

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 4530
Global Resource Management, Inc.)

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FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found probable cause to believe that Global Resource Management, Inc. ("Respondent") knowingly and willfully violated 2 U.S.C. § 441c(a).

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), do hereby agree as follows:

- I. The Commission has jurisdiction over Respondent and the subject matter of this proceeding.
- II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. Respondent enters voluntarily into this agreement with the Commission.
- IV. The pertinent facts in this matter are as follows:
 - 1. Respondent, which was incorporated in Ohio on or about May 20, 1996, was established in order to resolve a construction-related contractual matter in Saudi Arabia.
 - 2. At all times pertinent hereto, Amin Abdel El Naggar was a foreign national and served as one of Respondent's two directors until July 1997.
 - 3. At all times pertinent hereto, Dr. Ahmed Abdulshafi was a United States citizen and served as Respondent's other director.

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1 4. At all times pertinent hereto, Jeffrey Niemeyer was a U.S. citizen and served as
2 Respondent's president.

3 5. At all times pertinent hereto, Sheik Mohammed Oboud Al-Arnoudi was a Saudi
4 citizen.

5 6. The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits the
6 solicitation, making, and receipt of any campaign contribution from foreign nationals. 2 U.S.C.
7 § 441e(a). These prohibitions apply to all federal, state and local elections, including contributions
8 to the non-federal accounts of national party committees. 11 C.F.R. § 110.4(a)(1).

9 7. The term "foreign national" is defined at 2 U.S.C. § 441e(b)(1) as, *inter alia*, a
10 "foreign principal" as that term is defined at 22 U.S.C. § 611(b). Under Section 611(b), a "foreign
11 principal" includes a person outside the United States, unless it is established that such person is
12 an individual and a citizen of and domiciled within the United States, or that such person is not an
13 individual and is organized under or created by the laws of the United States or of any state or
14 other place subject to the jurisdiction of the United States and has its principal place of business
15 within the United States.

16 8. Respondent hired a law firm, Arter & Hadden, and a consulting firm, International
17 Planning and Analysis Center ("IPAC"), as well as several other firms and individuals, for advice and
18 assistance regarding a business matter in Saudi Arabia. Former U.S. Congressman Dennis Eckart, a
19 partner at Arter & Hadden, and David Wimer, a principal at IPAC, along with other individuals, handled
20 this matter for Respondent

21 9. During this time, former Mississippi Governor Ray Mabus (who was also the former U.S.
22 ambassador to Saudi Arabia) was planning President Clinton's 50th Birthday

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1 Celebration, which was also being organized as a DNC fundraiser in New York City on August 18, 1996.

2 Respondent's officers decided to make a contribution in order to meet with Mabus at the fundraiser, as

3 well as establishing other business relationships. The evidence before the Commission demonstrates that

4 El Naggar participated in at least one conversation concerning the contribution, during which Wimer told

5 him and Abdulshafi that the contribution had to be an American contribution from an American company

6 and that it had to be made with U.S. funds. Moreover, the evidence before the Commission demonstrates

7 that, on more than one occasion, Wimer and Eckart told Abdulshafi and Niemeyer that the contribution

8 had to be an American contribution from an American company and that it had to be made with U.S.

9 funds.

10 10. Respondent made a \$100,000 contribution by check dated August 18, 1996. The check's

11 memo line bears the notation "President Clinton's Birthday Party."

12 11. The funds used to make the contribution were provided by Sheik Al-Amoudi, who wired

13 \$150,000 to Respondent on or about August 9, 1996, a few days before the contribution. Prior to the

14 transfer of these funds into Respondent's account, the account showed a balance of less than \$15,000, far

15 short of sufficient funds to make a \$100,000 contribution.

16 V. Respondent's foreign national director El Naggar participated in the decision to make the

17 contribution. Further, Respondent accepted and received \$150,000 from foreign national Sheik Al-

18 Amoudi, \$100,000 of which Respondent used to make a contribution to the DNC. The evidence before

19 the Commission demonstrates that Respondent took these actions even though its officers had been

20 informed that foreign national contributions are illegal. Consequently, Respondent knowingly and

21 willfully violated 2 U.S.C. § 441c(a).

22 VI. The Commission has agreed to waive a civil penalty in settlement of this matter

23 based on a sworn statement dated October 1, 2001 that Respondent's President, Jeff Niemeyer,

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submitted to the Commission concerning Respondent's present financial circumstances.

Respondent agrees that the Commission's acceptance of this conciliation agreement is conditioned on the truthfulness and completeness of the information contained in Mr. Niemeyer's sworn statement. Respondent further agrees that if this sworn statement falsely states or fails to disclose material information concerning Respondent's present financial condition, such false statement or omission shall constitute a violation by Respondent of this conciliation agreement and grounds for the Commission to obtain relief against Respondent in a civil action pursuant to 2 U.S.C. 437g(a)(5)(D). In such a civil action, if the court finds that Mr. Niemeyer falsely stated or failed to disclose any material fact concerning Respondent's financial condition, Respondent agrees that it will consent to the court's entry of a civil penalty of Two Hundred Thousand Dollars (\$200,000), which represents 200% of the amount in violation for knowing and willful violations and is the amount that the Commission would ordinarily seek for the violations at issue. Should a court order relief in connection with proceedings instituted under this Paragraph, this conciliation agreement shall, in all other respects, remain in full force and effect.

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral,

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made by either party or by agents of either party, that is not contained in this written agreement

shall be enforceable.

FOR THE COMMISSION:

Lawrence H. Norton
General Counsel

BY: Rhonda J. Vosdigh 12/12/01
Rhonda J. Vosdigh Date
Acting Associate General Counsel

FOR THE RESPONDENT:

Jeff Niemeier 12/3/01
Jeffrey Niemeier, President Date

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