



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

February 24, 2017

**H.R. 732  
Stop Settlement Slush Funds Act of 2017**

*As ordered reported by the House Committee on the Judiciary on February 7, 2017*

H.R. 732 would prohibit government officials from entering into or enforcing any settlement agreement for civil actions on behalf of the United States if that agreement requires the other party to the settlement to make a donation to a third party. That prohibition would not include payments to provide restitution or another remedy that is associated with the basis for the settlement agreement. In recent settlements with the United States, large corporations have been required to donate funds to charitable institutions as a part of their restitution; such donations typically constitute a very small fraction of overall settlement amounts.

By precluding any such donations in civil settlements that have not been finalized, H.R. 732 could affect the number and content of future settlements relative to current law. However, CBO cannot determine whether enacting the legislation would lead to an increase or a decrease in the number of such settlements or to a change in the federal receipts and forfeitures stemming from future settlements.

Pay-as-you-go procedures apply because enacting H.R. 732 could affect direct spending and revenues; however, CBO cannot determine the magnitude or timing of those effects. CBO also cannot determine the long-term effects of the bill on direct spending or on-budget deficits but such effects are very unlikely to increase net direct spending or on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2028.

The bill also would require federal agencies, for seven years after enactment, to submit an annual report to the Congress if certain settlement agreements were entered into during that year by the agency. Based on the cost of similar activities, CBO estimates that preparing those reports would cost less than \$500,000 annually; such spending would be subject to the availability of appropriated funds.

H.R. 732 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Mark Grabowicz. The estimate was approved by H. Samuel Papenfuss, Deputy Director for Budget Analysis.