



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

January 24, 2012

**S. 678
Economic Espionage Penalty Enhancement Act**

As reported by the Senate Committee on the Judiciary on December 8, 2011

S. 678 would increase the maximum penalty for revealing trade secrets to foreign entities and would direct the United States Sentencing Commission (USSC) to review and, if necessary, amend sentencing guidelines for economic espionage. Based on information provided by the USSC, CBO estimates that implementing S. 678 would have no significant impact on the federal budget. Enacting S. 678 could affect direct spending and revenues; therefore, pay-as-you-go procedures apply. However, CBO estimates that the net effects would be insignificant for each year.

Because those prosecuted and convicted under S. 678 could be subject to criminal fines, the federal government might collect additional fines if the legislation is enacted. Criminal fines are recorded as revenues, 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 affected.

S. 678 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.

The CBO staff contact for this estimate is Martin von Gnechten. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.