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NEWS from U.S. Senator Bob Dole

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DOLE RECEIVES INTERIM FEO REPORT ON PROPANE INVESTIGATION

WASHINGTON, D.C. -- Senator Bob Dole says the Federal Energy Office has told him they have uncovered evidence of "questionable purchases and/or sales at 23 firms" marketing propane across the country. Dole requested an investigation of propane pricing last January.

The report was contained in a letter to Dole from FEO Deputy Assistant Administrator, Charles Owens. Owens told Dole that in one case, a \$2 million overcharge by a propane seller was being refunded through the marketplace. In another case, \$300,000 was being refunded.

Owens did not name the firms involved, explaining that "Since the entire approach to our intensified effort involves co-ordination of the results with the U. S. Department of Justice, premature disclosure of results" might prejudice prosecution.

Without naming the firms or individuals involved, the report contained indications of pricing violations which could be traced to speculators. One transaction was referred to which "probably constitutes a conspiracy to raise prices, improper price mark-up, and a potential bribe or kick-back of \$105,000."

The report also indicated that since the Federal Energy Office acted to amend its propane pricing regulations on February 1st, refinery level prices were lowered an average of 5 cents per gallon by a dozen producers. "We hope the price will continue to fall" says Dole, "and that refunds through the marketplace, where possible, will help to compensate many of those who have been victimized by improper or illegal business practices."