

FEC Collects Big Fines for Illegal Campaign Finance Activity

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The Federal Election Commission (FEC) continues to extract substantial civil penalties and other payments from organizations caught violating the nation's campaign finance laws. In addition to the civil penalties paid with respect to a corporate bundling scheme, which was reported in the September issue of *Election Law News*, the FEC recently announced two additional conciliation agreements that resulted in large payments: one with a corporation and one with a labor union.

In MUR 5628, AMEC Construction Management, Inc., made a payment of \$85,000 to the FEC in connection with FEC allegations that it reimbursed employees for political contributions and maintained special bonus structures for those employees that participated in the reimbursement process. Federal law prohibits corporations from reimbursing employees or others for campaign contributions through bonuses or otherwise.

According to the conciliation agreement, the employee contributions occurred as far back as the late 1990s and resulted in contributions of nearly \$67,080. As a component of the conciliation agreement, the FEC has ceased its investigations and has agreed not to investigate the matter further. In addition, no individual paid civil penalties in connection with the campaign finance law violations.

The conciliation agreement in MUR 5628, dated October 20, 2005, can be found using the FEC's Enforcement Query System at [.](#)

On October 27, 2005, the FEC announced a conciliation agreement with certain district and local lodges of the International Association of Machinists and Aerospace Workers (IAMAW). Through this

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agreement, the unions agreed to pay a civil penalty of \$151,000. The facts documented in the conciliation agreement show that the unions transferred registration fees to the unions' PAC and then reimbursed individual union members for these fees with funds from the unions' treasuries. Federal law prohibits contributions by labor unions, like corporations, in connection with federal elections.

For more information on MUR 5386, see the Enforcement Query System at .