



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 22, 2012

S. 2234 **End Trafficking in Government Contracting Act of 2012**

*As ordered reported by the Senate Committee on Homeland Security
and Governmental Affairs on June 29, 2012*

S. 2234 would make several amendments to the Trafficking Victims Protection Act of 2000 (TVPA). In particular, the bill would expand application of the law to labor recruiters, brokers, and other agents of contractors and grantees, and would permit federal agencies to terminate contracts, grants, and other cooperative arrangements when a contractor or grantee engages deceptive hiring practices or certain related activities. S. 2234 also would require contractors and grantees, under certain circumstances, to certify that they have implemented procedures to prevent human trafficking, and report possible instances of human trafficking related to federal contracts and grants to federal inspectors general.

CBO anticipates that implementing the bill would increase costs for training federal contracting staff and conducting additional investigations into violations of the TVPA, but that the additional training requirements could be implemented through existing programs and the number of additional investigations would be small. Thus, we estimate that additional costs for implementing the bill would be less than \$500,000 annually over the 2013-2017 period, assuming the availability of the necessary amounts.

In addition, section 7 would make it illegal to hire persons outside the United States under fraudulent or false pretenses for the purpose of performing work on U.S. government contracts performed outside the United States. Since those convicted of such violations could be subject to criminal penalties, enacting S. 2234 could affect direct spending and revenues therefore, pay-as-you-go procedures apply. However, CBO anticipates that the collection of such penalties, which are recorded as revenues and deposited in the Crime Victims Fund, and later spent, would be minimal; thus the net effect on direct spending and revenues would be negligible.

S. 2234 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 Jason Wheelock. The estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.