



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

November 4, 2015

S. 1576
Representative Payee Fraud Prevention Act of 2015

*As reported by the House Committee on Oversight and Government Reform
on October 9, 2015*

CBO estimates that implementing S. 1576 would have no significant cost to the federal government. Enacting the legislation could affect direct spending and revenues; therefore, pay-as-you-go procedures apply. However, CBO estimates that any effects on direct spending or revenues would be insignificant.

S. 1576 would establish new federal crimes related to federal retiree representatives who misuse funds from the Federal Employees Retirement System and the Civil Service Retirement System. A federal retiree representative is a person or an organization that manages federal retirement benefits for recipients who are unable to do so themselves under the Representative Payee Program. As a result of enacting S. 1576, the government would be able to pursue cases that it otherwise would not be able to prosecute. CBO expects that S. 1576 would apply to a relatively small number of offenders, however, 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. 1576 could be subject to civil and criminal fines, the federal government might collect additional fines if the legislation is enacted. Civil fines are recorded in the budget as revenues and deposited in the general fund of the Treasury. Criminal fines are recorded as revenues, deposited in the Crime Victims Fund, and are available to spend without future appropriation action. CBO expects that any net effects associated with collecting and spending such penalties would not be significant in any year because of the relatively small number of cases likely to be affected.

CBO estimates that enacting S. 1576 would not increase direct spending or on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2026.

S. 1576 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.

On July 10, 2015, CBO transmitted a cost estimate for S. 1576 as ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on June 24, 2015. The two versions of the legislation are identical, and CBO's estimates of the budgetary effects are the same.

The CBO staff contact for this estimate is Matthew Pickford. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.