

FEDERAL ELECTION COMMISSION



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FEC SEEKS SUPPLEMENTAL FUNDS TO PROBE ALLEGED CAMPAIGN FINANCE ABUSES

WASHINGTON -- Commissioner Joan D. Aikens, Vice Chairman of the Federal Election Commission and chairman of its Finance Committee, told the Senate Committee on Rules and Administration today that the FEC needs \$1.7 million in supplemental funding for the present fiscal year and an additional \$4.9 million to its original FY1998 budget request in order to "mount an appropriate investigative response to the extraordinary problems associated with the 1996 election."

Aikens told the Senate panel that financial activity by candidates and parties in the 1996 election exceeded \$2.5 billion and "generated a third more complaints (to the FEC) than the 1994 election. Among them are several allegations of violations of unparalleled scale."

The Vice Chairman noted, "As of the end of last month (December), we had a total caseload of 361 matters (Matters Under Review, or MURs)," with only some 86 total staff in the Office of General Counsel. "At this juncture we know we will need investigators, attorneys, auditors, systems analysts, and clerical support staff to uncover the extent of the potential violations. Appropriate overhead expenses for space, supplies, computer hardware, travel, and contractual support are also necessary," she continued.

The FEC is currently operating within its FY1997 budget of \$28.1 million, of which \$2.5 million was earmarked by Congress for upgrading the Commission's computer system and to prepare for electronic filing by political committees. The original FY1998 request from the FEC and the Office of Management and Budget was for \$29.3 million. The supplemental funding for FY'97 and increase in FY'98's request would be principally used to hire additional attorneys and auditors.

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Concerning the enforcement issues, the cases that will be investigated cannot be elaborated, Aikens said, due to the Federal Election Campaign Act's confidentiality provisions, but she added, "These cases entail complex factual matters, contentious legal and constitutional issues, and involve millions of dollars and thousands of financial transactions requiring detailed review. The alleged abuses involve fundraising from non-resident foreign nationals, the use of soft money possibly spent to circumvent the party spending limits on behalf of publicly funded presidential candidates, coordination in assertedly independent expenditures, and massive, but undisclosed, expenditures on issue advertisements with an electioneering message by labor and business interests."

Addressing the possibility of changes in campaign finance law that could affect the agency's mission, Aikens concluded, "We know Congress is going to be deliberating a number of proposals that would significantly amend the law. Any additional mandate imposed on the agency for rapid implementation will likely require additional funding. Given the variety of ideas being proposed and the considerable effort involved in trying to formulate cost projections thereon, we would rather defer a cost analysis on these proposals until the legislative process has advanced to the point that enactment of a given set of proposals looks likely."

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Media Advisory: Copies of Vice Chairman Aikens' complete written testimony before the Senate Committee on Rules and Administration are available in the FEC Press Office and at the FEC's Website, <http://www.fec.gov>.