

Congress of the United States

Washington, DC 20515

February 13, 2024

The Honorable Merrick B. Garland
Attorney General of the United States
U.S. Department of Justice
950 Pennsylvania Avenue, N.W.
Washington, D.C. 20530-0001

Dear Attorney General Garland,

On January 11, 2024, H.R. 788, the Stop Settlement Slush Funds Act of 2023, passed in the House of Representatives with a vote of 211-197. The purpose of the bill is to end the practice of diverting settlement funds from victims or the U.S. Treasury to unrelated third parties. As Congress considers this reform, and as part of our efforts to monitor the current administration's misuse, misappropriation, or unauthorized appropriation of funds, we request information on the U.S. Department of Justice's (DOJ) settlement payments to non-governmental third parties.

As you know, the Obama administration incorporated the questionable practice of directing settlement proceeds that would otherwise be designated for the U.S. Treasury to third-party organizations of the administration's choosing. Given its dubious nature and broad scope of misuse, the practice became an area of concern and investigation by Congress, leading to a bipartisan bill to ban the practice altogether in 2016.

Before Congress could abolish this practice, the Trump administration rightly ended it in June 2017. Despite prior agency and bipartisan congressional recognition of misuse, this practice was reportedly revived by the Biden administration in 2021. Since then, public records suggest that a significant portion of the billions of dollars in fines and penalties from DOJ settlements have been redirected to third parties.

Reports have surfaced suggesting that some Biden DOJ settlements include terms requiring parties to make "mandatory donations" to certain partisan third-party groups in exchange for reduced fines. These funds have been redirected to third parties, where they should have only been deposited with the Treasury or given to victims. One recent example is that JP Morgan Chase will be directing a majority portion of its settlement in the Epstein scandal to third-party charities.¹

¹ Dan Mangan, Eamon Javers, "[JPMorgan Chase settles Jeffrey Epstein sex trafficking suit by U.S. Virgin Islands for \\$75 million](#)," CNBC, September 26, 2023.

The DOJ's requirement for defendants to donate to particular groups identified by the DOJ raises serious concerns of a partisan conflict of interest. The act of redirecting or substituting payments meant for victims and instead requiring donations to friends of the administration appears to be a misuse of power to reward politically aligned special interests. In doing so, the practice robs deserving victims of the compensation to which they would otherwise be entitled. This practice also raises concerns of an unconstitutional encroachment upon Congress's power of the purse.

The lack of transparency into the use of these settlement funds further erodes public trust in the Biden administration's integrity. Given the history and widespread misuse of these settlement tactics, Congress is investigating these types of settlements. We request that the DOJ conduct a briefing as soon as possible on the foregoing settlement practices in the Biden administration and that you provide the following information prior to the briefing and no later than February 26, 2024:

1. Preserve, produce, and report any and all communications between the DOJ (including any of its agents, subsidiaries, instrumentalities, or authorized representatives) and any party (including any of its representatives or agents) that has entered into or been offered a settlement that includes a reduction, substitution, or redirection of a fine or penalty and requires contributions or payments to a third party.
2. Preserve, produce, and report any and all information, including but not limited to any communication, publications, and documents regarding any and all settlements made or settlement offers made with regard to any penalty, fine, or payments. Produce any and all information, communication, publications, and documents regarding "third parties" (those who are neither the party subject to the penalty or fine nor those who are the victims of whatever act that has been penalized).

We expect a prompt and proper response and your complete and thorough cooperation on this matter. If you have questions, please contact Moksh Sharma (Moksh.Sharma@mail.house.gov) in Congressman Gooden's office.

Sincerely,



Lance Gooden
Member of Congress



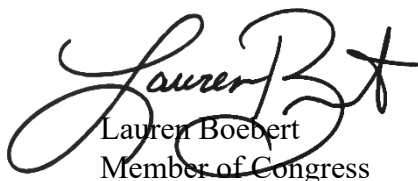
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