

FEDERAL ELECTION COMMISSION



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FEC FINDS TEN INDIVIDUALS VIOLATED ANNUAL CONTRIBUTION LIMIT

WASHINGTON -- The Federal Election Commission announced Wednesday that 10 individuals have agreed to pay civil penalties totaling \$64,000 for violating federal contribution limitations in 1988, 1989 or 1990.

Those found in violation and their civil penalties were:

- Dwayne and Dorothy Andreas (IL), \$8,000
- Caroline Rose Hunt (TX), \$800
- Henry Kravis (NY), \$8,000
- Raymond Kravis (OK), \$1,000
- William Lerach (CA), \$7,100
- Ronald Perelman (NY), \$1,800
- Ira Riklis (NY), \$2,500
- Harold Simmons (TX), \$19,800
- Donald Trump (NY), \$15,000

Each respondent signed a conciliation agreement which included an admission to a violation, noted refunds obtained, and required the payment of civil penalties to the U.S. Treasury. Early in the case the Commission found "reason to believe" a violation had occurred involving Meshulam Riklis of New York but later took no further action.

Federal law prohibits any person from making contributions of more than \$25,000 in a calendar year. Importantly, the law further states that money given to federal candidates in a non-election year is considered, for this limitation, to have been made in the candidate's election year.

The Commission determined that Donald Trump exceeded the annual limit by the largest amount, \$47,050, and Caroline Rose Hunt the least, \$3,150. (The attached chart lists the excessive amounts by each respondent.)

"The message from this case is that the FEC does enforce contribution limits," said Scott Thomas, Chairman of the Commission. "Those making political contributions should be knowledgeable of the limits enacted by Congress."

At the direction of all six FEC Commissioners, the agency's General Counsel launched the investigation two days after an April 1990, Los Angeles Times article charged that certain individuals may have failed to obey the annual \$25,000 contribution ceiling during the 1988 election cycle. The case against William Lerach was initiated in 1991 as a result of an external complaint, which was based on another Los Angeles Times story.

After its investigation, the FEC concluded that the respondents exceeded the overall annual limit for 1988, 1989 or 1990, and that four of the individuals (Henry Kravis, William Lerach, Ronald Perelman, Ira Riklis and Harold Simmons) also exceeded the \$1,000 per election limit for contributions to candidates or the \$5,000 per year limit to PACs.

While the FEC maintains the contribution records relied upon by the newspaper for its articles, the Federal Election Campaign Act does not give the Commission authority to open investigations prior to finding "reason to believe" the law was violated. Because of the complexities involved in determining if someone has exceeded the annual limit, a simple review of computerized records may not show conclusively that a violation occurred. A more thorough preliminary investigation such as that conducted by the newspaper is required. The agency is, however, reviewing its capabilities (in terms of resources, legal authority and priorities) to use computer records to monitor annual limits.

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**FEDERAL ELECTION COMMISSION INVESTIGATION DETERMINED
THE FOLLOWING AMOUNTS WERE IN EXCESS OF 1988(1) CONTRIBUTION LIMITS**

Respondent	Amt in Excess of Annual Limit	Amt in Excess* to Candidates	Amt in Excess* to PACs
Dwayne O. Andreas (IL)	\$13,680	-	-
Dorothy Inez Andreas (IL)	\$4,680	-	-
Caroline Rose Hunt (TX)	\$3,150	-	-
Henry Kravis (NY)	\$36,961	\$2,000	-
Raymond Kravis (OK)	\$6,250	-	-
William Lerach (CA) (1990)	\$26,232	\$2,000	-
Ronald Perelman (NY)	\$7,500	\$1,000	-
Ira Riklis (NY)	\$6,500	\$3,000	-
Harold Simmons (TX)	\$44,926	\$6,000	\$5,000
(1989)	\$1,250	-	-
Donald Trump (NY)	\$47,050	-	-

*Under federal law an individual can contribute up to \$1,000 per election to a candidate and up to \$5,000 per year to a PAC.

(1) Amounts refer to the 1988 limits unless otherwise noted.

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