

## **Support for H.R. 732**

Americans for Limited Government - Statement

Americans for Tax Reform - Letter

FreedomWorks - Letter

National Taxpayers Union

Small Business & Entrepreneurship Council - Letter

U.S. Chamber of Commerce - Letter



# AMERICANS FOR LIMITED GOVERNMENT

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10332 MAIN STREET, BOX 326 · FAIRFAX, VA 22030 · PHONE: 703.383.0880 · FAX: 703.383.5288 · WWW.GETLIBERTY.ORG

## **ALG supports Goodlatte bill blocking cash settlements to third party activist groups**

Feb. 2, 2017, Fairfax, Va.—Americans for Limited Government President Rick Manning today issued the following statement in support of legislation offered by Chairman of the House Judiciary Committee Bob Goodlatte (R-Va.), [HR 732](#), that would block cash settlements to third party activist groups in legal cases to which the U.S. is a party to:

“This legislation prevents the legal extortion of contributions to political activist groups and others from defendants during the settlement process. It is wholly inappropriate for the Department of Justice to dictate the political distribution of funds through the legal process. The abuses of the Obama Administration in using mortgage settlements as liberal advocacy funding tools will be shut down forever through the passage of HR 732.”

To view online: <http://getliberty.org/2017/02/alg-supports-goodlatte-bill-blocking-cash-settlements-to-third-party-activist-groups/>

**Interview Availability:** Please contact Americans for Limited Government at 703-383-0880 ext. 106 or at [media@limitgov.org](mailto:media@limitgov.org) to arrange an interview with ALG experts including ALG President Rick Manning.

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# AMERICANS *for* TAX REFORM

February 1, 2017

The Honorable Bob Goodlatte  
Chairman, House Judiciary Committee  
2138 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Goodlatte and Members of the Judiciary Committee:

I write in support of H.R. 732, the Stop Settlement Slush Funds Act of 2017, legislation that would prohibit Department of Justice (DOJ) officials from crafting settlement agreements that require donations to activist groups that are favored by the Administration. All members of Congress should support this important legislation.

**As it currently stands, when the DOJ settles a lawsuit Department officials can require defendants to donate money to certain activist groups as part of the terms of the settlement. Not only are these funds not going to deserving victims but more often than not are awarded to activist groups that hold the same ideological views as the Executive.**

According to House Judiciary Committee findings, roughly half-a-billion dollars has been diverted away from victims and directed to activist groups in just the last 20 months. Such "slush fund" payments occur outside of the Congressional appropriations and oversight process.

H.R. 732 would prohibit abusive DOJ slush fund payments to activist groups and ensure money recovered in settlements is returned to the American people where it belongs. This bill ensures settlement money goes directly to victims or alternatively to the Treasury where elected officials determine how it is spent.

I urge the Judiciary Committee and all members of Congress to support H.R. 732, the Stop the Settlement Slush Funds Act of 2017.

Sincerely,

Grover G. Norquist  
President  
Americans for Tax Reform

722 12<sup>th</sup> Street, N.W.

Fourth Floor

Washington, D.C.

20005

T: (202) 785-0266

F: (202) 785-0261

[www.atr.org](http://www.atr.org)



February 6, 2017

## **Support the Stop Settlement Slush Funds Act, H.R. 732**

On behalf of FreedomWorks' activist community, I urge you to contact your representative and ask him or her to support the Stop Settlement Slush Funds Act, H.R. 732, introduced by House Judiciary Committee Chairman Bob Goodlatte (R-Va.). The bill would require the Department of Justice to spend settlement dollars on victims or send settlement dollars to the general fund of the Treasury to be appropriated by Congress.

During the Obama administration, the Department of Justice, without authority from Congress, funneled settlement dollars to a cadre of leftist activist organizations that were political allies of the administration. A December 2015 story in the *Wall Street Journal* noted that these dollars went to organizations such as National Council of La Raza and the National Urban League.

A House Judiciary Committee investigation discovered that the Department of Justice directed nearly \$1 billion in settlement dollars over two years to leftist activist organizations. The organizations that received these dollars didn't suffer any actual harm but did happen to support the policy agenda of the Obama administration.

The Stop Settlement Slush Funds Act would ensure that settlement dollars go to victims' funds or to the general fund of the Treasury to be appropriated by Congress, which, as Article I of the Constitution requires, holds the power of the purse over funds spent by the federal government.

It's critical that Congress reins in the executive branch and restore its Article I power. Like other bills that FreedomWorks supports in the 115<sup>th</sup> Congress, the Stop Settlement Slush Funds Act is another crucial part of this effort. For these reasons, please contact your representative and ask him or her to support the Stop Settlement Slush Funds Act, H.R. 732.

Sincerely,

Adam Brandon  
President and CEO, FreedomWorks



February 6, 2017

The Honorable Robert Goodlatte  
Chairman  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Chairman Goodlatte:

The Small Business & Entrepreneurship Council (SBE Council) and our nationwide membership of small business owners and entrepreneurs strongly support H.R. 732, the Stop Settlement Slush Funds Act of 2017.

An investigation by the House Judiciary and Financial Services Committees in the previous Congress revealed that the Department of Justice (DOJ) required mandatory “donations” as part of settlement terms with defendants, directing approximately \$880 million in these payments to political activist groups. These payments to non-victim, third-party political groups are extracted using the full power and force of the DOJ. In some cases, the groups that received these funds lobbied officials to be included in the settlements. This racket is wrong and must end.

SBE Council believes settlements stemming from DOJ enforcement actions must only help victims, and address actual harm. DOJ’s mandatory donation scheme leverages enforcement actions to advance preferred policy goals and funds activist groups supporting those goals. The scheme falls outside of the normal appropriations process, and coerces defendants to give money to activist groups that may be working against their interests. All of this, of course, is unjust.

H.R. 732 prohibits terms in DOJ settlements that direct or provide for payments to non-victim third parties. Settlement dollars would only go to victims or to the Treasury Department. Federal agencies would be required to report the specifics of their settlement agreements to the Congressional Budget Office, a needed step that will promote transparency and accountability.

Thank you for your leadership on this important issue. Please let SBE Council know how we can help you advance H.R. 732 into law.

Sincerely,



Karen Kerrigan  
President & CEO

*cc: Members of the Committee on Judiciary, U.S. House of Representatives*

**301 Maple Avenue West, Suite 100 • Vienna, VA 22180 • (703)-242-5840  
sbecouncil.org • @SBECouncil**

**PROTECTING SMALL BUSINESS, PROMOTING ENTREPRENEURSHIP**

CHAMBER OF COMMERCE  
OF THE  
UNITED STATES OF AMERICA

NEIL L. BRADLEY  
SENIOR VICE PRESIDENT &  
CHIEF POLICY OFFICER  
GOVERNMENT AFFAIRS

1615 H STREET, NW  
WASHINGTON, DC 20062  
(202) 463-5310

February 1, 2017

The Honorable Bob Goodlatte  
Chairman  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable John Conyers, Jr.  
Ranking Member  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Chairman Goodlatte and Ranking Member Conyers:

The U.S. Chamber of Commerce supports H.R. 732, the “Stop Settlement Slush Funds Act of 2017,” and urges the Committee to favorably report this bill. The Chamber also opposes any weakening or hostile amendments that may be offered.

H.R. 732 prohibits the use of “enforcement slush funds,” a practice that directs a portion of the funds paid under settlement agreements to the enforcement officials’ favored private organizations—organizations who were not a party to the litigation and whose activities further the policy goals of agency officials. This troubling and growing trend, which is outside of the constitutionally-mandated legislative appropriations process, has been documented through research conducted by the Chamber’s Institute for Legal Reform and, according to the House Judiciary and Financial Services Committees, has resulted in nearly a billion dollars in mandatory donations to activist groups.

The use of “enforcement slush funds” raises serious separation of powers concerns and undermines Congress’ exclusive appropriations authority. In the Chamber’s view, federal law enforcement officials need to make decisions in the public interest, not for their own personal or political interest. Congress alone has the power of the purse, and agencies should not be allowed to fund pet projects and special interest groups outside of the appropriations process.

H.R. 732 would help fix this troubling dynamic by prohibiting federal enforcement officials from requiring a defendant to fund an outside group as part of a settlement agreement. It is also important to note that this bill would not limit the ability of the government to enter into settlement agreements that require restitution or remediation payments, particularly for harm to the environment, by the settling defendant.

The Chamber supports H.R. 732 and urges its favorable consideration by the Committee.

Sincerely,



Neil L. Bradley

cc: Members of the Committee on the Judiciary