



Legislative Bulletin.....June 26, 2002

Contents:

H.R. 4598—Homeland Security Information Sharing Act

Rolled Votes:

H.R. 4477—Sex Tourism Prohibition Improvement Act

H.R. 4070—Social Security Program Protection Act of 2002

H.R. 3764—Securities and Exchange Commission Authorization Act of 2002

H.R. 4598—Homeland Security Information Sharing Act (Chambliss)

Order of Business: The bill is scheduled to be considered on Wednesday, June 26th, subject to an open rule. No amendments have been printed in the *Congressional Record* in advance.

Summary: H.R. 4598 would authorize “such sums as may be necessary” for facilitating homeland security information sharing procedures. Specifically, the bill would direct the President to prescribe procedures for federal agencies to share homeland security information with state and local personnel and for declassifying such information (if determined necessary). The President would have to ensure that such procedures apply to each element of the intelligence community and that the requisite technology is available.

The information-sharing procedures would have to limit the redistribution of information for unauthorized use, protect the constitutional and statutory rights of any individuals who are subjects of such information, and ensure the security, confidentiality, and data integrity of such information.

The bill would require each intelligence community element, under procedures prescribed by the Director of Central Intelligence and the Attorney General, to share homeland security information (including credibility assessments) with state and local personnel. Such procedures would have to incorporate existing information-sharing systems, allow for the sharing of classified *and* de-classified information, and would have to give access to Congress and each element of the federal intelligence and law enforcement communities.

Further, H.R. 4598 would direct the President to prescribe procedures (such as security-clearance investigations and non-disclosure agreements) under which federal agencies could share **classified** homeland security information with appropriate state and local personnel.

H.R. 4598 would grant authority to share (with local, state, federal, or foreign law enforcement or investigative authority) grand jury information, foreign intelligence,

information gathered from a physical search, and electronic, wire, and oral interception information when relevant to homeland security.

Within twelve months of this legislation's enactment, the President would be required to report to Congress on the implementation of this legislation and on any recommendations for improving its implementation.

Cost to Taxpayers: CBO estimates that H.R. 4598 would cost less than \$500,000 annually (subject to the availability of appropriated funds). However, CBO cannot determine the cost to implement the bill's provisions for federal intelligence agencies, given the classified nature of much of those agencies' activities.

Does the Bill Create New Federal Programs or Rules?: The bill would require the implementation of new information-sharing procedures amongst local, state, federal, and foreign government agencies regarding homeland security.

Constitutional Authority: The Judiciary Committee, in House Report 107-534, cites constitutional authority in Article I, Section 8, but fails to cite a specific clause.

Staff Contact: Paul Teller, paul.teller@mail.house.gov, (202) 226-9718

H.R.4477— Sex Tourism Prohibition Improvement Act of 2002 (Sensenbrenner)

Order of Business: The bill was considered under a motion to suspend the rules on Tuesday, June 25, 2002 with the recorded vote rolled until Wednesday June 26.

Summary: H.R.4477 amends current law regarding transport of minors to make it illegal for a person to travel to this country or within this country “for the purpose of engaging in any illicit sexual conduct with another person.” H.R.4477 also makes it illegal for a U.S. citizen or alien with permanent U.S. status to travel abroad to engage in illicit sexual conduct with another person. Those convicted under these new crimes, shall be fined or imprisoned not more than 15 years, or both.

Illicit sexual conduct is defined as 1) a sexual act (under federal sexual abuse definitions, 18 U.S.C.2246) with a person that would be in violation of federal sex abuse laws if the action took place in US territory or 2) any commercial sex act (as defined under federal sex trafficking of children statute, 18 U.S.C. 1591) with a person who is known to be under 18-years old, or who the person engaging in the act “should have known has not attained the age of 18 years.”

According to the Judiciary Committee, current law requires the Government to prove that the defendant traveled “for the purpose” of engaging in the illegal activity. Under H.R. 4477 the Government would only have to prove that the defendant engaged in illicit sexual conduct with a minor while in a foreign country. This legislation also criminalizes the actions of sex

tour operators by prohibiting persons from arranging, inducing, procuring, or facilitating the travel of a person knowing that such a person is traveling in interstate or foreign commerce for the purpose of engaging in illicit sexual conduct.

Cost to Taxpayers: CBO estimates that implementing H.R. 4477 would not result in any significant cost to the Federal Government. Though H.R. 4477 establishes new Federal crimes, CBO estimates that any increase in costs for law enforcement, court proceedings, or prison operations would not be significant because of the small number of additional cases likely to be affected. Any criminal fines collected from those prosecuted and convicted under H.R. 4477, which CBO estimates will be negligible, will be deposited in the Crime Victims Fund and later spent.

Does the Bill Create New Federal Programs or Rules: H.R. 4477 would establish new federal crimes relating to interstate or international travelers (or persons facilitating such travel) who engage in illegal sexual activity.

Constitutional Authority: A Judiciary Committee Report (Report #107-525) cites article I, section 8 of the Constitution (Powers of Congress) but fails to cite a specific clause.

RSC Staff Contact: Sheila Moloney; Sheila.Moloney@mail.house.gov; 202-226-9719

H.R. 4070 — Social Security Program Protection Act of 2002 (Shaw)

Order of Business: The bill was considered under a motion to suspend the rules on Tuesday, June 25, 2002 with the recorded vote rolled until Wednesday June 26.

Summary: H.R. 4070 makes a variety of changes to the Social Security Act to protect recipients and program integrity.

Social Security beneficiaries who are unable to manage their own financial affairs use representative payees to safeguard their benefits. Under H.R. 4070, the Social Security Administration (SSA) is required to reissue benefits to beneficiaries whose funds were misused by a representative payee. SSA is also required to enhance its oversight of representative payees, using onsite review, and requires representative payees to be both bonded and licensed (current law requires them to be either bonded or licensed). In addition, the bill would hold representative payees liable in instances where benefits are misused and require them to forfeit their fees.

Other changes to the Social Security program in H.R. 4070 include:

- Clarifies that civil monetary penalties can be imposed if a beneficiary fails to notify SSA of changes in circumstance that affect eligibility or benefit amount;
- Fully denies benefits to fugitive felons and individuals fleeing prosecution;
- Requires those who offer Social Security services for a fee to include in solicitations a statement that such services are available from SSA free of charge;

- Imposes a fine of up to \$5000 and imprisonment of up to three years on any individual who “by force or threats of force (including any threatening letter or communication) attempts to intimidate or impede any officer, employee, or contractor of the Social Security Administration;”
- Caps the assessment imposed by SSA on attorney fees paid out of past-due benefits (rather than directly by the beneficiary) at \$100;
- Clarifies that demonstration projects under the Ticket to Work Incentives Improvement Act of 1999 may continue beyond December 17, 2004, if the project began on or before that date; and
- Reinstates reports sunset in the Federal Reports Elimination and Sunset Act of 1995.

Cost to Taxpayers: Preliminary review by the Congressional Budget Office estimates savings of \$165 million over five years.

Does the Bill Create New Federal Programs or Rules?: The bill makes clarifying and technical changes to the Social Security Act.

Constitutional Authority: No committee report citing constitutional authority is available.

Staff Contact: Lisa Bos, lisa.bos@mail.house.gov, (202) 226-1630

H.R. 3764 — Securities and Exchange Commission Authorization Act of 2002 (Oxley)

Order of Business: The bill was considered under a motion to suspend the rules on Tuesday, June 25, 2002 with the recorded vote rolled until Wednesday June 26.

Summary: H.R. 3764 reauthorizes the Securities and Exchange Commission (SEC) for fiscal year 2003 at a level of **\$776 million, 66.2 percent above the President’s fiscal year 2003 request** (the President requested \$466.9 million for the SEC, a 6.6 percent increase over the fiscal year 2002 appropriation of \$437.9 million).

Of that amount, \$134 million is for the Division of Corporate Finance and Office of Chief Accountant, \$326 million for the Division of Enforcement, and \$76 million to implement the pay comparability section of the Investor and Capital Markets Fee Relief Act (this section called for pay parity between employees of the SEC and the employees of the Federal bank regulatory agencies).

The bill goes on to express the sense of Congress that the SEC “should conduct a thorough annual review of the annual financial statements” of the 500 largest market participants.

Cost to Taxpayers: CBO estimates that implementing H.R. 3764 would cost \$607 million in 2003 and an additional \$162 million in 2004. Assuming the continued collection of the

regulatory fees assessed by the SEC, however, net SEC spending would be negative in 2003, as is the case in 2002.

Does the Bill Create New Federal Programs or Rules?: The bill authorizes funding for the Securities and Exchange Commission.

Constitutional Authority: The Financial Services Committee, in House Report 107-415, cites Article I, Section 8, Clause 1 (general welfare of the United States) and Clause 3 (power to regulate interstate commerce).

Staff Contact: Lisa Bos, lisa.bos@mail.house.gov, (202) 226-1630
