

COMMISSION

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FEC PENALIZES PRUDENTIAL SECURITIES INC. \$550,000 FOR CAMPAIGN LAW VIOLATIONS; LARGEST PENALTY IN FEC HISTORY

WASHINGTON -- The Federal Election Commission announced today the largest civil penalty in the Commission's 19-year history with the agreement by Prudential Securities Inc. (PSI) to pay \$550,000 for violations of the Federal Election Campaign Act.

The violations concerned corporate fundraising activities from the years 1986-93 that various PSI officers and employees engaged in on behalf of candidates. Federal law prohibits corporations from making contributions of any kind to candidates for federal office. This includes fundraising activities in which the corporation's employees solicit and gather contributions at the corporation's expense. The Commission found that PSI's fundraising activities often involved numerous officers using corporate resources and personnel to solicit contributions from PSI colleagues, as well as employees at other securities firms.

FEC Chairman Trevor Potter said, "This case demonstrates that the Commission's enforcement priority system is working. We were able to identify the PSI case as important early-on, and swiftly negotiated this sizeable settlement." The Commission approved and implemented revision of its enforcement procedures last year, targeting and prioritizing a number of major matters while closing out older and minor enforcement actions.

The Commission found reason to believe that the PSI violations were "knowing and willful" based upon the corporation's involvement in a previous similar matter in which PSI (then known as Prudential-Bache Securities) was one of a number of respondents in a case involving Sen. John Glenn's (D-OH) 1984 Presidential campaign. In that case (MUR 1690), Prudential-Bache agreed to a \$7,000 civil penalty on March 25, 1987. The Commission did not focus, and therefore made no findings, on the recipients of PSI's fundraising efforts (totalling some \$250,000). Those recipients included: Sen. Max Baucus (D-MT), Sen. Bill Bradley (D-NJ), Senatorial candidate Pete Dawkins (R-NJ), Sen. Robert Dole (R-KS), Presidential candidate Pete du Pont (R-DE), Rep. Frank Guarini (D-NJ), Rep. Charles Rangel (D-NY), Sen. Terry Sanford (D-NC), and Senatorial candidate Christine Todd Whitman (R-NJ).

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