

EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

February 24, 2016 (House)

STATEMENT OF ADMINISTRATION POLICY

H.R. 3624 – Fraudulent Joinder Prevention Act of 2016

(Rep. Buck, R-CO)

The Administration strongly opposes H.R. 3624 because it is a solution in search of a problem and makes it more difficult for individuals to vindicate their rights in State courts.

Federal law currently permits defendants to remove to Federal court a civil case initially filed in State court where the plaintiffs and defendants are citizens of different States and the case's value exceeds a certain monetary threshold. H.R. 3624 purports to address a problem called fraudulent joinder, where plaintiffs fraudulently raise claims against a same-state defendant in order to defeat the Federal court's ability to hear the case.

Existing Federal law already provides Federal courts with ample tools to address this problem, and the proponents of H.R. 3624 have offered no credible evidence that the Federal courts are failing to carry out their responsibility to prevent fraudulent joinder. The bill would therefore add needless complexity to civil litigation and potentially prevent plaintiffs from raising valid claims in State court.

If the President were presented with H.R. 3624, his senior advisors would recommend that he veto the bill.

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