

Judiciary Committee Debates Bill Against Lawsuit 'Investors'

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Rep. Darrell Issa (Kevin Dietsch/Getty Images)

The [House Judiciary Committee](#) is debating a bill that supporters say sheds light on dark money in the judicial system, but detractors say intimidates ordinary Americans who donate to nonprofits.

The Litigation Transparency Act, introduced by [Rep. Darrell Issa](#), R-Calif., will undergo markups this week. If the bill became law, parties in civil cases would have to be transparent about who stands to make money off of a lawsuit.

More specifically, parties would have to disclose the names of those who could “receive any payment or thing of value,” depending on the case’s outcome, as well as provide the agreement that would guarantee this payment.

Alliance Defending Freedom founder Alan Sears, in a Monday letter to House Speaker Mike Johnson and House Judiciary Committee Chairman Jim Jordan provided to The Daily Signal, wrote, “This legislation will undermine the ability for conservative legal organizations and other allies to successfully litigate cases pivotal to protecting the rights of Americans.”

“This proposal, much like other comparable compelled disclosure mandates before it, though drafted with some admirable intentions, is fundamentally flawed and would run afoul the well-established constitutional protections afforded to organizations and their donors.”

In a February 2025 press release, Issa, who introduced the legislation, along with co-sponsors Reps. Scott Fitzgerald, R-Wis., and Mike Collins, R-Ga., stressed the need for transparency about court cases’ funding.

“Our legislation targets serious and continuing abuses in our litigation system that distort our system of justice by obscuring public detection and exploiting loopholes in the law for financial gain,” Issa said in a statement.

“We fundamentally believe that if a third-party investor is [financing a lawsuit](#) in federal court, it should be disclosed rather than hidden from the world and left absent from the facts of a case.”

“The Litigation Transparency Act will provide much-needed disclosure, safeguarding both businesses and consumers from the rising costs and legal abuse that result from secretive litigation funding,” Collins said in a statement at the same time.

Other conservatives in Washington have criticized the bill.

“The left’s strategy is dox and destroy the lives of anyone who stands in the way of so-called progress. This bill would provide a dangerous new tool for bad actors to undermine conservative legal work in defense of the American people,” says Kevin Roberts, president of Heritage Action.

In November, several heads of conservative organizations signed onto a letter to [Johnson](#), R-La., and Jordan, R-Ohio, alleging the bill would have a “chilling effect on free speech and association and directly threaten the privacy rights of Americans.”

Signatories included Jenny Beth Martin, honorary chairman of Tea Party Patriots Action; Gene Hamilton, president of America First Legal; Ken Blackwell, former Ohio treasurer; and Mike Howell, president of the Oversight Project.

“Critically, compelled disclosure of private financial arrangements would force litigants to unveil the identity of donors—violating donor privacy rights and exposing them to threats of harassment and retaliation,” wrote the conservative leaders.

“It should not require reminding that conservative groups and religious organizations like ours have historically been victim to such targeted disclosure tactics. One can imagine the serious

risks posed in unveiling the identity of individuals supporting lawsuits over heated issues like religious liberty, abortion, or transgender surgeries performed on minors," continued the letter.

The U.S. Chamber of Commerce Institute for Legal Reform praised the legislation in a February 2025 statement.

"Rep. Issa recognizes the major risk third-party litigation funding poses to America's economic and national security. His legislation will help protect the integrity of our judicial system by ensuring that outside financiers are not secretly directing or profiting from litigation they are funding. It is common sense that defendants, plaintiffs, and judges should know who is seeking to profit off litigation."

Issa's office did not immediately provide comment to The Daily Signal.

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