



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 13, 2007

International Emergency Economic Powers Enhancement Act

*As ordered reported by the Senate Committee on Banking, Housing, and Urban Affairs
on May 16, 2007*

The bill would amend the International Emergency Economic Powers Act (IEEPA) to increase the maximum civil and criminal penalties that may result from violations of that act. IEEPA authorizes the President to investigate, regulate, and prohibit certain financial transactions following a declaration of an “unusual and extraordinary threat” originating outside the United States. Under current law, individuals and entities that violate regulations promulgated under IEEPA are subject to civil penalties of up to \$10,000, and criminal penalties of up to \$250,000 and 10 years’ imprisonment. Under this legislation, the maximum penalty would be increased to \$250,000 for civil violations and \$1 million and 20 years’ imprisonment for criminal violations.

Enacting this bill could increase federal revenues as a result of the collection of additional civil and criminal penalties assessed for violations of IEEPA regulations. Civil penalties are typically assessed by the Office of Foreign Assets Control (OFAC) of the U.S. Treasury, while criminal penalties are assessed in the federal courts. Amounts collected from civil penalties are recorded in the budget as revenues and are deposited into the General Fund of the Treasury. Criminal fines are recorded as revenues, then deposited in the Crime Victims Fund, and later spent. Based on information from OFAC and the Administrative Office of the United States Courts, CBO expects that the increases proposed by this legislation would affect relatively few cases per year. As such, we estimate that enacting this bill would probably have an insignificant effect on the federal budget over the next 10 years.

This bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Daniel Hoople. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.