

FEC Fines Two Companies and Their Executives for Reimbursed and Foreign Contributions

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On October 29, 2009, the Federal Election Commission (FEC) released the results of two enforcement matters it had recently resolved involving political contributions by Bank of America and Skyway Concession Company. In both matters, the companies and the executives who authorized the companies' contributions admitted violating federal law and agreed to pay thousands of dollars in civil penalties.

In the Bank of America matter (designated Matter Under Review 5849), the company discovered that a senior vice president had authorized reimbursements of \$10,030 in federal political contributions with bank funds. The senior vice president had apparently solicited subordinates to make political contributions, expressly stated that the contributions could be "expensed" to the company, and authorized the company's reimbursements of the contributions.

Federal law prohibits corporate contributions in any form, including reimbursements. Liability for a violation can be imposed on both a corporation and any corporate officer responsible for authorizing the contributions. Bank of America reported the violation to the FEC and agreed to pay a penalty of \$1,800. The senior vice president agreed to pay a penalty of \$15,000.

In the Skyway Concession Company matter (designated Matter Under Review 6184), the company violated the prohibition on foreign national contributions in connection with federal, state and local elections. Skyway Concession Company is a limited liability company and an indirect subsidiary of foreign nationals. Its chief executive

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officer (CEO) is a foreign national working in the United States on an L1A visa. The CEO had authorized \$13,085 in nonfederal contributions by the company and reimbursement for \$2,000 of his own political contributions.

Federal law prohibits foreign national contributions in connection with federal, state or local elections as well as any involvement by foreign nationals in the decision-making of otherwise lawful political contributions. Skyway Concession Company reported the violations to the FEC and agreed, along with its CEO, to pay a penalty of \$4,000.

In both matters, the parties agreed to implement compliance measures to ensure that the violations do not recur and likely negotiated smaller penalties as a result of self-disclosing the violations to the FEC. The Election Law Group of Wiley Rein LLP has extensive experience creating and assisting companies with political compliance programs and has successfully represented numerous clients who have self-disclosed violations to the FEC.