

# FEDERAL ELECTION COMMISSION



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## COMMISSION ASSESSES HAWAII CORPORATION \$57,000 CIVIL PENALTY

WASHINGTON -- A Hawaiian subsidiary of Japanese corporations has been assessed a civil penalty of \$57,000 by the Federal Election Commission for violating the ban on campaign contributions by foreign nationals. FEC Chairman Trevor Potter stated, "This case represents another significant step in the Commission's enforcement of the prohibition on contributions by foreign nationals in U.S. elections."

The violations occurred from 1989-91 in state and local elections in Hawaii and involved the firm of Sports Shinko (Pukalani) Co., Ltd., which is indirectly owned by Sports Shinko (U.S.A.) Co., Ltd., headquartered in Delaware, which in turn is owned by a consortium of Japanese corporations. A total of \$12,652 was contributed by the company to Hawaiian (non-federal) candidates.

In the Sports Shinko case, the FEC found that the Japanese directors of the company authorized a "contribution committee" to make political and charitable contributions in Hawaii, allocating \$50,000 for the committee's contribution efforts. This foreign national participation in the decision to form the committee is contrary to FEC regulations.

Federal campaign law prohibits foreign nationals from contributing to any U.S. election, federal, state, or local. In addition, a domestic subsidiary of a foreign corporation may not donate funds in connection with state or local elections if these donations are financed by the foreign parent corporation or if any individual foreign nationals are involved in the decision-making process to donate to non-federal campaigns.

This case (MUR 3460) is part of the FEC's ongoing prioritization program, which includes an emphasis on illegal foreign corporate and individual contributions. The FEC, on August 3, announced the completion of an investigation into illegal campaign contributions by foreign nationals in Hawaiian state and local elections, which resulted in a total of \$162,225 in civil penalties to 26 business, individual, and government entities. At that time, Chairman Potter noted that other cases were being investigated.

Potter added today, "This case should send a clear message to foreign nationals who own or manage U.S. businesses that they may not participate in corporate decisions to make contributions to U.S. candidates at any level -- federal, state, or local. The FEC takes this prohibition seriously, and will continue to enforce it."

Recipient committees have either already refunded the impermissible contributions or have been ordered by the FEC to disgorge those contributions to the U.S. Treasury. No further action was taken by the FEC regarding the recipient committees, which were:

<u>Recipient Name</u>	<u>Amount of Impermissible Donations Received</u>
Friends of Vince Bagoyo, Jr.	\$1,500
Friends of Rosalyn Baker	1,000
Campaign of Elmer F. Cravalho	2,000
Campaign of Goro Hokama	1,000
Campaign of Pat Kawano	1,152
Friends of Alice Lee	1,000
Friends of Rick Medina	1,500
Campaign of Thomas P. Morrow	500
Friends of Joe Tanaka	1,000
Citizens for Waihee	2,000

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