



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

October 31, 1997

H.R. 2460
Wireless Telephone Protection Act

As ordered reported by the House Committee on the Judiciary on October 29, 1997

CBO estimates that enacting H.R. 2460 will have a small impact on discretionary spending over the next five years. In addition, the bill could lead to increases in both direct spending and receipts, but the amounts involved would be less than \$500,000 a year. Because the bill could affect direct spending and receipts, pay-as-you-go procedures would apply. H.R. 2460 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995 and would impose no costs on state, local, or tribal governments.

H.R. 2460 would make it easier for United States attorneys to prosecute certain fraud offenses involving wireless telephones. The bill also would direct the United States Sentencing Commission to review the federal sentencing guidelines for wireless telephone fraud.

Enacting H.R. 2460 could increase the number of successful prosecutions against perpetrators of wireless telephone fraud. In turn, collections of criminal fines could increase, but we estimate that any increase would be less than \$500,000 annually. Criminal fines are deposited in the Crime Victims Fund and spent the following year. Thus, any change in direct spending would match the increase in revenues with a one-year lag.

Any increase in convictions in fraud cases would result in additional federal costs, subject to the availability of appropriations, to accommodate more prisoners. Prison costs would also rise if the U.S. Sentencing Commission elects to enhance prison sentences for wireless telephone fraud, as allowed by the bill. CBO cannot predict the effect of H.R. 2460 on conviction rates or the actions of the U.S. Sentencing Commission, but any increase in discretionary spending over the next five years is likely to be small.

The CBO staff contact for this estimate is Mark Grabowicz. This estimate was approved by Paul N. Van de Water, Assistant Director for Budget Analysis.