

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 788
OFFERED BY M. _____**

Strike all that follows after the enacting clause and
insert the following:

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Stop Settlement Slush
3 Funds Act of 2023”.

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

1 same penalties that would apply in the case of a violation
2 of section 3302 of title 31, United States Code.

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

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

9 (e) REPORTS ON SETTLEMENT AGREEMENTS.—

10 (1) IN GENERAL.—Not later than at the end of
11 the first fiscal year that begins after the date of en-
12 actment of this Act, and annually thereafter, the
13 head of each Federal agency shall submit electroni-
14 cally to the Congressional Budget Office a report on
15 each settlement agreement entered into by that
16 agency during that fiscal year that directs or pro-
17 vides for a payment to a person or entity other than
18 the United States that is providing restitution for or
19 otherwise directly remedies actual harm (including
20 to the environment) directly and proximately caused
21 by the party making the payment, or that con-
22 stitutes payment for services rendered in connection
23 with the case, which shall include the parties to each
24 settlement agreement, the source of the settlement

1 funds, and where and how such funds were and will
2 be distributed.

3 (2) PROHIBITION ON ADDITIONAL FUNDING.—

4 No additional funds are authorized to be appro-
5 priated to carry out this subsection.

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

9 (f) ANNUAL AUDIT REQUIREMENT.—

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

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

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

1 (2) PROHIBITION ON ADDITIONAL FUNDING.—

2 No additional funds are authorized to be appro-

3 priated to carry out this subsection.

