

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 4530
Green Stamp America, Inc. f/k/a)
Japan Green Stamp America, 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 Green Stamp America, Inc. f/k/a Japan Green Stamp America, Inc. ("GSA" 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. Japan Green Stamp America, Inc. was incorporated in the State of Delaware on January 27, 1989 and then merged with and into another Japan Green Stamp America, Inc., which was incorporated in the State of New York on August 10, 1989. The latter Japan Green

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Stamp America, Inc. then changed its name to Green Stamp America, Inc. on December 16, 1993 by amending its certificate of incorporation. GSA is a wholly-owned subsidiary of Japan Green Stamp Co., Ltd., a Japanese corporation.

2. Masahiko Kasuga is President and Director of GSA 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, 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. On May 21, 1993, GSA made a contribution in the amount of \$12,500 to the Democratic National Committee ("DNC") for five tickets to a fundraising dinner held in New York City on Wednesday, May 12, 1993. The decision to make the contribution and attend the event was made by Mr. Kasuga.

7. On July 17, 1995, GSA made a second contribution to the DNC in the amount of \$85,000. The solicitation was made by telephone and in person by Skip Rutherford of Cranford, Johnson, Robinson, Woods, an advertising agency, to an employee of a GSA affiliate, in conjunction with Mr. Rutherford's involvement in planning a fundraising event on June 23,

1995. The employee consulted with Mr. Kasuga, who agreed on behalf of GSA to make an \$85,000 contribution to the DNC. Mr. Rutherford provided the employee with instructions for making the contribution. The \$85,000 check was prepared and sent to the DNC on July 12, 1995 by GSA employees in New York.

8. GSA's contributions were made with the participation of Masahiko Kasuga, a foreign national, as defined in 2 U.S.C. § 441e(b), at the time the contributions were made.

9. GSA has furnished documentation that Mr. Kasuga initiated the eligibility process for permanent resident status in October 1992, was eligible in March 1995 to file an Application for Adjustment of Status as Permanent Resident and, after delays in the processing of his application, was granted permanent resident status in August 1996. GSA has also provided documentation in support of its assertion that the source of the funds for the 1993 and 1995 contributions were monies that came from GSA's United States operations.

V. Respondent made two contributions totaling \$97,500 to the DNC with the participation of a foreign national in the decisionmaking process. For purposes of resolving this matter, Respondent admits that these contributions were 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 Seventy Thousand Dollars (\$70,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

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

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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.

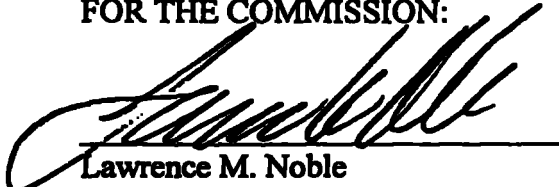
X. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirement contained in this agreement and to so notify the Commission.

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 oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable. This agreement constitutes complete settlement of this matter for Respondent GSA, GSA officers, employees, and shareholders as to the facts and circumstances set forth in this agreement. An admission of fact or liability or conclusion of law

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contained in this agreement is not an admission of fact or liability or conclusion of law for any other proceeding, suit, or action except by the Federal Election Commission.


FOR THE COMMISSION:



Lawrence M. Noble
General Counsel

9/21/98
Date

FOR THE RESPONDENT:



(Name) Masahiko Kasuga
(Position) President

August 31, 1998
Date

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