

Corporations Pay Large Civil Penalties for Improper Fundraising

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The Federal Election Commission (FEC) recently made public the files in Matter Under Review (MUR) 5020, in which two large gambling enterprises agreed to pay large civil penalties to settle federal campaign finance allegations.

In one conciliation agreement, Mirage Casino Resorts, Inc., a subsidiary of MGM Mirage, Inc., agreed to pay a \$40,000 civil penalty to settle accusations that the company illegally facilitated contributions from a 2000 fundraiser at Le Cirque in Las Vegas. The facts described in the conciliation agreement indicate that the company used corporate resources to collect checks for a Republican candidate for the U.S. Senate from New Jersey and then transmitted those contributions to the campaign. The facts also indicate that the company used corporate resources to invite individuals from outside the company's "restricted class" to the fundraising event. Finally, the conciliation agreement indicates that a senior vice president at Mirage instructed her assistant to help with parts of the administrative aspect of the fundraiser as part of the assistant's work responsibilities. In the conciliation agreement, the senior vice president agreed to cease and desist from violating the federal ban on corporate contributions and expenditures.

In a second conciliation agreement in the same MUR, two subsidiaries of Harrah's Entertainment also agreed to pay a civil penalty to settle charges of illegal corporate facilitation. Their combined civil penalty was \$53,000 and stemmed from charges that the two entities used corporate resources to collect checks from employees for the same New Jersey Senate candidate and then turned those checks over to the campaign.

More information on these and other MURs can be found on the FEC's website at www.fec.gov.