

Jeff Sessions ends DOJ third-party settlement practice frequently used by the Obama administration

AG Jeff Sessions memo to end third-party settlement practice

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Jeff Sessions
Attorney General,
Department of Justice

- Sessions' June 7th memo instructs the DOJ to end the practice of allowing settlements won in federal legal cases to be donated to community organizations or other third-party groups
- Settlements now must be directed toward those directly harmed by wrongdoing
- This practice was used by both the Obama and George W. Bush administrations, but most heavily by the Obama administration
- From 2013-2016 the Obama Justice Department directed \$46 billion in settlements to outside groups focused on housing aid and other issues

Conservative perspective:

This practice was a way for a president to direct money to his favored organizations and "illegally sidestep" the congressional appropriations process. Many who argued against the practice called it a "slush fund."

Obama administration perspective:

These so-called third party settlements were simply another tool for reparations. The money didn't go to random organizations favored by Obama's government, but instead to specific groups that could help repair the damage caused by fiscal misdeeds.

Sources: John Bowden, "Justice Department ends practice of using settlements to fund outside groups," *The Hill*, June 7, 2017; Scott Mahaskey, "5 things Trump did while you weren't looking," *POLITICO*, June 9 2017.