



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 10, 2007

H.R. 400

War Profiteering Prevention Act of 2007

As ordered reported by the House Committee on the Judiciary on August 1, 2007

CBO estimates that implementing H.R. 400 would have no significant cost to the federal government. Enacting the bill could affect direct spending and revenues, but CBO estimates that any such effects would not be significant.

H.R. 400 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

H.R. 400 would make it a federal crime to commit fraudulent acts while providing goods or services for a U.S. mission overseas. Because the bill would establish a new offense, the government would be able to pursue cases that it otherwise would not be able to prosecute. We expect that H.R. 400 would apply to a relatively small number of offenders, so any increase in costs for law enforcement, court proceedings, or prison operations would not be significant. Any such costs would be subject to the availability of appropriated funds.

Because those prosecuted and convicted under H.R. 400 could be subject to criminal fines, the federal government might collect additional fines if the legislation is enacted. Criminal fines are recorded as revenues, deposited in the Crime Victims Fund, and later spent. CBO expects that any additional revenues and direct spending would not be significant because of the small number of cases likely to be affected.

Persons prosecuted and convicted under the bill also could be subject to the seizure of certain assets by the federal government. Proceeds from the sale of such assets would be deposited into the Assets Forfeiture Fund and spent from that fund, mostly in the same year. Thus, enacting H.R. 400 could increase both revenues deposited into the fund and direct spending from the fund. However, CBO estimates that any increased revenues or spending would be negligible.

On May 2, 2007, CBO transmitted a cost estimate for S. 119, the War Profiteering Prevention Act of 2007, as ordered reported by the Senate Committee on the Judiciary on April 25, 2007. The two bills are similar and the cost estimates are identical.

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