



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

October 3, 1997

S. 493

Wireless Telephone Protection Act

As reported by the Senate Committee on the Judiciary on September 18, 1997

CBO estimates that enacting S. 493 is not likely to have a significant impact on discretionary spending. 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 S. 493 could affect direct spending and receipts, pay-as-you-go procedures would apply. S. 493 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.

S. 493 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 S. 493 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 are spent in 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 also could result in additional federal costs, subject to the availability of appropriations, to accommodate more prisoners for longer periods of time. Such costs would be greater 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 S. 493 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.