

117TH CONGRESS  
1ST SESSION

# H. R. 5773

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

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 28, 2021

Mr. GOODEN of Texas (for himself, Mr. BUDD, Mr. DUNCAN, Mr. PERRY, Mr. TIFFANY, Mr. GOSAR, Mr. ISSA, and Mr. KELLER) introduced the following bill; which was referred to the Committee on the Judiciary

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## A BILL

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

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Stop Settlement Slush  
5 Funds Act of 2021”.

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

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

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

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

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

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

25 (1) **IN GENERAL.**—Beginning at the end of the  
26 first fiscal year that begins after the date of the en-

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

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

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

21 (f) ANNUAL AUDIT REQUIREMENT.—

22 (1) IN GENERAL.—Beginning at the end of the  
23 first fiscal year that begins after the date of the en-  
24 actment of this Act, and annually thereafter, the In-  
25 spector General of each Federal agency shall submit

1 a report to the Committees on the Judiciary, on the  
2 Budget and on Appropriations of the House of Rep-  
3 resentatives and the Senate, on any settlement  
4 agreement entered into in violation of this section by  
5 that agency.

6 (2) PROHIBITION ON ADDITIONAL FUNDING.—

7 No additional funds are authorized to be appro-  
8 priated to carry out this subsection.

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