



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

March 21, 2007

**S. 863  
Emergency and Disaster Assistance Fraud Penalty  
Enhancement Act of 2007**

*As ordered reported by the Senate Committee on the Judiciary on March 15, 2007*

CBO estimates that implementing S. 863 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. 863 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.

S. 863 would establish a new federal crime for the commission of certain fraudulent acts relating to benefits distributed after major disasters or emergencies. 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 S. 863 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. 863 could be subject to criminal fines, 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. CBO expects that any additional revenues and direct spending would not be significant because of the small number of cases likely to be affected.

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