

FEDERAL ELECTION COMMISSION



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COMMISSION'S ENFORCEMENT PRIORITY SYSTEM PROVING EFFECTIVE AFTER 20 MONTHS IN OPERATION

WASHINGTON -- The Federal Election Commission's Enforcement Priority System, after 20 months in operation, is proving effective and valuable in bringing to completion important investigations that have resulted in a record level of civil penalties for election law violations.

Implemented in May of 1993, the Enforcement Priority System was designed and instituted to clear the Commission's backlog of relatively minor Matters Under Review (MURs) to enable the FEC enforcement staff to concentrate on major cases.

Statistics compiled by the FEC's Office of General Counsel show that in calendar year 1994 civil penalties contained in 107 conciliation agreements totaled \$1,692,854. Included in that total is the December 22 announcement of a \$550,000 civil penalty as part of a conciliation agreement with Prudential Securities, Inc., and the August 3 civil penalty of \$162,225 involving 26 individuals and corporations for violating the ban on contributions by foreign nationals. The civil penalty in the Prudential Securities case was the largest in the Commission's 19-year history.

In comparison, the Commission's enforcement staff completed 174 conciliation agreements in calendar year 1986, but those resulted in civil penalties of only \$289,485. Six years later, at the close of 1992, there were 99 completed conciliation agreements for only \$255,128 in civil penalties, and 86 completed agreements in 1993 amounted to \$596,099 in civil penalties. Under the Enforcement Priority System, the number of matters conciliated has dropped from prior years, but civil penalty amounts are markedly higher (see table p.2).

A primary purpose of the Commission's Priority System is to allow the enforcement staff to focus its resources on special issues. Three such issues are the \$25,000 annual limitation on contributions by individuals, the prohibition on contributions by foreign nationals, and the 48-hour reporting rule. From March 1993 to the present, conciliation agreements totaling \$178,179 in civil penalties have been forthcoming with individuals violating the \$25,000 annual contribution limit. In

the foreign national prohibition issue, two major cases involving contributions (MURs 2892 and 3460) resulted in collective civil penalties of \$219,225; from May 1993 through 1994, the Commission conciliated 33 cases involving 48-hour reporting violations, for a total of \$223,924 in civil penalties.

The following table emphasizes the progress made in bringing important cases to closure under the Enforcement Priority System. Not included in the table are matters dismissed and cases in which the Commission pursued the matter through litigation when respondents refused to conciliate. The latter category often results in court-imposed penalties; those additional penalties are not noted below. At present, the Commission has 47 matters in litigation before federal district and appellate courts.

<u>Calendar Year</u>	<u>Conciliation Agreements</u>	<u>Civil Penalties</u>
1986	174	\$289,485.00
1987	171	249,710.00
1988	142	332,383.00
1989	177	362,746.94
1990	138	274,752.00
1991	262	534,110.00
1992	99	255,128.00
1993	86	596,099.00
1994	107	\$1,692,854.00

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