



AMERICANS *for* TAX REFORM

November 3, 2021

The Honorable Jerrold Nadler
Chairman
House Committee on the Judiciary
2141 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Jim Jordan
Ranking Member
House Committee on the Judiciary
2141 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Nadler and Ranking Member Jordan,

I write in support of *The Stop Settlement Slush Funds Act of 2021 (H.R. 5773)*, legislation that would prohibit federal government officials from crafting settlement agreements that would funnel donations to activist groups that are favored by the political party running the executive branch.

This bill is necessary because of reports that the Biden administration has revived the Obama administration policy of bankrolling left-leaning special interest groups using settlement money from civil suits. Under this initiative, government officials have required defendants to donate money to select activist groups within the terms of the settlement. Instead of providing remuneration for victims in civil suits, funds are being diverted to third-party organizations that are not directly involved in the lawsuit. This behavior is a gross politicization of the United States' legal system and should be abhorred by both Republicans and Democrats.

During the Obama administration, the Department of Justice (DOJ) granted activist groups millions of dollars in under-the-table settlements, all while avoiding Congressional oversight. For example, in 2014 the Obama DOJ and Bank of America agreed to a \$17 billion settlement where millions of dollars of the settlement were siphoned off to Interest on Lawyers' Trust Accounts and left-leaning groups such as the Affordable Housing Alliance, the Association of Community Organizations for Reform Now (ACORN), and the Mutual Housing Association of New York.

Moreover, this behavior may even be unlawful. These partisan settlement agreements appear to circumvent Congressional authority under the Appropriations Clause and violate both the Miscellaneous Receipts Act and the Antideficiency Act.

H.R. 5773 would expressly forbid such abusive 'slush fund' payments to activist groups, and guarantees money recovered in settlements is returned to the pockets of the American people, where it truly belongs. This bill ensures settlement money goes directly to victims, or alternatively to the Treasury, where elected officials, and not bureaucrats, determine how it is spent.

Previous iterations of this bill passed the House of Representatives three times with bipartisan support. I urge members of the House Committee on the Judiciary and all members of Congress to support H.R. 5773.

Sincerely,

Grover Norquist
President, Americans for Tax Reform

CC: Members of the House Committee on the Judiciary

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