

FEC Increases Civil Penalties for Violations of Federal Election Laws

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In final rules issued on June 15, 2005, the Federal Election Commission (FEC) made inflation adjustments increasing civil penalties for violations of the Federal Election Campaign Act (FECA), the Presidential Election Campaign Fund Act and the Presidential Primary Matching Payment Account Act. The penalty increases apply to violations occurring after June 15, 2005.

FECA places limits on the amounts that individuals, political parties and political action committees (PACs) may contribute in federal elections and requires candidates, political parties and PACs to disclose contributions and expenditures. FECA also prohibits corporations, foreign nationals, labor organizations and certain other organizations from contributing to federal elections. The Presidential Election Campaign Fund Act and the Presidential Primary Matching Payment Account Act place expenditure limits and reporting requirements on presidential candidates who receive federal campaign funding.

- The maximum penalty for contributions and expenditures made in violation of these statutes, but which are not knowing and willful violations, was previously the greater of \$5,500 or the amount of the contribution or expenditure involved. The FEC has increased this penalty to the greater of \$6,500 or the amount of the contribution or expenditure involved. The penalty for knowing and willful violations is the greater of \$11,000 or 200% of the amount of the contribution or expenditure involved. Due to rounding rules, the FEC has not increased the penalty for knowing and willful violations.

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- FECA also prohibits any person from making a contribution in another person's name. The maximum penalty for knowing and willful violations of this prohibition was previously the greater of \$50,000 or 1,000% of the amount involved. The FEC has increased this penalty to the greater of \$55,000 or 1,000% of the amount involved.
- Under FECA, a candidate's principal campaign committee must report within 48 hours any contribution of \$1,000 or more that it receives after the 20th day but more than 48 hours before an election. The maximum penalty for campaign committees that fail to file notices within 48 hours of these last-minute contributions has increased to \$110 plus 10% of the contribution.
- FECA also prohibits FEC members and employees or any other person from publicizing FEC investigations or notifications without the written permission of the person who is subject to the investigation or notification. The maximum penalty for these violations of confidentiality, when made knowingly and willfully, has increased from \$5,500 to \$6,500. The maximum penalty for violations of confidentiality that are not knowing and willful is \$2,200 and has not increased due to rounding rules.