ELIZABETH WARREN
U.S. SENATOR FOR MASSACHUSETTS

Senate Passes Bipartisan Truth in Settlements Act to Make Federal Agency Settlements More Transparent

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SEP 22, 2015

Bill Text (http://www.gpo.gov/fdsys/pkg/BILLS-114s1109es/pdf/BILLS-114s1109es.pdf)

Fact Sheet (http://www.warren.senate.gov/files/documents/2015-4-27Settlement_Transparency_Fact_Sheet_2015.pdf)

WASHINGTON, DC - On Monday evening, the United States Senate passed by unanimous consent the Truth in Settlements Act, a bipartisan bill introduced by Senators Elizabeth Warren (D-Mass.) and James Lankford (R-Okla.) to increase transparency around major settlements reached by federal enforcement agencies.

When federal agencies close investigations and settle cases, they often tout the dollar amount obtained from the offender, but in many cases that amount is misleading because of tax deductions and other "credits" built into the settlement that reduce the settlement's true value. The Truth in Settlements Act will require more accessible and detailed disclosures about these agreements to allow the public to hold regulators accountable for the true value of these deals.

"The idea behind this bill is straightforward: If the government is going to cut deals on behalf of the American people, the American people are entitled to know what kind of a deal they're getting," **said Senator Warren.** "I'm glad the Senate unanimously passed the Truth in Settlements Act to provide more transparency around government settlements. This legislation will shut down backroom deal-making and ensure that Congress, citizens and watchdog groups can hold regulatory agencies accountable for strong and effective enforcement that benefits the public interest."

"I am grateful to my colleagues in the Senate for supporting legislation that ensures the American taxpayer has full access to review settlements negotiated on their behalf," **said Senator Lankford.** "The Truth in Settlements Act will create accountability and transparency for federal agencies to follow and provide specific details to the public regarding decisions made by agencies. This bill will also shed light onto settlements that result in new federal regulations, especially when taxpayers are forced to pay the cost for reimbursing legal fees for private parties that sue the government."

Under the Truth in Settlements Act, federal agencies will be required to post basic information about major settlements and provide copies of those agreements on their websites. Any written public statement that an agency issues about the value of a major settlement must include an explanation of how those settlement payments are categorized for tax purposes and whether payments may be offset by "credits" for particular conduct.
To address concerns about confidentiality, the Truth in Settlements Act also requires agencies to explain publicly why confidentiality is justified in any particular instance. The Act also directs agencies to disclose basic information about the number of settlements they deem confidential each year and directs the Government Accountability Office (GAO) to conduct a study of confidentiality procedures and to provide additional recommendations for increasing transparency. These and other provisions of the Truth in Settlements Act will increase the transparency of government settlements and permit greater public scrutiny.

A PDF copy of the bill text is available here, (http://www.gpo.gov/fdsys/pkg/BILLS-114s1109es/pdf/BILLS-114s1109es.pdf) and a PDF fact sheet is available here.
(http://www.warren.senate.gov/files/documents/2015-4-27Settlement_Transparency_Fact_Sheet_2015.pdf)

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