

FEC Fines Corporations \$168,000 for Factoring Political Contributions into Employee Bonuses

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On December 18, 2003, the Federal Election Commission (FEC) announced a settlement for \$168,000 in civil penalties with two construction companies and their former and current employees for actions relating to bonuses for political contributions.

The conciliation agreement with Centex Construction Group, Inc., Centex-Rooney Construction Co., Inc. and their former and current employees stemmed from the reimbursement with corporate funds of \$56,125 in federal contributions by corporate officers. According to the FEC, officers sent the CEO copies of contribution checks that they had written. The CEO, in turn, considered these contributions when making year-end bonuses, even grossing them up to account for tax liability.

The conciliation agreement resulted from a *sua sponte* submission and complaint submitted by the parent company—Centex Corporation.

Finally, according to local press reports, Centex-Rooney Construction Co., Inc. also reached a settlement with the Florida Election Commission for \$131,000. This settlement was based upon a reimbursement scheme for state and local political contributions.

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