



**FEDERAL ELECTION COMMISSION
Washington, DC 20463**

January 31, 2022

Mike Dotts, Esq.

By Electronic Mail
mdotts@dottslaw.law

RE: MUR 7624
 CNMI Republican Party

Dear Mr. Dotts:

On January 27, 2022, the Federal Election Commission accepted the signed conciliation agreement submitted on your client's behalf in settlement of a violation of 52 U.S.C. § 30121, a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter as it pertains to the CNMI Republican Party.

The Commission reminds you that the confidentiality provisions of 52 U.S.C. § 30109(a)(12)(A) still apply, and that this matter is still open with respect to other respondents. The Commission will notify you when the entire file has been closed.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the first installment of the civil penalty is due within 30 days of the effective date of the conciliation agreement, and that subsequent installment payments are due as specified in Part VI, ¶ 3 of the conciliation agreement. If you have any questions, please contact me at (202) 694-1548.

Sincerely,

A handwritten signature in blue ink that reads "Elena Paoli".

Elena Paoli
 Attorney

Enclosure
 Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
CNMI Republican Party) MUR 7624
)
)

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 the Commonwealth of the Northern Mariana Islands Republican Party (“CNMI Republican Party” or “Respondent”) violated 52 U.S.C. § 30121(a)(2).

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 asserted jurisdiction over the Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 52 U.S.C. § 30109(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. The CNMI Republican Party is the commonwealth-wide Republican party committee.
2. On December 30, 2016, the CNMI Republican Party accepted the following contributions, among others:

- (1) \$10,000 from Alter City Group Holdings Ltd., which is registered in the British Virgin Islands (BVI) and has its principal place of business in Macau;
- (2) \$5,000 from Honest Profit International Ltd., a wholly owned domestic subsidiary of a Hong Kong corporation; and
- (3) \$10,000 from Imperial Pacific International (CNMI) LLC, a domestic subsidiary of a BVI corporation. Respondent refunded this contribution back to Imperial Pacific.

3. The CNMI is a commonwealth government comprised of 14 islands in the West Pacific. Its relationship with the United States is governed by a Covenant, which, *inter alia*, sets forth the applicability of U.S. laws to the CNMI. *See* Covenant, 48 U.S.C. § 1801 et seq.

4. The Federal Election Campaign Act of 1971, as amended (“Act”) and Commission regulations prohibit a foreign national from making a contribution or donation, directly or indirectly, in connection with a federal, state, or local election. 52 U.S.C. § 30121(a)(1)(A), (B); 11 C.F.R. § 110.20(b), (c).

5. The Act further prohibits persons from soliciting, accepting, or receiving a contribution or donation from a foreign national. 52 U.S.C. § 30121(a)(2). The Commission’s regulations employ a “knowingly” standard. 11 C.F.R. § 110.20(g). A person knowingly accepts a prohibited foreign national contribution or donation if that person has actual knowledge that funds originated from a foreign national, is aware of facts that would lead a reasonable person to conclude that there is a substantial probability that the funds originated from a foreign national, or is aware of facts that would lead a reasonable person to inquire whether the funds

originated from a foreign national but failed to conduct a reasonable inquiry. 11 C.F.R. § 110.20(a)(4).

6. The Act's foreign national contribution prohibition applies to elections in the CNMI.

7. A "foreign national" is an individual who is not a citizen of the United States or a national of the United States and who is not lawfully admitted for permanent residence. 52 U.S.C. § 30121(b)(2). The term "foreign national" also includes "a partnership, association, corporation, organization, or other combination of persons organized under the laws or having its principal place of business in a foreign country." 52 U.S.C. § 30121(b)(1); 22 U.S.C. § 611(b).

8. In the Bipartisan Campaign Reform Act of 2002, Congress expanded the foreign national prohibition to expressly prohibit "donations" in addition to contributions. It also codified the Commission's longstanding interpretation of the prohibition, expressly applying it to state and local elections as well as to federal elections. *See* 52 U.S.C. § 30121(a).

V. For purposes of settling this matter and without admitting liability, Respondent agrees not to contest the Commission's finding that Respondent CNMI Republican Party accepted at least \$25,000 in prohibited foreign national contributions in connection with elections in the CNMI, in violation of 52 U.S.C. § 30121(a)(2).

VI. For purposes of settling this matter and without admitting liability, Respondent will take the following actions:

1. Respondent will disgorge \$15,000 to the U.S. Treasury.
2. Respondent will pay a civil penalty to the Federal Election Commission in the amount of Fifteen Thousand dollars (\$15,000), pursuant to 52 U.S.C. § 30109(a)(5)(A).

3. Respondent shall pay the disgorgement and the civil penalty at a rate of \$2,000 per month, beginning thirty days after the effective date of this agreement, for 11 months, and then the balance of \$8,000 one month later.

VII. The Commission, on request of anyone filing a complaint under 52 U.S.C. § 30109(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. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. 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.

FOR THE COMMISSION:

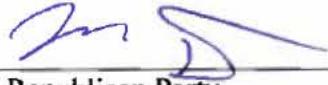
Lisa Stevenson
Acting General Counsel

BY: Charles Kitcher
Charles Kitcher
Associate General Counsel
for Enforcement

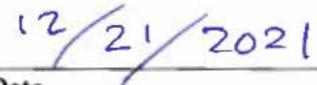
1/31/22
Date

MUR 7624 (CNMI Republican Party)
Conciliation Agreement
Page 5 of 5

FOR THE RESPONDENT:



CNMI Republican Party
Michael W. Dotts, Counsel



Date