



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 24, 2008

S. 2892

Wartime Enforcement of Fraud Act of 2008

As ordered reported by the Senate Committee on the Judiciary on June 26, 2008

CBO estimates that implementing S. 2892 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. S. 2892 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.

When the United States is engaged in a declared war, current law suspends the statute of limitations applicable to offenses involving fraud against the U.S. government until three years after war has ended. S. 2892 would make those provisions applicable to a Congressional authorization of the use of the Armed Forces, including the current conflicts in Iraq and Afghanistan. The bill also would extend the statute of limitations from three to five years after conflict has ended.

If the bill is enacted, the government might be able to pursue cases that it otherwise would not be able to prosecute. However, we expect that S. 2892 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 S. 2892 could be subject to criminal fines and forfeiture, the federal government might collect additional fines if the legislation is enacted. Criminal fines are recorded as revenues, then deposited in the Crime Victims Fund, and later spent. In addition, proceeds from forfeited cash and the sale of assets are recorded as revenues, deposited into the Assets Forfeiture Fund, and spent mostly in the same year. Thus, enacting S. 2892 could increase revenues and direct spending; however, CBO expects that any such impact would not be significant.

The CBO staff contact for this estimate is Mark Grabowicz. This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.