



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 23, 2012

H.R. 1775 **Stolen Valor Act of 2012**

As ordered reported by the House Committee on the Judiciary on August 1, 2012

CBO estimates that implementing H.R. 1775 would have no significant cost to the federal government. Enacting the bill could affect direct spending and revenues; therefore, pay-as-you-go procedures apply. However, CBO estimates that any effects would be insignificant for each year.

H.R. 1775 would make changes to the current federal offenses relating to fraudulent claims about military service. As a result, the government might be able to pursue cases that it otherwise would not be able to prosecute. CBO expects that H.R. 1775 would apply to a relatively small number of additional 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 H.R. 1775 could be subject to civil and criminal fines, the federal government might collect additional fines if the legislation is enacted. Civil and criminal fines are recorded as revenues. Criminal fines are 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 relatively small number of cases likely to be affected.

H.R. 1775 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments. The bill contains a new private-sector mandate as defined in UMRA by prohibiting individuals from claiming to have received a military medal or decoration with intent to obtain money, property, or other tangible benefits. CBO estimates that the cost of the mandate to such individuals would fall below the annual threshold established in UMRA (\$146 million in 2012, adjusted annually for inflation).

The CBO staff contacts for this estimate are Mark Grabowicz (for federal costs) and Elizabeth Bass (for the private-sector impact). The estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.