

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 4530
T & W Arts & Crafts (USA), Inc.)

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 reason to believe that T & W Arts & Crafts (USA), Inc. ("T & W" or "Respondent") violated 2 U.S.C. § 441e(a).

NOW, THEREFORE, the Commission and the Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

- I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).
- 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. T & W was incorporated in the State of California in February 1995. Yalong Economics & Trade Corporation, a Chinese corporation, is a 51% shareholder of T & W.

22-04-405-4829

2. Jones Wu (a/k/a Wu Qiong) is President and a 49% shareholder of T & W and at the time of the contributions, was a foreign national as defined in 2 U.S.C. § 441e(b).

3. Foreign nationals are prohibited from contributing money, or anything of value, to a candidate for any political office, including Federal, State, or local office, either directly or through any other person, pursuant to 2 U.S.C. § 441e(a) and 11 C.F.R. § 110.4(a).

4. It is unlawful for any foreign national to direct, dictate, control, or directly or indirectly participate in the decision-making process of any person, including domestic corporations, with regard to decisions concerning the making of contributions in connection with elections for any local, State, or Federal office. 11 C.F.R. § 110.4(a)(3).

5. A foreign national is an individual who is not a citizen of the United States and who is not lawfully admitted for permanent residence, as defined by section 1101(a)(20) of Title 8. 2 U.S.C. § 441e(b).

6. By check dated April 29, 1996, T & W made a \$5,000 contribution to the Democratic National Committee ("DNC"), in connection with the attendance by T & W's president, Mr. Wu, at an April 29, 1996 event at the Hsi Lai Temple in Hacienda Heights, California, also attended by Vice President Gore. Mr. Wu attended at the invitation of Maria Hsia, whose firm, Hsia and Associates, Inc., was handling Mr. Wu's immigration work. Following the event, Ms. Hsia told Mr. Wu it would be appropriate for T & W to make a donation because Mr. Wu had had his picture taken with the Vice President. In response to an inquiry by Mr. Wu, Ms. Hsia stated that an amount in a range from \$1,000 to \$5,000 would be appropriate. Mr. Wu decided that T & W would give \$5,000, and Mr. Wu then caused T & W to make a \$5,000 contribution to the DNC by signing a company check and handing it to Ms. Hsia.

0384-504-40-22

That check was thereafter transmitted to the DNC. Mr. Wu was the only person at T & W who participated in the decision to make the \$5,000 contribution.

7. By check dated July 23, 1996, T & W made a second contribution to the DNC in the amount of \$5,000. This contribution was solicited by Maria Hsia, who invited Mr. Wu, on behalf of T & W, to attend a DNC fundraising event at the Century Plaza Hotel in Los Angeles, California on July 22, 1996, and told Mr. Wu that a ticket would cost T & W \$5,000. The decision to make the contribution and attend the event was made by Mr. Wu. The check was prepared, at Mr. Wu's direction, by T & W's certified public accountant, and signed by Mr. Wu. On T & W's behalf, Mr. Wu gave the check to Maria Hsia, and that check thereafter was transmitted to the DNC.

8. Respondent's contributions were made with the participation of Jones Wu, a foreign national as defined in 2 U.S.C. § 441e(b).

9. Respondent contends that at the time of both T & W's April 29, 1996 and July 23, 1996 contributions to the DNC, Mr. Wu was unaware of any restriction on foreign nationals making the decision to contribute funds of an American corporation.

V. Respondent made two contributions totaling \$10,000 to the DNC in violation of 2 U.S.C. § 441e(a).

VI. Respondent will pay a civil penalty to the Federal Election Commission in the amount of Eight Thousand dollars (\$8,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

22-04-405-4831

VII. Respondent undertakes and agrees that at the Commission's written request, on reasonable notice and without service of a subpoena, Respondent will produce documents to the Commission staff, make its employees available for depositions and interviews by the Commission staff, and its employees shall testify under oath at any Commission deposition and at any judicial proceeding during the pendency of this and related matters under review and at any judicial proceedings brought by the Commission as a result of its investigation in this and related matters under review.

VIII. 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.

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

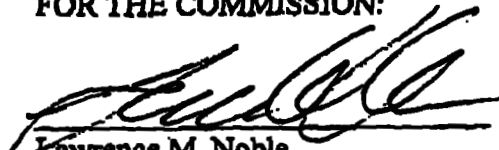
X. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirement contained in this agreement and to so notify the Commission.

XI. 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

22.04.405.4832

oral, 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 M. Noble
General Counsel

5/4/98
Date

FOR THE RESPONDENT:


Michael W. Fitzgerald
Counsel for T & W Arts & Crafts (USA), Inc.

5/12/98
Date

EE.U4.405.4833