

Safeguarding Awards for Victims and Enforcement Settlements Act

Summary: The Safeguarding Awards for Victims and Enforcement Settlements Act of 2020 (SAVES Act) would prohibit the government from entering into or enforcing an enforcement settlement agreement on behalf of the United States that directs or provides for a payment or loan to any person or entity other than the United States, except to:

- (1) Directly remedy actual harm (including to the environment) caused by the party making the payment or loan;
- (2) Pay for services rendered in connection with the case; or
- (3) Pay for court-ordered restitution to victims in certain criminal cases or other persons in plea agreements.

The bill provides exceptions that allow the government to:

- (1) Reach a settlement when a claim against a third party is resolved by a payment to the same third party;
- (2) In a bankruptcy action, allow courts to require payments to debtors and to impose statutory fines that must be deposited into the United State Trustee System Fund;
- (3) Require, pursuant to a non-prosecution, deferred prosecution, or plea agreement, remedial or compliance training;
- (4) Ensure that forfeited assets linked to foreign corruption affecting the United States financial system are returned for the benefit of the people harmed by the corruption;
- (5) Engage in a settlement with a party in which the United States coordinates with any other domestic or foreign authority to credit payments the party makes to the other authority so as to avoid duplicative penalties; or
- (6) Follow all payments expressly authorized by law.

Prohibits cy-pres redistribution in settlements – this bill specifies that when the United States has entered into a settlement involving a fund for payment to individual claimants, any amount remaining after all claims have been satisfied shall be repaid proportionally to each party who contributed to the fund.

This bill requires each agency submit an annual report on settlements entered into by that agency.

This bill requires the Inspector General of each agency to submit an annual report to Congress detailing any settlement agreement entered into by that agency which violates this bill.

Need for Legislation: Previous administrations have directed DOJ settlement money be issued to third parties with no direct interest in or claim to the settlement. This subverts Congress's spending and oversight authority. This bill resolves this issue by preventing third party payments except in limited circumstances where a third party is necessary for a fair result.