

114TH CONGRESS
2D SESSION

H. R. 5063

AN ACT

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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Stop Settlement Slush
3 Funds Act of 2016”.

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

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

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

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

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

1 (e) REPORTS ON SETTLEMENT AGREEMENTS.—

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

18 (2) PROHIBITION ON ADDITIONAL FUNDING.—

19 No additional funds are authorized to be appro-
20 priated to carry out this subsection.

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

24 (f) ANNUAL AUDIT REQUIREMENT.—

1 (1) IN GENERAL.—Beginning at the end of the
2 first fiscal year that begins after the date of the en-
3 actment of this Act, and annually thereafter, the In-
4 spector General of each Federal agency shall submit
5 a report to the Committees on the Judiciary, on the
6 Budget and on Appropriations of the House of Rep-
7 resentatives and the Senate, on any settlement
8 agreement entered into in violation of this section by
9 that agency.

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

Passed the House of Representatives September 7,
2016.

Attest:

Clerk.

114TH CONGRESS
2^D SESSION

H. R. 5063

AN ACT

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