U.S. Chamber of Commerce

1615 H Street, NW
Washington, DC 20062-2000
uschamber.com

September 23, 2026

The Honorable Scott K. H. Bessent
The Secretary of the Treasury
Washington, D.C. 20220

Dear Mr. Secretary:

I am writing on behalf of the U.S. Chamber of Commerce Institute for Legal Reform to commend your willingness to address a significant problem that has been plaguing our court system for decades—the infiltration of litigation funders and their ability to evade our tax laws. On September 15, 2026, you appeared before the House Financial Services Committee for an annual hearing on the state of the international financial system. During that hearing, you recognized that litigation funders have long been a "malignancy within our legal and financial system," and we could not agree more.

The use of third-party litigation funding ("TPLF") in our federal court system is wreaking havoc, as litigation finance entities, some foreign controlled, are bankrolling predatory plaintiffs' counsel to bring dubious claims against U.S. businesses. Since their inception, TPLF entities have largely managed to operate in complete secrecy. Funders strive to maintain this secrecy, including concealing their role from opposing counsel and even the courts, so that they can continue operating in the shadows and exploiting that anonymity to their advantage. Furthermore, these entities, both foreign and domestic, are able to manipulate our tax code to pay little to no taxes on their profits.

TPLF operates within a tort system already costing American households over $4,000 per year. Excessive litigation discourages business growth, raises consumer costs and insurance premiums, and makes it harder for companies to go and remain public. Worse, the industry's lack of transparency undermines judicial integrity, particularly when foreign entities and sovereign wealth funds secretly invest in U.S. litigation to weaponize our legal system against American businesses. For example, an investment firm established by sanctioned Russian billionaires with ties to Vladimir Putin has funded lawsuits in the U.S. and UK to evade international sanctions.[1]

Domestically, TPLF creates a power dynamic that can undermine the interests of the plaintiffs and the proper functioning of the courts. The legal battle between Sysco

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[1] *See* Emily R. Siegel and John Holland, "*Putin's Billionaires Dodge Sanctions by Financing Lawsuits*", Bloomberg Law, March 28, 2024, https://news.bloomberglaw.com/litigation-finance/putins-billionaires-sidestep-sanctions-by-financing-lawsuits.

and Burford Capital highlights this issue. Sysco accused Burford Capital, its foreign litigation financier, of blocking reasonable settlement offers in its antitrust case, effectively trapping Sysco in a lawsuit it wished to settle.[2]

I encourage you to take swift and appropriate action to ensure litigation funders are no longer able to exploit our tax code. I appreciate your efforts on this important matter, and I look forward to continuing to work with you to preserve the integrity of our legal system.

Sincerely,

Stephen Waguespack
President
U.S. Chamber Institute for Legal Reform

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[2] *See* Lisa Baker Morgan, “*A Glimpse into the Secret World of Litigation Funding*)”, Daily Journal, August 16, 2024, https://www.dailyjournal.com/articles/380427-a-glimpse-into-the-secret-world-of-litigation-funding-agreements.