SECTION 1. SHORT TITLE.

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

SEC. 2. LIMITATION ON DONATIONS MADE PURSUANT TO SETTLEMENT AGREEMENTS TO WHICH THE UNITED STATES IS A PARTY.

(a) LIMITATION ON REQUIRED DONATIONS.—An official or agent of the Government may not enter into or enforce any settlement agreement on behalf of the United States directing or providing for a payment to any person or entity other than the United States, other than a payment that provides restitution for or otherwise directly remedies actual harm (including to the environment) directly and proximately caused by the party making the payment, or constitutes payment for services rendered in connection with the case.

(b) PENALTY.—Any official or agent of the Government who violates subsection (a) shall be subject to the
same penalties that would apply in the case of a violation of section 3302 of title 31, United States Code.

(c) **Effective Date.**—Subsections (a) and (b) apply only in the case of a settlement agreement entered on or after the date of enactment of this Act.

(d) **Definition.**—The term “settlement agreement” means a settlement agreement resolving a civil action or potential civil action.

(e) **Reports on Settlement Agreements.**—

(1) **In general.**—Not later than at the end of the first fiscal year that begins after the date of enactment of this Act, and annually thereafter, the head of each Federal agency shall submit electronically to the Congressional Budget Office a report on each settlement agreement entered into by that agency during that fiscal year that directs or provides for a payment to a person or entity other than the United States that is providing restitution for or otherwise directly remedies actual harm (including to the environment) directly and proximately caused by the party making the payment, or that constitutes payment for services rendered in connection with the case, which shall include the parties to each settlement agreement, the source of the settlement
funds, and where and how such funds were and will be distributed.

(2) **Prohibition on Additional Funding.**—

No additional funds are authorized to be appropriated to carry out this subsection.

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

(f) **Annual Audit Requirement.**—

(1) **In General.**—Not later than at the end of the first fiscal year that begins after the date of enactment of this Act, and annually thereafter, the Inspector General of each Federal agency shall submit a report on any settlement agreement entered into in violation of this section by that agency to—

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

(B) the Committee on the Judiciary, the Committee on the Budget, and the Committee on Appropriations of the House of Representatives.
(2) Prohibition on additional funding.—

No additional funds are authorized to be appropriated to carry out this subsection.