedial payments to third-party victims who are directly and proximately harmed by the defendant's wrongdoing. Nor does the bill preclude wider conduct remedies used in discrimination cases.

For example, nothing in the bill bars the Department of Justice from requiring a defendant to implement workplace training and monitoring programs. The ban on third-party payments merely ensures that the defendant remains responsible for performing these tasks itself and is not forced to outsource set sums for the work to third parties who might be friendly with a given administration.

Accordingly, I urge my colleagues to oppose this amendment, and I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Tennessee (Mr. COHEN).

The question was taken; and the Acting Chair announced that the ayes appeared to have it.

Mr. JOHNSON of Louisiana. Mr. Chairman, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Tennessee will be postponed.

AMENDMENT NO. 3 OFFERED BY MR. JOHNSON OF GEORGIA

The Acting CHAIR. It is now in order to consider amendment No. 3 printed in part B of House Report 115-363.

Mr. JOHNSON of Georgia. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 3, line 11, insert after "settlement agreement" the following: "(except as provided in subsection (g))".

Add at the end of the bill the following:

(g) EXCEPTION.—The provisions of this Act do not apply in the case of a settlement agreement that directs funds to remediate the indirect harms caused by unlawful conduct, including the intentional bypassing, defeating, or rendering inoperative a required element of a vehicle's emissions control system in violation of section 203 of the Clean Air Act (42 U.S.C. 7522).

The Acting CHAIR. Pursuant to House Resolution 577, the gentleman from Georgia (Mr. JOHNSON) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Georgia.

Mr. JOHNSON of Georgia. Mr. Chairman, I rise to offer an amendment to this so-called Stop Settlement Slush Funds Act. It is not a slush fund at all. It is a fund that goes to compensate people who are harmed due to the wrongdoing of mostly large multinational corporations. So this is misnamed. It talks about a slush fund. There is no slush fund involved here.

This is an unwise and odious bill. What my amendment would do would be to exempt cases concerning manipulations of emissions standards from the harshness of this bill. In other words, the Federal Government, through the EPA, could institute a lawsuit against a firm or company, large multinational foreign company like Volkswagen, as it did a couple of years ago, and obtain benefits that would accrue to not just the direct recipients of the harm from Volkswagen, but also to society at large that was harmed by Volkswagen's fraudulent activity.

What happened was that Volkswagen sold about 590,000 diesel-powered vehicles here in the United States. These vehicles were supposed to conform with U.S. law insofar as emissions standards are concerned. What Volkswagen did was put a mechanism in the cars that would defeat the ability of the regulators who wanted to check to find out whether or not the vehicles complied with emissions standards. So Volkswagen cheated. They sold 590,000—almost 600,000—vehicles on America's roads that were unknowingly polluting the very air that all of us breathe. So we all suffered a harm as a result of Volkswagen's fraud. But there were 590,000 vehicle owners who had to be protected as well.

So the EPA sued Volkswagen. Volkswagen knew they were wrong. They settled the case. It was about \$15 billion. That shows you how much money they have and how much money they are trying to protect here with this bill. The \$15 billion was to go to compensate the aggrieved vehicle owners as well as society at large for the harm that was done due to the fraudulent conduct.

Now, what this legislation would do would be to cut the ability of the U.S. Government to sue a corporate wrongdoer and receive benefits that it would then put into the hands of the individuals who were harmed, as well as to rectify the harm done to society.

This amendment would exempt this kind of case, the Volkswagen case, from the harsh restrictions of this legislation. So I would ask, in the interest of our environmental consciousness, that this body would vote in favor of this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. JOHNSON of Louisiana. Mr. Chairman, I claim the time in opposition to the amendment.

The Acting CHAIR. The gentleman is recognized for 5 minutes.

Mr. JOHNSON of Louisiana. Mr. Chairman, this amendment is unnecessary because it would exempt settlements that direct funds to remedy indirect harm resulting from violations of the Clean Air Act and other violations. But that is precisely the problem.

How best to address indirect harm is a policy question that is properly decided by the elected representatives of Congress only and not by agency bureaucrats or prosecutors.

An example that highlights this is the \$2.7 billion mitigation fund that the Department of Justice required in its settlement of claims against Volkswagen. That fund mitigated direct harm, which is permitted under this bill.

The problem was that, through a second fund, the Obama Justice Department required Volkswagen to spend an additional \$2 billion on an administration electric vehicle initiative after Congress twice refused to appropriate funds for it. It is that subversion of Congress' power of the purse that this bill is designed to target. Nothing in this bill lets corporate polluters off the hook, and it is nonsense to say otherwise.

If direct remediation of the harm is impossible or impractical, the full penalty is still paid, but it goes to the Treasury. After that, the decision on how best to use it is left to the people's elected representatives in Congress rather than the executive branch.

Accordingly, I urge my colleagues to oppose this amendment, and I reserve the balance of my time.

Mr. JOHNSON of Georgia. Mr. Chairman, it is nonsense to say that this bill protects corporate polluters and corporate wrongdoers—that is what we just heard—and that the amendment is unnecessary because it addresses indirect harm, and that indirect harm should be addressed by not bureaucrats in the EPA, but by Congress.

Now, we all know how gridlocked Congress has been over the years. There has been nothing coming out of this Congress. I predict they won't even be able to do—they couldn't do repeal and replace. They were at it for 9 months, stalled everything else out,

couldn't do repeal and replace. So now they are on comprehensive, what they call, tax reform, which is only tax breaks for the top 1 percent when you peel everything back.

They are not going to be able to do that because my friends in the Freedom Caucus will prevent them from adding \$1.5 trillion to the national debt. I support them in that endeavor. They can count on my vote for that.

But this is nonsense, ladies and gentlemen. We have to stop protecting these corporate wrongdoers and put the hands back into the courts and to the American people.

Mr. Chairman, I yield back the balance of my time.

Mr. CICILLINE. Will the gentleman yield?

Mr. JOHNSON of Louisiana. I yield to the gentleman from Rhode Island.

Mr. CICILLINE. Mr. Chairman, I just want to ask the gentleman a question.

You made reference to the decision of—I forget the word you used to describe bureaucrats.

Mr. JOHNSON of Louisiana. I have the script right here. Let me tell you how I define them.

I don't know. Bureaucrats. You tell me.

Mr. CICILLINE. I think you said some pejorative word describing bureaucrats.

But I just want to ask the gentleman—the settlements that are described or the subject of this legislation, of course, are settlements that would require court approval and enforcement. So I think in fairness, when you say it is so that a bureaucrat doesn't get to decide this, this is pursuant to litigation which the parties come to an agreement that then the court must approve.

So this is really about respecting the ability of the court to assess the propriety of a judgment. And I think there was a very famous decision where one of the courts said the purpose of the Clean Water Act was not to endow the Treasury, but to prevent harm. So the idea is not just to generate money for the government, but to actually remediate and respond to the harm that was caused by the corporate wrongdoer.

I think that is why Mr. JOHNSON's amendment is important, brilliant, and deserves our support.

Mr. JOHNSON of Louisiana. Mr. Chairman, reclaiming my time about the brilliant amendment, it is, again, not necessary.

And in response to the question, the court does not always approve every one of these; and that is the point.

The gist of this amendment and the purpose of the bill is to restore and strengthen our Article I power under the Constitution. You may not like the way Congress operates, you may not like all of the decisions that are made here, but in their infinite wisdom, this is how the Founders designed our system. It has worked very well, and it will continue to do so. For that reason, I oppose the amendment.

Mr. Chairman, I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Georgia (Mr. JOHNSON).

The question was taken; and the Acting Chair announced that the ayes appeared to have it.

Mr. JOHNSON of Louisiana. Mr. Chairman, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Georgia will be postponed.

AMENDMENT NO. 4 OFFERED BY MS. JACKSON LEE

The Acting CHAIR. It is now in order to consider amendment No. 4 printed in part B of House Report 115-363.

Ms. JACKSON LEE. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 3, line 11, insert after "settlement agreement" the following: "(other than an excepted settlement agreement)".

Page 4, strike line 4, and insert the following:

(d) DEFINITIONS.—In this Act:

(1) The term "excepted settlement agreement" means a settlement agreement that pertains to providing restitution for a State.

(2) The term "settlement agreement"

The Acting CHAIR. Pursuant to House Resolution 577, the gentlewoman from Texas (Ms. JACKSON LEE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Texas.

Ms. JACKSON LEE. Mr. Chairman, I think, when we come to the floor, we are obligated to as much educate our colleagues who may be back in their offices or in meetings as it is to educate the general public.

□ 1630

The name of this bill is distorted and incorrect. I think it is important to note what happens when the Department of Justice engages in lawsuits on behalf of the American people, and they are the American people's lawyer, or they are sued.

In many instances, there is something called a consent decree and a settlement that generates funds that can be utilized for the betterment of the American people.

So why don't you view this side of the aisle with the betterment of the American people because we are questioning legislation that would eliminate the opportunity for those who are doing good work to be funded by career professionals in the Justice Department.

So the basis of this bill is to throw this money over into the Congress, of which I have great respect in terms of its Article I powers, requiring a congressional appropriation for each beneficiary fund established as relief in a lawfully negotiated settlement to victims, such as in the case of predatory

lending, employment discrimination, pollution, environmental hazards, and would greatly strain Congress' already limited legislative resources and scarce time.

They want us to now, line by line, disseminate these funds that can be done by career professionals dealing with improving on the issue upon which the government was sued. It opens the doors to industry influence and obstruction.

I don't believe we have earmarks anymore. I happen to be a supporter of getting moneys to the community. We don't have an appropriations bill now, we don't have a budget now. So it is almost November, and the Congress has not yet appropriated funds to run the government nor have they passed a budget. That would be the maze of which you would throw a very proficient process of allowing these funds to be distributed.

The Jackson Lee amendment would exempt from this confused bill settlement agreements that would provide restitution to States that are not parties to the litigation. That means, for example, after Hurricane Harvey, there was an explosion at the Arkema chemical plant. Nine trailers exploded and several first responders went to the hospital. I would want to seek funds to be able to help them.

We also understand that there are many organizations representing the people. Public Citizen, a nonprofit membership organization, they are against it. The Urban League is against it. The counties have issued a resolution, local counties. They are against it.

I think there is no clearer evidence to vote this particular bill down, but to support the Jackson Lee amendment.

Mr. Chair, I reserve the balance of my time.

Mr. JOHNSON of Louisiana. Mr. Chair, I rise in opposition to the amendment.

The Acting CHAIR. The gentleman is recognized for 5 minutes.

Mr. JOHNSON of Louisiana. Mr. Chairman, the amendment would exempt settlements providing restitution to a State, the idea presumably being that the State could then distribute money as it sees fit for generalized harm to its citizens, but nothing in this bill prevents Congress from making block grants to States to address generalized harm. Indeed, Congress regularly appropriates money to States to deal with challenges, including environmental cleanups. Examples of this include the EPA Superfund and the Brownfields grants.

This bill merely insists that decisions on when such grants are appropriate and in what amounts, that those decisions be made by accountable representatives in Congress and not agency bureaucrats and prosecutors.

Compensating direct victims is a job for the Justice Department. Broader projects are a policy question that should be decided by Congress.

Mr. Chair, accordingly, I urge my colleagues to oppose this amendment, and I reserve the balance of my time.

Ms. JACKSON LEE. Mr. Chairman, this is my very point. My very point is a transparent and clear system of distribution of funds, and the career professionals determining what entities need those funds is a clearer system than what would occur if moneys were dumped onto Congress outside of the normal budgetary and appropriations process, of which we are having a very difficult time as we speak.

The process that we have now, my amendment says that these settlement agreements that provide restitution to States that are not parties to the litigation, they shouldn't be covered by the elimination of the right for the career professionals to distribute these funds.

It also acknowledges the respect for the Congress and the work that it has to do, but it also acknowledges counties like Jefferson County, Texas, the resolution to the National Association of Counties. They are against this bill because it would disallow funds derived from court settlements for injuries to the environment from being distributed to States, counties, and parishes, borrowers in proximity to the pollution event. These are real people representing real people right on the ground asking for us to not pass this legislation.

I would say to my good friend, why don't we use our Article I powers to begin investigations on the separation of powers relevant to the administration and its actions. Why don't we begin looking at whether there are high crimes and misdemeanors.

I mean, there are many things that our Article I powers can do, but, in this instance, I think that this has not proven to be a failure, and the only failure in it is the obsession that my friends have with the past administration.

I want to have something that has worked for the county governments, people who live in counties and cities and States. If they were harmed during Hurricane Harvey, for example, by an explosion and 23 first responders went to the hospital and many houses were evacuated, I believe it would be appropriate to leave the system in which those dollars can go directly to those counties and cities and States and to improve the quality of life.

Mr. Chair, I ask my friends to support the Jackson Lee amendment.

Mr. Chair, the proposed legislation, as currently drafted, could be construed to preclude all third-party payments in settlement agreements, other than restitution to identifiable victims.

Requiring a congressional appropriation for each beneficiary fund established as relief in a lawfully negotiated settlement to victims, such as in cases of predatory lending, employment discrimination and pollution through environmental hazardous, would greatly strain Congress' already limited legislative resources and scarce time, while opening the doors to indus-

try influence and obstruction in routine enforcement matters.

Congress lacks the time, expertise, and resources to properly review and make enforcement decisions on behalf of Federal agencies.

The cost of delays associated with this scheme would have devastating consequences for the public health, environment, and local communities.

Accordingly, the Jackson Lee Amendment would except cases where funds are directed to states to remediate the generalized harm of unlawful conduct beyond harms to identifiable victims.

Specifically, the Jackson Lee Amendment would exempt from H.R. 732 settlement agreements that provide restitution to states that are not parties to litigation.

As you know, following the subprime meltdown, the U.S. Department of Justice pursued lawsuits against mortgage lenders and banks that engaged in discriminatory lending practices, such as those targeted by this legislation.

Research shows that African Americans and Latinos were discriminated against and steered into subprime loans even when they qualified for conventional loans.

Moreover, African Americans and Latinos were two to three times more likely than white homebuyers to receive subprime loans which resulted in foreclosure rates 10 times that of conventional loans.

Pursuant to the settlement agreements, available under current law, the Justice Department ordered that financial institutions dedicate a portion of their settlement payments to U.S. Department of Housing and Urban Development (HUD) certified housing counseling intermediaries to provide consumer relief in the communities that were hit hardest.

HUD has approved 37 housing counseling intermediaries that financial institutions have the discretion to choose as third-party providers of consumer relief under the terms of the Justice Department settlement agreements.

Additionally, these HUD-certified housing counseling providers deliver financial education and coaching to individuals to inform them of their home-buying options and rights, and to ensure they become and remain homeowners.

In fact, since 2008, 40 affiliates have provided housing counseling services—to date serving more than 200,000 clients in mostly underserved areas.

The success of housing counseling programs is undisputed.

Borrowers who have used housing counseling are one-third less likely to be seriously delinquent on their loan payments, and those who are in default are 60 percent more likely to save their homes.

The benefits of these programs are tangible and must continue to be made available to the public.

This example is particularly pertinent as Houston recovers from hurricane Harvey, a tragedy that displaced tens of thousands of my constituents.

There are still over 61 thousand people living in hotels throughout Texas.

Under current law, the Environmental Protection Agency (EPA) may include Supplemental Environmental Projects (SEPs) in settlement agreements to offset the harms of unlawful conduct by requiring parties to under-

take an environmentally beneficial project or activity that "is not required by law," but that a defendant agrees to undertake as part of the settlement of an enforcement action.

In 2012, the EPA and Justice Department resolved the civil liability of MOEX Offshore through a settlement agreement resulting from the Deepwater Horizon oil spill, that included funds to several Gulf states, including Texas, where Texas was not a party to the complaint, but received \$3.25 million for SEPs and other responsive actions.

H.R. 732, would prohibit these agreements and many of the important benefits now provided by EPA.

The bill's definition excludes, "any payment by a party to provide restitution for or otherwise remedy the actual harm (including to the environment), directly and proximately caused by the alleged conduct of the party that is the basis for the settlement agreement."

This exception is too narrowly drawn to allow for numerous beneficial uses of settlement monies.

Thus, for example, the bill would appear to ban the following entirely legitimate, appropriate uses of settlement funds that are currently permitted by EPA:

(1) Pollution prevention projects that improve plant procedures and technologies, and/or operation and maintenance practices, that will prevent additional pollution at its source;

(2) Environmental restoration projects including activities that protect local ecosystems from actual or potential harm resulting from the violation;

(3) Facility assessments and audits, including investigations of local environmental quality, environmental compliance audits, and investigations into opportunities to reduce the use, production, and generation of toxic materials;

(4) Programs that promote environmental compliance by promoting training or technical support to other members of the regulated community; and

(5) Projects that provide technical assistance or equipment to a responsible state or local emergency response entity for purposes of emergency planning or preparedness.

Each of these programs provide important protections of human health and the environment in communities that have been harmed by environmental violations.

However, because they are unlikely to be construed as redressing "actual (environmental) harm, directly and proximately caused" by the alleged violator, the bill before this committee would prohibit every one of them.

On August 31, 2017, in the aftermath of Hurricane Harvey, dangerous chemicals at the Arkema chemical facility in Crosby, Texas, exploded and burned.

Nine trailers at the plant contained organic peroxides that first exploded and burned, sending 23 first responders to the hospital. In addition, despite a 1½ mile radius evacuation from the chemical releases, dozens of residents were effected for days by the noxious fumes, including headaches, dizziness, vomiting, and burning eyes.

This recent incident is a prime example of how restitution to a community under an enforcement settlement should work. EPA should (not sure if they are) engage in enforcement activities against Arkema, including civil fines and restitution to the community. There were

clear health impacts on many in the community and a settlement could, as an example, fund health care assistance short term, or even long term monitoring of lung health. However, if H.R. 732 were law, only first responders would likely have the ability to seek restitution. This is not okay. It utterly fails to help make a community whole after such a terrible event.

Background facts:

23 first responders were sent to the hospital due to exposure to chemical fumes.

Residents within a 1½ mile radius were asked to evacuate, though in this low-income neighborhood in the aftermath of the storm, many were unable to.

Congressman TED POE (R-TX), and original cosponsor of H.R. 732 and representative of the district that plant and affected community are located in, at the time told ABC News as events were unfolding that the situation was “very dangerous . . . (and) . . . the worst-case scenario is that this chemical plant could explode.”

For these reasons, I urge my colleagues to join me in support of the Jackson Lee Amendment.

PROPOSED RESOLUTION ON THE STOP SETTLEMENT SLUSH FUNDS ACT

A resolution from Jefferson County, Texas to the National Association of Counties seeking to maintain the status quo for states, counties, parishes and boroughs being able to receive damages payments for environmental crimes in proximity to them (e.g., Exxon Valdez and Deepwater Horizon).

Issue: H.R. 732, a bill that may restrict or disallow Department of Justice Supplemental Environmental Plans from benefiting states, counties, parishes and boroughs in proximity to pollution events that result in court settlements for environmental damages.

Proposed Policy: The National Association of Counties (NACo) opposes any provisions within the final version of H.R. 732 that would disallow funds derived from court settlements for injuries to the environment from being distributed to states, counties, parishes and boroughs in proximity to the pollution event.

Background: On Jan 30, 2017, Representative Goodlatte, along with 34 other cosponsors, introduced the Stop Settlement Slush Funds Act of 2017 (H.R. 732) which could ban or restrict the current practice involving Supplemental Environmental Projects’ distribution of court settlement proceeds to states, counties, parishes and boroughs.

H.R. 732 has been referred to the U.S. House of Representatives Judiciary Committee and assigned to the Regulatory Reform, Commercial & Antitrust Law Subcommittee.

Members of the Committee are unclear about H.R. 732’s provisions relating to payments to remediate direct harm, including environmental harm, done by defendant’s wrongful activity.

This is particularly important in the environmental context, in which the injury to the environment may be diffuse and there may be no identifiable victims.

Currently, the U.S. Department of Justice and the Congress may both have roles in determining eligibility for states, counties, parishes and boroughs in proximity to a pollution event for receiving funds from a settlement agreement.

H.R. 732 is unclear on this issue, prompting dissenting opinions about whether the bill prevents states, counties, parishes and boroughs in proximity to pollution events (e.g., the Exxon Valdez and Deepwater Horizon oil

spills) from receiving funds derived from court settlements.

NACo should oppose any provision in H.R. 732 that modifies or restricts current practice in distributing proceeds from court settlement agreements for environmental damage events.

Fiscal/Urban/Rural Impact: Congressional concurrence with this NACo resolution upholds the status quo practice in court settlement agreements for environmental events.

Sponsor: Jeff R. Branick, Judge, Jefferson County, Texas

Ms. JACKSON LEE. Mr. Chair, I yield back the balance of my time.

Mr. JOHNSON of Louisiana. Mr. Chair, I would just respond to my learned colleague by quoting a renowned liberal legal scholar, the late Abner Mikva, who explained in a law review article back in 1986, that even if it were less efficient to go through Congress, that would be no reason to cede the point of principle. This is what he wrote:

“To ensure that Congress would act as the first branch of government, the constitutional Framers gave the legislature virtually exclusive power to control the Nation’s purse strings. . . . They knew that the power of the purse was the most far-reaching and effectual of all governmental powers. . . . Doubtless they understood that a collection of diverse individuals representing diverse interests . . . would less efficiently and less coherently devise fiscal policy than would a single ‘treasurer’ or ‘fiscal czar.’ Yet they chose, for good reason, to suffer this cost and bear its risks.”

That is from a liberal legal scholar, and, of course, conservatives agree.

The system that the Founders set up, the reason and purpose for Article I, is to allow these major decisions to be made by the elected Representatives of Congress, and, for that reason, we oppose the amendment.

Mr. Chair, I yield back the balance of my time.

The Acting CHAIR (Mr. DONOVAN). The question is on the amendment offered by the gentlewoman from Texas (Ms. JACKSON LEE).

The question was taken; and the Acting Chair announced that the noes appeared to have it.

Ms. JACKSON LEE. Mr. Chair, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentlewoman from Texas will be postponed.

AMENDMENT NO. 5 OFFERED BY MR. CICILLINE

The Acting CHAIR. It is now in order to consider amendment No. 5 printed in part B of House Report 115-363.

Mr. CICILLINE. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 3, line 11, insert after “settlement agreement” the following: “(except as provided in subsection (g))”.

Add at the end of the bill the following:

(g) EXCEPTION.—The provisions of this Act do not apply in the case of a settlement agreement that resolves the criminal or civil liability of a financial institution for the predatory or fraudulent packaging, securitization, marketing, sale and issuance of residential mortgage-backed securities.

The Acting CHAIR. Pursuant to House Resolution 577, the gentleman from Rhode Island (Mr. CICILLINE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Rhode Island.

Mr. CICILLINE. Mr. Chair, I rise in support of my amendment, which would exempt from H.R. 732 any settlement agreement that directs funds to reduce the effects of the mortgage foreclosure crisis through foreclosure prevention assistance programs.

There is little debate that predatory and fraudulent activity in the residential mortgage securities market was the primary cause of the mortgage foreclosure crisis.

As U.S. District Court Judge Max Cogburn observed in 2014, one need not “be an expert in economics to take notice that it was the trading of toxic RMBS”—residential mortgage-backed securities—“between financial institutions that nearly brought down the banking system in 2008.”

The financial crisis blighted entire cities and communities, resulting in more than 13 million Americans losing their homes between 2006 and 2014, an average of 850,000 per year.

Beyond the life-changing hardship and stress placed on families by unlawful conduct in the housing market, the exponential rise in foreclosures imposed significant external costs on families and communities across the Nation.

Fraudulent activity in the housing market depressed home and commercial real estate values, undermined economic development and municipal revenue, deprived communities of public services, and resulted in increases of violent crime in communities of significant foreclosure activity.

Leading studies have also documented the contagious effects of foreclosures, and not just the neighborhood immediately affected by the foreclosures, but nearby vicinities as well, underscoring the diffuse and systemic impacts of unlawful mortgage securities practices.

In response to the financial crisis, President Obama announced in 2012, the creation of an investigatory unit within the Justice Department to: “. . . hold accountable those who broke the law, speed assistance to homeowners, and help turn the page on an era of recklessness that hurt so many Americans.”

This unit secured more than \$40 billion in civil penalties, compensation, and consumer relief through settlement with five financial institutions for alleged misconduct involving the packaging, marketing, and sale of residential mortgage-backed securities.

Geoffrey Graber, who directed this effort within the Justice Department,

testified in 2015 that these settlements meaningfully addressed the vicious cycle of harm caused by fraud in the housing market by achieving accountability from financial institutions that engaged in wrongdoing related to residential mortgage-backed securities, and to the extent possible, bringing some measure of relief to homeowners who suffered as a result of the financial crisis.

In addition to civil penalties, these settlements included statements of fact describing the pervasive fraud that permeated the mortgage market. In just one example, a bank employee stated that he would not be surprised if half of these loans went down, and that the banks should start praying.

The settlements also included consumer relief provisions designed to enable many Americans to stay in their homes by directing funds to distressed homeowners, community reinvestment and stabilization, and income-based lending for borrowers who lost homes to foreclosure.

The Department's settlement with Citigroup and Bank of America additionally directed \$50 million in funds to charitable housing council programs and legal aid organizations to provide counsel to homeowners entitled to relief under the settlement because they were directly affected by the fraudulent and predatory conduct of the settling banks.

As the Center for American Progress has noted, these funds account for less than 1 percent of the overall amount of each settlement, and will support services provided by housing counselors and other trusted intermediaries that enable consumers to access the consumer relief to which they are entitled under the settlements.

We should be doing everything in our power to keep American families in their homes and off the streets, not letting big banks off the hook for their predatory and fraudulent practices, and so I urge my colleagues to adopt this amendment that will address this very important issue.

Mr. Chair, I reserve the balance of my time.

Mr. JOHNSON of Louisiana. Mr. Chair, I rise in opposition to the amendment.

The Acting CHAIR. The gentleman is recognized for 5 minutes.

Mr. JOHNSON of Louisiana. Mr. Chair, this amendment would exempt settlements resolving allegations of predatory or fraudulent conduct involving residential mortgage-backed securities, as we have heard. Ironically, it creates an exception in the very situation in which the abuses we highlighted earlier arose.

The key point here is that nothing in the underlying bill prevents direct victims of mortgage fraud from obtaining relief.

The concern of this amendment is that there may be cases of generalized harm to communities that cannot be addressed by restitution, but this misses the fundamental point.

The Department of Justice has authority to obtain redress for victims. Federal law defines victims to be those "directly and proximately harmed" by the defendant's acts.

Once those victims have been compensated, deciding whether additional moneys, other than for penalties, should be allocated to address related problems becomes a policy question properly decided by elected representatives in Congress and not agency bureaucrats or prosecutors.

Indeed, Congress already funds homeowner assistance programs through the annual appropriations process, balancing it against competing priorities.

As we have repeated throughout this debate, the spending power is one of Congress' most effective tools in reining in the executive branch. This is true, by the way, no matter which party is in the White House.

This amendment would weaken that essential congressional power, and, for that reason, we urge Members to oppose it on institutional grounds.

Mr. Chair, I reserve the balance of my time.

Mr. CICILLINE. Mr. Chair, if I might just say briefly, the notion that Congress can just do these appropriations itself sort of misses the point. It is the responsibility of Article III courts to hear disputes, supervise litigation, and enforce settlements.

It is an odd moment for Congress to take on the work of another branch of government when we can't even do our own work here.

Mr. Chair, I yield the balance of my time to the gentleman from Michigan (Mr. KILDEE).

Mr. KILDEE. Mr. Chairman, I thank the gentleman, my friend, for yielding.

Mr. Chair, this is a subject that I think we have a great deal of experience on in this country. It is only a decade since the housing crisis wreaked havoc, not just on individual families, but on whole communities.

□ 1645

The notion that one of the available tools that we can deploy to deal with the consequence of this sort of predatory activity by going right at the source of that predation and require them to supply the resources to offset the impact of that activity is something that we really ought to think carefully about.

Mr. Chair, mortgage foreclosures wreck families, but also wreck communities. We ought to use every tool we can to prevent them by ensuring that individuals know and have access to the resources they need in order to prevent this from happening again. The impact is devastating, and we ought to do everything we can to prevent it from happening again.

Mr. CICILLINE. Mr. Chair, I yield back the balance of my time.

Mr. JOHNSON of Louisiana. Mr. Chairman, I would just respond by saying that those compelling policy arguments should be made appropriately in

this Chamber, and it is the elected representatives of the people in this Chamber who can make those fateful decisions. There may be good arguments. There may be things that we need to do, but the point is that we are the persons who have the constitutional authority to make those decisions, not bureaucrats, not prosecutors.

Mr. Chair, for these reasons, I oppose the amendment, and I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Rhode Island (Mr. CICILLINE).

The question was taken; and the Acting Chair announced that the noes appeared to have it.

Mr. CICILLINE. Mr. Chair, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Rhode Island will be postponed.

AMENDMENT NO. 6 OFFERED BY MR. CONYERS

The Acting CHAIR. It is now in order to consider amendment No. 6 printed in part B of House Report 115-363.

Mr. CONYERS. Mr. Chair, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 3, line 11, insert after "settlement agreement" the following: "(except as provided in subsection (g))".

Add at the end of the bill the following:

(g) EXCEPTION.—The provisions of this Act do not apply in the case of a settlement agreement that directs funds to remediate the indirect harms caused by unlawful conduct resulting in an increase in the amount of lead in public drinking water.

The Acting CHAIR. Pursuant to House Resolution 577, the gentleman from Michigan (Mr. CONYERS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, my amendment would exempt from H.R. 732 settlement agreements that direct funds to remediate the indirect but catastrophic effects of unlawful conduct resulting in lead contamination in public drinking water.

Lead contamination in public drinking water is potentially a national public health crisis as older cities continue to rely on aging lead pipes for the delivery of public drinking water.

A report from the American Water Works Association estimates that this problem could potentially affect millions of water service lines. For example, Highland Park, located in my district, has been dealing with issues resulting from aging lead pipes. Just last month, officials closed public water fountains and fixtures due to unsafe samples of lead in public drinking water.

The well-publicized Flint water crisis is another painful example of the disastrous consequences of lead contamination in public drinking water.

The director of the pediatric residents at Hurley Children's Hospital in Flint wrote: "To understand the contamination of this city, think about drinking water through a straw coated in lead. As you sip, lead particles flake off into the water and are ingested. Flint's children have been drinking water through lead-coated straws."

The Flint water crisis has generated numerous lawsuits by individuals, local and State agencies, and public interest organizations such as the Natural Resources Defense Council and the American Civil Liberties Union.

While these cases tend to involve numerous victims directly affected by unlawful conduct, they can also affect the interests of persons who are not parties to the case or are likely to receive compensation for unlawful conduct.

Given the systemic nature of lead contamination in drinking water, settlement agreements resolving civil and criminal liability related to the Flint water crisis may require setting aside funds for unidentifiable victims, directing payments to address generalized harm, or establishing an environmental compliance program to avoid lead contamination in the future.

Unfortunately, these entirely legitimate forms of indirect remediation of environmental harms would be prohibited by H.R. 732.

Mr. Chair, accordingly, I urge my colleagues to support the amendment, and I reserve the balance of my time.

Mr. JOHNSON of Louisiana. Mr. Chairman, I rise in opposition to the amendment.

The Acting CHAIR. The gentleman is recognized for 5 minutes.

Mr. JOHNSON of Louisiana. Mr. Chair, this amendment undercuts Congress' power. It is another attempt to do so, and it should be opposed for that reason.

It would exempt settlements that direct funds to remedy indirect harm resulting from lead in drinking water. It is a terrible problem. The amendment is forced to focus on indirect harm because nothing in the bill prevents remediation of direct harm.

But settlement provisions addressing indirect harm are precisely why this bill is needed. The bill's guiding principle is that once direct victims have been compensated, deciding the best use of additional funds to address related problems—whether that is addressing indirect harms or otherwise—is, again, a policy question properly decided by elected representatives in Congress and not agency bureaucrats or prosecutors.

We have proven the point. Last year, Congress actually acted on this. Congress appropriated \$120 million to address drinking water problems in Flint, Michigan. If there is further need, Congress can make additional appropriations. The Department of Justice should not be permitted to augment those funding decisions entirely outside of the congressional appropriations and oversight processes because

they are important to protect and preserve.

Again, the spending power is one of Congress' most effective tools in reining in the executive branch, and we cannot afford to weaken that essential congressional power.

Mr. Chair, for these reasons, I urge all Members to oppose this amendment on institutional grounds, and I reserve the balance of my time.

Mr. CONYERS. Mr. Chairman, I yield the balance of my time to the gentleman from Michigan (Mr. KILDEE).

Mr. KILDEE. Mr. Chair, I appreciate the gentleman yielding, and particularly for this thoughtful amendment. I am from Flint; born and raised in Flint. I represent Flint. I was here on the floor and I was the one pushing for the legislation that the gentleman on the other side mentioned that provided \$120 million to help offset the cost of this terrible tragedy.

When I introduced the first legislation, we calculated what the total direct and indirect cost was: \$1.5 billion.

Now, here is the point: again, we ought not put a community like Flint in the position of having to depend on this Congress to fully fund the total cost of that recovery, or another community that might be facing a similar situation.

If the gentleman is sincere that Congress can act to help offset the incredible indirect costs that my home community is facing, then I would suggest the gentleman join me in my effort to do just that. So far, Congress has not done that.

The notion that we would exempt the people of Flint from access to the resources that could be determined by a court as being part of the justice that they deserve is not an act that we ought to engage in.

Flint, as sad as this case is, is not an anomaly. Flint is a warning, and when we need to make sure we heed that warning.

Mr. CONYERS. Mr. Chair, I yield back the balance of my time.

Mr. JOHNSON of Louisiana. Mr. Chairman, I would just respond by saying that no tragedy, however sad and however large, justifies us deviating from our Constitution, from the way the Founders set up this system and the way that this body operates. There is a reason that these responsibilities were given to us as Members of Congress. Each of us has the same challenge. When there is a tragedy or a mishap or a natural disaster or anything that affects our districts, our job is to come here and convince a sufficient number of our colleagues to support those appropriations to handle those measures. The system is designed with safeguards in place. It is designed so that the interests of the entire Nation can be represented here in this Chamber. For that reason, this amendment would bypass that. It would bypass the design. It would bypass article I, and it would create a whole different way of governing. We simply can't allow that.

Mr. Chair, this is about preserving the original intent of the Constitution, preserving the power of this body. For that reason, I oppose the amendment, and I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Michigan (Mr. CONYERS).

The question was taken; and the Acting Chair announced that the noes appeared to have it.

Mr. CONYERS. Mr. Chair, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Michigan will be postponed.

ANNOUNCEMENT BY THE ACTING CHAIR

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments printed in part B of House Report 115-363 on which further proceedings were postponed, in the following order:

Amendment No. 2 by Mr. COHEN of Tennessee.

Amendment No. 3 by Mr. JOHNSON of Georgia.

Amendment No. 4 by Ms. JACKSON LEE of Texas.

Amendment No. 5 by Mr. CICILLINE of Rhode Island.

Amendment No. 6 by Mr. CONYERS of Michigan.

The Chair will reduce to 2 minutes the minimum time for any electronic vote after the first vote in this series.

AMENDMENT NO. 2 OFFERED BY MR. COHEN

The Acting CHAIR. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Tennessee (Mr. COHEN) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIR. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 187, noes 233, not voting 12, as follows:

[Roll No. 575]

AYES—187

Adams	Castor (FL)	DeFazio
Aguilar	Castro (TX)	DeGette
Beatty	Chu, Judy	Delaney
Bera	Cicilline	DeLauro
Beyer	Clark (MA)	DelBene
Bishop (GA)	Clarke (NY)	Demings
Blumenauer	Clay	DeSaulnier
Blunt Rochester	Cleaver	Deutch
Bonamici	Clyburn	Dingell
Boyle, Brendan	Cohen	Doggett
F.	Connolly	Doyle, Michael
Brady (PA)	Conyers	F.
Brown (MD)	Correa	Ellison
Brownley (CA)	Costa	Engel
Bustos	Courtney	Eshoo
Butterfield	Crist	Espallat
Capuano	Crowley	Esty (CT)
Carbajal	Cuellar	Evans
Cárdenas	Cummings	Foster
Carson (IN)	Davis (CA)	Frankel (FL)
Cartwright	Davis, Danny	Fudge

Gabbard
Gallego
Garamendi
Gomez
Gonzalez (TX)
Gottheimer
Green, Al
Green, Gene
Grijalva
Gutiérrez
Hanabusa
Hastings
Heck
Higgins (NY)
Himes
Hoyer
Huffman
Jackson Lee
Jayapal
Jeffries
Johnson (GA)
Johnson, E. B.
Kaptur
Keating
Kelly (IL)
Kennedy
Khanna
Kihuen
Kildee
Kilmer
Kind
Krishnamoorthi
Kuster (NH)
Langevin
Larsen (WA)
Larson (CT)
Lawrence
Lawson (FL)
Lee
Levin
Lewis (GA)
Lieu, Ted
Lipinski

Loeb sack
Lofgren
Lowey
Lujan Grisham,
M.
Luján, Ben Ray
Lynch
Maloney,
Carolyn B.
Maloney, Sean
Matsui
McCollum
McEachin
McGovern
McNerney
Meeks
Meng
Moore
Moulton
Murphy (FL)
Nadler
Napolitano
Neal
Nolan
Norcross
O'Halleran
O'Rourke
Pallone
Panetta
Pascrell
Payne
Pelosi
Perlmutter
Peterson
Pingree
Pocan
Polis
Price (NC)
Quigley
Raskin
Rice (NY)
Richmond
Rosen

Raybal-Allard
Ruiz
Ruppersberger
Rush
Ryan (OH)
Sánchez
Sarbanes
Schakowsky
Schiff
Schneider
Scott (VA)
Serrano
Sewell (AL)
Shea-Porter
Sherman
Sires
Slaughter
Smith (WA)
Soto
Speier
Suozi
Swalwell (CA)
Takano
Thompson (CA)
Thompson (MS)
Titus
Tonko
Torres
Tsongas
Vargas
Veasey
Vela
Velázquez
Visclosky
Walz
Wasserman
Schultz
Waters, Maxine
Watson Coleman
Welch
Yarmuth

NOES—233

Abraham
Aderholt
Allen
Amash
Amodei
Arrington
Babin
Bacon
Banks (IN)
Barr
Barton
Bergman
Biggs
Bilirakis
Bishop (MI)
Bishop (UT)
Black
Blackburn
Blum
Bost
Brady (TX)
Brat
Brooks (AL)
Brooks (IN)
Buchanan
Buck
Bucshon
Budd
Byrne
Calvert
Carter (GA)
Carter (TX)
Chabot
Cheney
Coffman
Cole
Collins (GA)
Collins (NY)
Comer
Comstock
Conaway
Cook
Cooper
Costello (PA)
Cramer
Crawford
Culberson
Curbelo (FL)
Davidson
Davis, Rodney
Denham
Dent
DeSantis
DesJarlais

Diaz-Balart
Donovan
Duffy
Duncan (SC)
Duncan (TN)
Dunn
Emmer
Estes (KS)
Farenthold
Faso
Ferguson
Fitzpatrick
Fleischmann
Flores
Fortenberry
Fox
Foxx
Franks (AZ)
Frelinghuysen
Gaetz
Gallagher
Garrett
Gianforte
Gibbs
Gohmert
Goodlatte
Gosar
Gowdy
Granger
Graves (GA)
Graves (LA)
Graves (MO)
Griffith
Grothman
Guthrie
Handel
Harper
Harris
Hartzler
Hensarling
Herrera Beutler
Hice, Jody B.
Higgins (LA)
Hill
Holding
Hollingsworth
Hudson
Hultgren
Hunter
Hurd
Issa
Jenkins (KS)
Jenkins (WV)
Johnson (LA)
Johnson (OH)

Johnson, Sam
Jones
Jordan
Katko
Kelly (MS)
Kelly (PA)
King (IA)
King (NY)
Kinzinger
Knight
Kustoff (TN)
Labrador
LaHood
LaMalfa
Lamborn
Lance
Latta
Lewis (MN)
LoBiondo
Loudermilk
Love
Lucas
Luetkemeyer
MacArthur
Marchant
Marino
Marshall
Massie
Mast
McCarthy
McCaul
McClintock
McHenry
McKinley
McMorris
Rodgers
McSally
Meadows
Meehan
Messer
Mitchell
Moolenaar
Mooney (WV)
Mullin
Newhouse
Noem
Norman
Nunes
Olson
Palazzo
Palmer
Paulsen
Pearce
Perry

Peters
Pittenger
Poe (TX)
Poliquin
Posey
Ratcliffe
Reed
Reichert
Renacci
Rice (SC)
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rohrabacher
Rokita
Rooney, Francis
Rooney, Thomas
J.
Ros-Lehtinen
Roskam
Ross
Rothfus
Rouzer
Royce (CA)

Russell
Rutherford
Sanford
Schweikert
Scott, Austin
Sensenbrenner
Sessions
Shimkus
Shuster
Simpson
Sinema
Smith (MO)
Smith (NE)
Smith (NJ)
Smith (TX)
Smucker
Stefanik
Stewart
Stivers
Taylor
Tenney
Thompson (PA)
Thornberry
Tiberi
Tipton

Turner
Upton
Valadao
Wagner
Walberg
Walden
Walker
Walorski
Walters, Mimi
Weber (TX)
Webster (FL)
Wenstrup
Westerman
Williams
Wilson (SC)
Wittman
Womack
Woodall
Yoder
Yoho
Young (AK)
Young (IA)
Zeldin

NOT VOTING—12

Barletta
Barragán
Bass
Bridenstine
Burgess
Huizenga
Joyce (OH)
Long

□ 1721

Messrs. JORDAN, DUNN, WALDEN, COMER, SIMPSON, BABIN, GROTHMAN, DENT, and DUFFY changed their vote from “aye” to “no.”
Ms. WASSERMAN SCHULTZ, Messrs. JEFFRIES, DOGGETT, and Ms. SEWELL of Alabama changed their vote from “no” to “aye.”
So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 3 OFFERED BY MR. JOHNSON OF GEORGIA

The Acting CHAIR. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Georgia (Mr. JOHNSON) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIR. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIR. This will be a 2-minute vote.

The vote was taken by electronic device, and there were—ayes 183, noes 235, answered “present” 1, not voting 13, as follows:

[Roll No. 576]

AYES—183

Adams
Aguilar
Beatty
Bera
Beyer
Bishop (GA)
Blumenauer
Blunt Rochester
Bonamici
Boyle, Brendan
F.
Brady (PA)
Brown (MD)
Brownley (CA)
Bustos
Butterfield
Capuano
Carbajal

Cardenas
Carson (IN)
Cartwright
Castor (FL)
Castro (TX)
Chu, Judy
Cielline
Clark (MA)
Clarke (NY)
Clay
Cleaver
Clyburn
Cohen
Connolly
Conyers
Correa
Costa
Courtney

Ellison
Engel
Eshoo
Espallat
Esty (CT)
Evans
Foster
Fudge
Gabbard
Gallego
Garamendi
Gomez
Gonzalez (TX)
Green, Al
Green, Gene
Grijalva
Gutiérrez
Hanabusa
Hastings
Heck
Higgins (NY)
Himes
Hoyer
Huffman
Jackson Lee
Jayapal
Jeffries
Johnson (GA)
Johnson, E. B.
Kaptur
Keating
Kelly (IL)
Kennedy
Khanna
Kihuen
Kildee
Kilmer
Kind
Krishnamoorthi
Kuster (NH)
Langevin
Larsen (WA)
Larson (CT)
Lawrence
Lawson (FL)

Lee
Levin
Lewis (GA)
Lieu, Ted
Lipinski
Loeb sack
Lofgren
Lowey
Lujan Grisham,
M.
Luján, Ben Ray
Lynch
Maloney,
Carolyn B.
Maloney, Sean
Matsui
McCollum
McEachin
McGovern
McNerney
Meeks
Meng
Moore
Moulton
Murphy (FL)
Nadler
Napolitano
Neal
Nolan
Norcross
O'Halleran
O'Rourke
Pallone
Panetta
Pascrell
Payne
Pelosi
Perlmutter
Pingree
Pocan
Polis
Price (NC)
Quigley
Raskin
Rice (NY)

Richmond
Rosen
Roybal-Allard
Ruiz
Ruppersberger
Rush
Ryan (OH)
Sánchez
Sarbanes
Schakowsky
Schiff
Schneider
Schrader
Scott (VA)
Scott, David
Serrano
Sewell (AL)
Sherman
Sires
Slaughter
Smith (WA)
Soto
Speier
Suozi
Swalwell (CA)
Takano
Thompson (CA)
Thompson (MS)
Titus
Tonko
Torres
Tsongas
Vargas
Veasey
Vela
Velázquez
Visclosky
Wasserman
Schultz
Waters, Maxine
Watson Coleman
Welch
Yarmuth

NOES—235

Abraham
Aderholt
Allen
Amash
Amodei
Arrington
Babin
Bacon
Banks (IN)
Barr
Barton
Bergman
Biggs
Bilirakis
Bishop (MI)
Bishop (UT)
Black
Blackburn
Blum
Bost
Brady (TX)
Brat
Brooks (AL)
Brooks (IN)
Buchanan
Buck
Bucshon
Budd
Byrne
Calvert
Carter (GA)
Carter (TX)
Chabot
Cheney
Coffman
Cole
Collins (GA)
Collins (NY)
Comer
Comstock
Conaway
Cook
Cooper
Costello (PA)
Cramer
Crawford
Culberson
Curbelo (FL)
Davidson
Davis, Rodney
Denham
Dent

DeSantis
DesJarlais
Diaz-Balart
Donovan
Duffy
Duncan (SC)
Duncan (TN)
Dunn
Emmer
Estes (KS)
Farenthold
Faso
Ferguson
Fitzpatrick
Fleischmann
Flores
Fortenberry
Fox
Frankel (FL)
Franks (AZ)
Frelinghuysen
Gaetz
Gallagher
Garrett
Gianforte
Gibbs
Gohmert
Goodlatte
Gosar
Gottheimer
Gowdy
Granger
Graves (GA)
Graves (LA)
Graves (MO)
Grothman
Guthrie
Handel
Harper
Harris
Hartzler
Hensarling
Herrera Beutler
Hice, Jody B.
Higgins (LA)
Hill
Holding
Hollingsworth
Hudson
Hultgren
Hunter
Hurd

Issa
Jenkins (KS)
Jenkins (WV)
Johnson (LA)
Johnson (OH)
Johnson, Sam
Jones
Jordan
Katko
Kelly (MS)
Kelly (PA)
King (IA)
King (NY)
Kinzinger
Knight
Kustoff (TN)
Labrador
LaHood
LaMalfa
Lamborn
Lance
Latta
Lewis (MN)
LoBiondo
Loudermilk
Love
Lucas
Luetkemeyer
MacArthur
Marchant
Marino
Marshall
Massie
Mast
McCarthy
McCaul
McClintock
McHenry
McKinley
McMorris
Rodgers
McSally
Meadows
Meehan
Messer
Mitchell
Moolenaar
Mooney (WV)
Mullin
Newhouse
Noem
Norman

Nunes	Ros-Lehtinen	Thompson (PA)	DeSaulnier	Larsen (WA)	Rice (NY)	Meehan	Rogers (KY)	Taylor
Olson	Roskam	Thornberry	Deutch	Larson (CT)	Richmond	Messer	Rohrabacher	Tenney
Palazzo	Ross	Tiberi	Dingell	Lawrence	Rosen	Mitchell	Rokita	Thompson (PA)
Palmer	Rothfus	Tipton	Doggett	Lawson (FL)	Roybal-Allard	Moolenaar	Rooney, Francis	Thornberry
Paulsen	Rouzer	Turner	Doyle, Michael	Lee	Ruiz	Mooney (WV)	Rooney, Thomas	Tiberi
Pearce	Royce (CA)	Upton	F.	Levin	Ruppersberger	Mullin	J.	Tipton
Perry	Russell	Valadao	Ellison	Lewis (GA)	Rush	Newhouse	Ros-Lehtinen	Turner
Peters	Rutherford	Wagner	Engel	Lieu, Ted	Ryan (OH)	Noem	Roskam	Upton
Peterson	Sanford	Walberg	Eshoo	Lipinski	Sánchez	Norman	Ross	Valadao
Pittenger	Schweikert	Walden	Espallat	Loeb	Sarbanes	Nunes	Rothfus	Wagner
Poe (TX)	Scott, Austin	Walker	Esty (CT)	Lofgren	Schakowsky	Olson	Rouzer	Walberg
Poliquin	Sensenbrenner	Walorski	Evans	Lowe	Schiff	Palazzo	Royce (CA)	Walden
Posey	Sessions	Walters, Mimi	Foster	Lujan Grisham,	Schneider	Palmer	Russell	Walker
Ratcliffe	Shinkus	Weber (TX)	Frankel (FL)	M.	Schrader	Paulsen	Rutherford	Walorski
Reed	Shuster	Webster (FL)	Fudge	Luñán, Ben Ray	Scott (VA)	Pearce	Sanford	Walters, Mimi
Reichert	Simpson	Wenstrup	Gabbard	Lynch	Scott, David	Perry	Schweikert	Weber (TX)
Renacci	Sinema	Westerman	Gallego	Maloney,	Serrano	Peters	Sensenbrenner	Webster (FL)
Rice (SC)	Smith (MO)	Williams	Garamendi	Carolyn B.	Sewell (AL)	Peterson	Sessions	Wenstrup
Roby	Smith (NE)	Wilson (SC)	Gomez	Maloney, Sean	Shea-Porter	Pittenger	Shinkus	Westerman
Roe (TN)	Smith (NJ)	Wittman	Gonzalez (TX)	Matsui	Sherman	Poe (TX)	Shuster	Williams
Rogers (AL)	Smith (TX)	Womack	Green, Al	McCollum	Sires	Poliquin	Simpson	Wilson (SC)
Rogers (KY)	Smucker	Woodall	Green, Gene	McEachin	Slaughter	Posey	Sinema	Wittman
Rohrabacher	Stefanik	Yoder	Grijalva	McGovern	Smith (WA)	Ratcliffe	Smith (MO)	Womack
Rokita	Stewart	Yoho	Gutiérrez	McNerney	Soto	Reed	Smith (NE)	Woodall
Rooney, Francis	Stivers	Young (AK)	Hanabusa	Meeke	Speier	Reichert	Smith (NJ)	Yoder
Rooney, Thomas	Taylor	Young (IA)	Hastings	Meng	Suozzi	Renacci	Smith (TX)	Yoho
J.	Tenney	Zeldin	Heck	Moore	Swalwell (CA)	Rice (SC)	Smucker	Young (AK)
			Higgins (NY)	Moulton	Takano	Roby	Stefanik	Young (IA)
			Himes	Murphy (FL)	Thompson (CA)	Roe (TN)	Stewart	Zeldin
			Hoyer	Nadler	Thompson (MS)	Rogers (AL)	Stivers	
			Huffman	Napolitano				
			Jackson Lee	Neal				
			Jayapal	Nolan				
			Jeffries	Norcross				
			Johnson (GA)	O'Halleran				
			Johnson, E. B.	O'Rourke				
			Kaptur	Pallone				
			Keating	Panetta				
			Kelly (IL)	Pascrell				
			Kennedy	Payne				
			Khanna	Pelosi				
			Kihuen	Perlmutter				
			Kildee	Pingree				
			Kilmer	Pocan				
			Kind	Polis				
			Krishnamoorthi	Price (NC)				
			Kuster (NH)	Quigley				
			Langevin	Raskin				

ANSWERED "PRESENT"—1

Griffith

NOT VOTING—13

Barletta	Huizenga	Shea-Porter
Barragán	Joyce (OH)	Trott
Bass	Long	Wilson (FL)
Bridenstine	Lowenthal	
Burgess	Scalise	

The Acting CHAIR (during the vote).
There is 1 minute remaining.

□ 1726

Mr. BISHOP of Michigan changed his vote from "aye" to "no."

Mr. GONZALEZ of Texas changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 4 OFFERED BY MS. JACKSON LEE

The Acting CHAIR. The unfinished business is the demand for a recorded vote on the amendment offered by the gentlewoman from Texas (Ms. JACKSON LEE) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIR. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIR. This will be a 2-minute vote.

The vote was taken by electronic device, and there were—ayes 185, noes 234, not voting 13, as follows:

[Roll No. 577]

AYES—185

Adams	Capuano	Conyers
Aguiar	Carbajal	Correa
Beatty	Cárdenas	Costa
Bera	Carson (IN)	Courtney
Beyer	Cartwright	Crist
Bishop (GA)	Castor (FL)	Crowley
Blumenauer	Castro (TX)	Cuellar
Blunt Rochester	Chu, Judy	Cummings
Bonamici	Cicilline	Davis (CA)
Boyle, Brendan	Clark (MA)	Davis, Danny
F.	Clarke (NY)	DeFazio
Brady (PA)	Clay	DeGette
Brown (MD)	Cleaver	Delaney
Brownley (CA)	Clyburn	DeLauro
Bustos	Cohen	DeBene
Butterfield	Connolly	Demings

NOES—234

Abraham	Davis, Rodney
Aderholt	Denham
Allen	Dent
Amash	DeSantis
Amodei	DesJarlais
Arrington	Diaz-Balart
Babin	Donovan
Bacon	Duffy
Banks (IN)	Duncan (SC)
Barr	Duncan (TN)
Barton	Dunn
Bergman	Emmer
Biggs	Estes (KS)
Bilirakis	Farenthold
Bishop (MI)	Faso
Bishop (UT)	Ferguson
Black	Fitzpatrick
Blackburn	Fleischmann
Blum	Flores
Bost	Fortenberry
Brady (TX)	Fox
Brat	Franks (AZ)
Brooks (AL)	Frelinghuysen
Brooks (IN)	Gaetz
Buchanan	Gallagher
Buck	Garrett
Bucshon	Gianforte
Budd	Gibbs
Byrne	Gohmert
Calvert	Goodlatte
Carter (GA)	Gosar
Carter (TX)	Gottheimer
Chabot	Gowdy
Cheney	Granger
Coffman	Graves (GA)
Cole	Graves (LA)
Collins (GA)	Graves (MO)
Collins (NY)	Griffith
Comer	Grothman
Comstock	Guthrie
Conaway	Handel
Cook	Harper
Cooper	Harris
Costello (PA)	Hartzer
Cramer	Hensarling
Crawford	Herrera Beutler
Culberson	Hice, Jody B.
Curbelo (FL)	Higgins (LA)
Davidson	Hill

Holding	Hollingsworth
Hudson	Hultgren
Hunter	Hurd
Issa	Jenkins (KS)
Jenkins (WV)	Johnson (LA)
Johnson (OH)	Johnson, Sam
Jones	Jordan
Katko	Kelly (MS)
Kelly (PA)	King (IA)
King (NY)	Kinzing
Kinzing	Knight
Kustoff (TN)	Labrador
LaHood	LaMalfa
LaMalfa	Lamborn
Lance	Latta
Lewis (MN)	LoBiondo
Loudermilk	Love
Lucas	Luetkemeyer
MacArthur	Marchant
Marino	Marshall
Massie	Mast
McCarthy	McClintock
McCauley	McHenry
McKinley	McMorris
Meadows	Rodgers
	McSally

NOT VOTING—13

Barletta	Huizenga	Scott, Austin
Barragán	Joyce (OH)	Trott
Bass	Long	Wilson (FL)
Bridenstine	Lowenthal	
Burgess	Scalise	

ANNOUNCEMENT BY THE ACTING CHAIR

The Acting CHAIR (during the vote).
There is 1 minute remaining.

□ 1730

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 5 OFFERED BY MR. CICILLINE

The Acting CHAIR. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Rhode Island (Mr. CICILLINE) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIR. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIR. This will be a 2-minute vote.

The vote was taken by electronic device, and there were—ayes 189, noes 231, not voting 12, as follows:

[Roll No. 578]

AYES—189

Adams	Castor (FL)	DeFazio
Aguiar	Castro (TX)	DeGette
Beatty	Chu, Judy	Delaney
Bera	Cicilline	DeLauro
Beyer	Clark (MA)	DeBene
Bishop (GA)	Clarke (NY)	Demings
Blumenauer	Clay	DeSaulnier
Blunt Rochester	Cleaver	Deutch
Bonamici	Clyburn	Diaz-Balart
Boyle, Brendan	Cohen	Dingell
F.	Connolly	Doggett
Brady (PA)	Conyers	Doyle, Michael
Brown (MD)	Correa	F.
Brownley (CA)	Costa	Ellison
Bustos	Courtney	Engel
Butterfield	Crist	Eshoo
Capuano	Crowley	Espallat
Carbajal	Cuellar	Esty (CT)
Cárdenas	Cummings	Evans
Carson (IN)	Davis (CA)	Foster
Cartwright	Davis, Danny	Frankel (FL)

Fudge
Gabbard
Gallago
Garamendi
Gomez
Gonzalez (TX)
Gottheimer
Green, Al
Green, Gene
Griffith
Grijalva
Gutiérrez
Hanabusa
Hastings
Heck
Higgins (NY)
Himes
Hoyer
Huffman
Jackson Lee
Jayapal
Jeffries
Johnson (GA)
Johnson, E. B.
Jones
Kaptur
Keating
Kelly (IL)
Kennedy
Khanna
Kihuen
Kildee
Kilmer
Kind
Krishnamoorthi
Kuster (NH)
Langevin
Larsen (WA)
Larson (CT)
Lawrence
Lawson (FL)
Lee
Levin
Lewis (GA)

Lieu, Ted
Lipinski
Loebach
Lofgren
Lowe
Lujan Grisham,
M.
Luján, Ben Ray
Lynch
Maloney,
Carolyn B.
Maloney, Sean
Matsui
McCollum
McEachin
McGovern
McNerney
Meeks
Meng
Moore
Moulton
Murphy (FL)
Nadler
Napolitano
Neal
Nolan
Norcross
O'Halleran
O'Rourke
Pallone
Panetta
Pascrell
Payne
Pelosi
Perlmutter
Pingree
Pocan
Polis
Price (NC)
Quigley
Raskin
Rice (NY)
Richmond
Rosen

Roybal-Allard
Ruiz
Ruppersberger
Rush
Ryan (OH)
Sánchez
Sarbanes
Schakowsky
Schiff
Schneider
Schrader
Scott (VA)
Scott, David
Serrano
Sewell (AL)
Shea-Porter
Sherman
Sires
Slaughter
Smith (WA)
Soto
Speier
Suozi
Swalwell (CA)
Takano
Thompson (CA)
Thompson (MS)
Titus
Tonko
Torres
Tsongas
Vargas
Veasey
Vela
Velázquez
Visclosky
Walz
Wasserman
Schultz
Waters, Maxine
Watson Coleman
Welch
Yarmuth

NOES—231

Abraham
Aderholt
Allen
Amash
Amodei
Arrington
Babin
Bacon
Banks (IN)
Barr
Barton
Bergman
Biggs
Bilirakis
Bishop (MI)
Bishop (UT)
Black
Blackburn
Blum
Bost
Brady (TX)
Brat
Brooks (AL)
Brooks (IN)
Buchanan
Buck
Bucshon
Budd
Byrne
Calvert
Carter (GA)
Carter (TX)
Chabot
Cheney
Coffman
Cole
Collins (GA)
Collins (NY)
Comer
Comstock
Conaway
Cook
Cooper
Costello (PA)
Cramer
Crawford
Culberson
Curbelo (FL)
Davidson
Davis, Rodney
Dent
DeSantis

DesJarlais
Donovan
Duffy
Duncan (SC)
Duncan (TN)
Dunn
Emmer
Estes (KS)
Farenthold
Faso
Ferguson
Fitzpatrick
Fleischmann
Flores
Fortenberry
Foxy
Franks (AZ)
Frelinghuysen
Gaetz
Gallagher
Garrett
Gianforte
Gibbs
Gohmert
Goodlatte
Gosar
Gowdy
Granger
Graves (GA)
Graves (LA)
Graves (MO)
Grothman
Guthrie
Handel
Harper
Harris
Hartzler
Hensarling
Herrera Beutler
Hice, Jody B.
Higgins (LA)
Hill
Holding
Hollingsworth
Hudson
Hultgren
Hunter
Hurd
Issa
Jenkins (KS)
Jenkins (WV)
Johnson (LA)
Johnson (OH)

Johnson, Sam
Jordan
Joyce (OH)
Katko
Kelly (MS)
Kelly (PA)
King (IA)
King (NY)
Kinzinger
Knight
Kustoff (TN)
Labrador
LaHood
LaMalfa
Lamborn
Lance
Latta
Lewis (MN)
LoBiondo
Loudermilk
Love
Lucas
Luetkemeyer
Marchant
Marino
Marshall
Massie
Mast
McCarthy
McCaul
McClintock
McHenry
McKinley
McMorris
Rodgers
Meehan
Meadows
Messer
Mitchell
Moolenaar
Mooney (WV)
Mullin
Newhouse
Noem
Norman
Nunes
Olson
Palazzo
Palmer
Paulsen
Pearce
Perry

Peters
Peterson
Pittenger
Poe (TX)
Poliquin
Posey
Ratcliffe
Reed
Reichert
Renacci
Rice (SC)
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rohrabacher
Rokita
Rooney, Francis
Rooney, Thomas
J.
Ros-Lehtinen
Roskam
Ross
Rothfus
Rouzer

Royce (CA)
Russell
Rutherford
Sanford
Schweikert
Scott, Austin
Sensenbrenner
Sessions
Shimkus
Shuster
Simpson
Sinema
Smith (MO)
Smith (NE)
Smith (NJ)
Smith (TX)
Smucker
Stefanik
Stewart
Stivers
Taylor
Tennet
Thompson (PA)
Thornberry
Tiberi

NOT VOTING—12

Barletta
Barragán
Bass
Bridenstine

Burgess
Huizenga
Long
Lowenthal

ANNOUNCEMENT BY THE ACTING CHAIR

The Acting CHAIR. (during the vote).
There is 1 minute remaining.

□ 1735

So the amendment was rejected.
The result of the vote was announced
as above recorded.

AMENDMENT NO. 6 OFFERED BY MR. CONYERS

The Acting CHAIR. The unfinished
business is the demand for a recorded
vote on the amendment offered by the
gentleman from Michigan (Mr. CON-
YERS) on which further proceedings
were postponed and on which the noes
prevailed by voice vote.

The Clerk will redesignate the
amendment.

The Clerk redesignated the amend-
ment.

RECORDED VOTE

The Acting CHAIR. A recorded vote
has been demanded.

A recorded vote was ordered.

The Acting CHAIR. This will be a 2-
minute vote.

The vote was taken by electronic de-
vice, and there were—ayes 191, noes 229,
not voting 12, as follows:

[Roll No. 579]

AYES—191

Adams
Aguilar
Beatty
Bera
Beyer
Bishop (GA)
Blumenauer
Blunt Rochester
Bonamici
Boyle, Brendan
F.
Brady (PA)
Brown (MD)
Brownley (CA)
Bustos
Butterfield
Capuano
Carpal
Cárdenas
Carson (IN)
Cartwright
Castor (FL)
Castro (TX)
Chu, Judy
Cicilline
Clark (MA)
Clarke (NY)

Clay
Cleaver
Clyburn
Cohen
Connolly
Conyers
Correa
Costa
Courtney
Crist
Crowley
Cuellar
Cummings
Davis (CA)
Davis, Danny
DeFazio
DeGette
DeLauro
DelBene
Demings
DeSaunier
Deutsch
Dingell
Doggett
Doyle, Michael
F.

Ellison
Engel
Eshoo
Espallat
Esty (CT)
Evans
Foster
Frankel (FL)
Frelinghuysen
Fudge
Gabbard
Gallago
Garamendi
Gomez
Gonzalez (TX)
Gottheimer
Green, Al
Green, Gene
Grijalva
Gutiérrez
Hanabusa
Hastings
Heck
Higgins (NY)
Himes
Hoyer
Huffman

Jackson Lee
Jayapal
Jeffries
Johnson (GA)
Johnson, E. B.
Jones
Kaptur
Keating
Kelly (IL)
Kennedy
Khanna
Kihuen
Kildee
Kilmer
Kind
Krishnamoorthi
Kuster (NH)
Langevin
Larsen (WA)
Larson (CT)
Lawrence
Lawson (FL)
Lee
Levin
Lewis (GA)
Lieu, Ted
Lipinski
LoBiondo
Loebach
Lofgren
Lowey
Lujan Grisham,
M.
Luján, Ben Ray
Lynch
Maloney,
Carolyn B.
Maloney, Sean
Matsui

McCormack
McEachin
McGovern
McNerney
Meeks
Meng
Moore
Moulton
Murphy (FL)
Nadler
Napolitano
Neal
Nolan
Norcross
O'Halleran
O'Rourke
Pallone
Panetta
Pascrell
Payne
Pelosi
Perlmutter
Peterson
Pingree
Pocan
Polis
Price (NC)
Quigley
Raskin
Rice (NY)
Richmond
Rosen
Roybal-Allard
Ruiz
Ruppersberger
Rush
Ryan (OH)
Sánchez
Sarbanes

Schakowsky
Schiff
Schneider
Schrader
Scott (VA)
Scott, David
Serrano
Sewell (AL)
Shea-Porter
Sherman
Sires
Slaughter
Smith (NJ)
Smith (WA)
Soto
Speier
Suozi
Swalwell (CA)
Takano
Thompson (CA)
Thompson (MS)
Titus
Tonko
Torres
Tsongas
Vargas
Veasey
Vela
Velázquez
Visclosky
Walz
Wasserman
Schultz
Waters, Maxine
Watson Coleman
Welch
Yarmuth

NOES—229

Abraham
Aderholt
Allen
Amash
Amodei
Arrington
Babin
Bacon
Banks (IN)
Barr
Barton
Bergman
Biggs
Bilirakis
Bishop (MI)
Bishop (UT)
Black
Blackburn
Blum
Bost
Brady (TX)
Brat
Brooks (AL)
Brooks (IN)
Buchanan
Buck
Bucshon
Budd
Byrne
Calvert
Carter (GA)
Carter (TX)
Chabot
Cheney
Coffman
Cole
Collins (GA)
Collins (NY)
Comer
Conaway
Cook
Cooper
Costello (PA)
Cramer
Crawford
Culberson
Curbelo (FL)
Davidson
Davis, Rodney
Denham
Dent
DeSantis
DesJarlais
Diaz-Balart
Donovan
Duffy
Duncan (SC)
Duncan (TN)

Dunn
Emmer
Estes (KS)
Farenthold
Faso
Ferguson
Fitzpatrick
Fleischmann
Flores
Fortenberry
Foxy
Franks (AZ)
Gaetz
Gallagher
Garrett
Gianforte
Gibbs
Gohmert
Goodlatte
Gosar
Gowdy
Granger
Graves (GA)
Graves (LA)
Graves (MO)
Griffith
Grothman
Guthrie
Handel
Harper
Harris
Hartzler
Hensarling
Herrera Beutler
Hice, Jody B.
Higgins (LA)
Hill
Holding
Hollingsworth
Hudson
Hultgren
Hunter
Hurd
Issa
Jenkins (KS)
Jenkins (WV)
Johnson (LA)
Johnson (OH)
Johnson, Sam
Jordan
Joyce (OH)
Katko
Kelly (MS)
Kelly (PA)
King (IA)
King (NY)
Kinzinger
Knight

Kustoff (TN)
Labrador
LaHood
LaMalfa
Lamborn
Lance
Latta
Lewis (MN)
Loudermilk
Love
Lucas
Luetkemeyer
MacArthur
Marchant
Marino
Marshall
Massie
Mast
McCarthy
McCaul
McClintock
McHenry
McKinley
McMorris
Rodgers
McSally
Meadows
Messer
Moolenaar
Mooney (WV)
Mullin
Newhouse
Noem
Norman
Nunes
Olson
Palazzo
Palmer
Paulsen
Pearce
Perry

Rokita
Rooney, Francis
Rooney, Thomas J.
Ros-Lehtinen
Roskam
Ross
Rothfus
Rouzer
Royce (CA)
Russell
Rutherford
Sanford
Schweikert
Scott, Austin
Sensenbrenner
Sessions
Shimkus
Shuster

Simpson
Sinema
Smith (MO)
Smith (NE)
Smith (TX)
Smucker
Stefanik
Stewart
Stivers
Taylor
Tenney
Thompson (PA)
Thornberry
Tiberi
Tipton
Turner
Upton
Valadao
Wagner

Walberg
Walden
Walker
Walorski
Walters, Mimi
Weber (TX)
Webster (FL)
Wenstrup
Westerman
Williams
Wilson (SC)
Wittman
Womack
Woodall
Yoder
Yoho
Young (AK)
Young (IA)
Zeldin

NOT VOTING—12

Barletta
Barragan
Bass
Bridenstine

Burgess
Comstock
Huizenga
Long

Lowenthal
Scalise
Trott
Wilson (FL)

ANNOUNCEMENT BY THE ACTING CHAIR

The Acting CHAIR (during the vote). There is 1 minute remaining on this vote.

□ 1739

So the amendment was rejected.

The result of the vote was announced as above recorded.

The Acting CHAIR. There being no further amendments, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. BYRNE) having assumed the chair, Mr. DONOVAN, Acting Chair of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 732) to limit donations made pursuant to settlement agreements to which the United States is a party, and for other purposes, and, pursuant to House Resolution 577, he reported the bill, as amended by that resolution, back to the House with a further amendment adopted in the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. CONYERS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, this 5-minute vote on passage of the bill will be followed by a 5-minute vote on the motion to suspend the rules and pass H.R. 3898.

The vote was taken by electronic device, and there were—ayes 238, noes 183, not voting 11, as follows:

[Roll No. 580]

AYES—238

Goodlatte
Gosar
Gottheimer
Gowdy
Granger
Graves (GA)
Graves (LA)
Graves (MO)
Griffith
Grothman
Guthrie
Handel
Harper
Harris
Hartzler
Hensarling
Herrera Beutler
Hice, Jody B.
Higgins (LA)
Hill
Holding
Hollingsworth
Hudson
Hultgren
Hunter
Hurd
Issa
Jenkins (KS)
Jenkins (WV)
Johnson (LA)
Johnson (OH)
Johnson, Sam
Jones
Jordan
Joyce (OH)
Katko
Kelly (MS)
Kelly (PA)
King (IA)
King (NY)
Kinzinger
Knight
Kustoff (TN)
Labrador
LaHood
LaMalfa
Lamborn
Lance
Latta
Lewis (MN)
LoBiondo
Loudermilk
Love
Lucas
Luetkemeyer
MacArthur
Marchant
Marino
Marshall
Massie
Mast
McCarthy
McCaul
McClintock
McHenry
McKinley
McMorris
Rodgers
McSally
Meadows
Meehan
Messer
Mitchell
Moolenaar
Mooney (WV)
Mullin
Newhouse
Noem
Norman
Nunes

Abraham
Aderholt
Allen
Amash
Amodei
Arrington
Babin
Bacon
Banks (IN)
Barr
Barton
Bergman
Biggs
Bilirakis
Bishop (MI)
Bishop (UT)
Black
Blackburn
Blum
Bost
Brady (TX)
Brat
Brooks (AL)
Brooks (IN)
Buchanan
Buck
Bucshon
Budd
Byrne
Calvert
Carter (GA)
Carter (TX)
Chabot
Cheney
Coffman
Cole
Collins (GA)
Collins (NY)
Comer
Comstock
Conaway
Cook
Cooper
Correa
Costello (PA)
Cramer
Crawford
Cuellar
Curberson
Curbelo (FL)
Davidson
Davis, Rodney
Denham
Dent
DeSantis
DesJarlais
Diaz-Balart
Donovan
Duffy
Duncan (SC)
Duncan (TN)
Dunn
Emmer
Estes (KS)
Farenthold
Faso
Ferguson
Fitzpatrick
Fleischmann
Flores
Fortenberry
Fox
Franks (AZ)
Frelinghuysen
Gaetz
Gallagher
Garrett
Gianforte
Gibbs
Gohmert

Olson
Palazzo
Palmer
Paulsen
Pearce
Perry
Peters
Peterson
Pittenger
Poe (TX)
Poliquin
Posey
Ratcliffe
Reed
Reichert
Renauci
Rice (SC)
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rohrabacher
Rokita
Rooney, Francis
Rooney, Thomas J.
Ros-Lehtinen
Roskam
Ross
Rothfus
Rouzer
Royce (CA)
Russell
Rutherford
Sanford
Schweikert
Scott, Austin
Sensenbrenner
Sessions
Shimkus
Shuster
Simpson
Sinema
Smith (MO)
Smith (NE)
Smith (NJ)
Smith (TX)
Smucker
Stefanik
Stewart
Stivers
Taylor
Tenney
Thompson (PA)
Thornberry
Tiberi
Tipton
Turner
Upton
Valadao
Wagner
Walberg
Walden
Walker
Walorski
Walters, Mimi
Weber (TX)
Webster (FL)
Wenstrup
Westerman
Williams
Wilson (SC)
Wittman
Womack
Woodall
Yoder
Yoho
Young (AK)
Young (IA)
Zeldin

NOES—183

Adams
Aguilar
Beatty
Bera
Beyer
Bishop (GA)
Blumenauer
Blunt Rochester
Bonamici
Boyle, Brendan F.
Brady (PA)
Brown (MD)
Brownley (CA)

Bustos
Butterfield
Capuano
Carbajal
Cardenas
Carson (IN)
Cartwright
Castor (FL)
Castro (TX)
Chu, Judy
Cicilline
Clark (MA)
Clarke (NY)
Clay

Cleaver
Clyburn
Cohen
Connolly
Conyers
Costa
Courtney
Crist
Crowley
Cummings
Davis (CA)
Davis, Danny
DeFazio
DeGette

Delaney
DeLauro
DelBene
Demings
DeSaulnier
Deutch
Dingell
Doggett
Doyle, Michael F.
Ellison
Engel
Eshoo
Espallat
Esty (CT)
Evans
Foster
Frankel (FL)
Fudge
Gabbard
Gallego
Garamendi
Gomez
Gonzalez (TX)
Green, Al
Green, Gene
Grijalva
Gutierrez
Hanabusa
Meng
Hastings
Heck
Higgins (NY)
Himes
Hoyer
Huffman
Jackson Lee
Jayapal
Jeffries
Johnson (GA)
Johnson, E. B.
Kaptur
Keating
Kelly (IL)
Kennedy
Khanna
Kihuen
Kildee
Kilmer
Kind

Krishnamoorthi
Kuster (NH)
Langevin
Larsen (WA)
Larson (CT)
Lawrence
Lawson (FL)
Lee
Levin
Lewis (GA)
Lieu, Ted
Lipinski
Loebsock
Loifgren
Lowey
Lujan Grisham, M.
Lujan, Ben Ray
Lynch
Maloney, Carolyn B.
Maloney, Sean
Matsui
McCollum
McEachin
McGovern
McNerney
Meeks
Meng
Moore
Moulton
Murphy (FL)
Nadler
Napolitano
Neal
Nolan
Norcross
O'Halleran
O'Rourke
Pallone
Panetta
Pascarella
Payne
Pelosi
Perlmutter
Pingree
Pocan
Polis
Price (NC)

Quigley
Raskin
Rice (NY)
Richmond
Rosen
Roybal-Allard
Ruiz
Ruppersberger
Rush
Ryan (OH)
Sanchez
Sarbanes
Schakowsky
Schiff
Schneider
Schrader
Scott (VA)
Scott, David
Serrano
Sewell (AL)
Shea-Porter
Sherman
Sires
Slaughter
Smith (WA)
Soto
Speier
Suozi
Swalwell (CA)
Takano
Thompson (CA)
Thompson (MS)
Titus
Tonko
Torres
Tsongas
Vargas
Veasey
Vela
Velázquez
Visclosky
Walz
Wasserman
Schultz
Waters, Maxine
Watson Coleman
Welch
Yarmuth

NOT VOTING—11

Barletta
Barragan
Bass
Bridenstine

Burgess
Huizenga
Long
Lowenthal

Scalise
Trott
Wilson (FL)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). There are 2 minutes remaining.

□ 1747

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

OTTO WARMBIER NORTH KOREA
NUCLEAR SANCTIONS ACT

The SPEAKER pro tempore. The unfinished business is the vote on the motion to suspend the rules and pass the bill (H.R. 3898) to require the Secretary of the Treasury to place conditions on certain accounts at United States financial institutions with respect to North Korea, and for other purposes, as amended, on which the yeas and nays were ordered.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky (Mr. BARR) that the House suspend the rules and pass the bill, as amended.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 415, nays 2, not voting 15, as follows: