

S. 14, Combating Global Corruption Act of 2021

As reported by the Senate Committee on Foreign Relations on June 24, 2021

By Fiscal Year, Millions of Dollars	2021	2021-2026	2021-2031
Direct Spending (Outlays)	0	*	*
Revenues	0	*	*
Increase or Decrease (-) in the Deficit	0	*	*
Spending Subject to Appropriation (Outlays)	*	15	not estimated
Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between -\$500,000 and \$500,000.			

S. 14 would require the Department of State to report to the Congress on corruption in foreign countries and to designate and train staff to reduce such corruption. CBO estimates that implementing the bill would cost \$15 million over the 2021-2026 period, subject to appropriation of the estimated amounts. For this estimate, CBO assumes that the bill will be enacted in fiscal year 2021. Under that assumption, the department could incur some costs in 2021, but CBO expects that most of the costs would be incurred in 2022 and later.

To the extent that the Administration broadens existing sanctions related to the Nord Stream 2 pipeline and to corruption overseas, CBO also estimates that enacting S. 14 would have insignificant effects on revenues and direct spending.

Spending Subject to Appropriation

S. 14 would require the department to:

- Publish an annual report ranking all foreign countries on corruption, including a detailed assessment of each country's efforts to deter, investigate, and punish such corruption,
- Evaluate whether to impose sanctions related to the Nord Stream 2 pipeline in Europe and on individuals in countries that are ranked as highly corrupt,
- Report to the Congress each year on its implementation of any such sanctions, and

- Designate and train staff at overseas missions to coordinate the federal government's efforts to promote good governance and prevent corruption overseas.

On the basis of information from the Department of State, CBO expects that implementing the bill would require the department to hire nine additional full-time employees in Washington, D.C., at an average annual cost of about \$240,000 each. Paying the salaries and benefits of those employees, providing training for agency personnel, and satisfying the reporting requirements would cost about \$3 million each year, CBO estimates. In total, CBO estimates that implementing the bill would cost \$15 million over the 2021-2026 period; such spending would be subject to appropriation of the estimated amounts.

Direct Spending and Revenues

The United States has imposed sanctions on entities involved in the Nord Stream 2 project and on individuals responsible for corruption in foreign countries. If enactment of the bill leads the Administration to broaden those sanctions, more people would be denied visas by the Department of State, resulting in an insignificant decrease in revenues from fees. Although most visa fees are retained by the Department of State and spent without further appropriation, some collections are deposited into the Treasury as revenues. Denying foreign nationals entry into the United States also would reduce direct spending on federal benefits (emergency Medicaid or federal subsidies for health insurance, for example) for which those people might otherwise be eligible.

Sanctions under the bill also would increase the number of people who are subject to civil or criminal monetary penalties. Those penalties are recorded as revenues, and a portion can be spent without further appropriation. In addition, the bill would block transactions in certain assets and property that are in the United States or that come under the control of people in the United States.

On the basis of data for similar sanctions, CBO estimates that if the Administration chose to impose sanctions, they would affect a small number of people; thus, enacting the bill would have insignificant effects on revenues and direct spending, and would, on net, reduce deficits by insignificant amounts over the 2021-2031 period. CBO anticipates that additional sanctions would not be imposed earlier than 2022.

Mandates: None.

Previous CBO Estimate

On April 26, 2021, CBO transmitted a [cost estimate for H.R. 1157](#), the Department of State Authorization Act of 2021, as ordered reported by the House Committee on Foreign Affairs on February 25, 2021. S. 14 is similar to title VII of H.R. 1157: both bills would require the Department of State to report on corruption in foreign countries

and to designate and train staff to reduce corruption. The Senate bill would require the department to consider imposing sanctions; the House bill would not.

Estimate Prepared By

Federal Costs: Sunita D'Monte

Mandates: Brandon Lever

Estimate Reviewed By

David Newman

Chief, Defense, International Affairs, and Veterans' Affairs Cost Estimates Unit

Leo Lex

Deputy Director of Budget Analysis