

1 **BEFORE THE FEDERAL ELECTION COMMISSION**

2

3 IN THE MATTER OF

4 Imperial Pacific International Holdings	)	
5 Angel Demapan	)	
6 Angel Demapan for House	)	MUR 7624
7 Ralph G. Torres	)	
8 Ralph G. Torres Campaign	)	
9 Friends of Ralph	)	
10 Hong Kong Entertainment	)	

11 **THIRD GENERAL COUNSEL'S REPORT**

12 **I. ACTIONS RECOMMENDED**

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14 We recommend that the Commission take no further action in this matter and close the

15 file.

16 **II. FACTUAL SUMMARY**

17 [REDACTED]

18 [REDACTED] alleging a widespread influx of foreign funds

19 into elections there. On July 25, 2019, the Commission found reason to believe that four

20 corporations — Imperial Pacific International Holdings (“IPIH”), Alter City Group Holdings

21 Limited (“Alter City”), Honest Profit International Limited, and Hong Kong Entertainment —

22 violated 52 U.S.C. § 30121(a)(1)(A) by making prohibited foreign national contributions to three

23 local political committees or organizations — the Ralph G. Torres Campaign, Angel Demapan

24 for House, and Friends of Ralph — and that these political committees or organizations, along

25 with their respective associated candidates, violated 52 U.S.C. § 30121(a)(2) by accepting

[REDACTED]

foreign national contributions.<sup>2</sup> In addition, on January 12, 2021, the Commission found reason to believe that the CNMI Republican Party accepted prohibited foreign national contributions.<sup>3</sup> The Commission authorized pre-probable cause conciliation with these Respondents and approved conciliation agreements [REDACTED]<sup>4</sup> We have successfully negotiated, and the Commission has accepted, conciliation agreements with three entities: Honest Profit International, Ltd., Alter City, and the CNMI Republican Party.<sup>5</sup> We now recommend that the Commission substitute the name of IPIH's subsidiary, Imperial Pacific International (CNMI) LLC ("Imperial Pacific"), as the correct Respondent, take no further action as to the remaining Respondents, and close the file.

#### **A. The CNMI**

The Commonwealth of the Northern Mariana Islands ("CNMI") is a commonwealth government comprised of 14 islands in the West Pacific. Its relationship with the United States and its laws are governed by the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America (the "Covenant"), which,

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<sup>2</sup> Certification ("Cert.") ¶¶ 2-5 (July 29, 2019).

<sup>3</sup> Cert. ¶ 1 (Jan. 15, 2021).

<sup>4</sup> Cert. ¶ 10 (July 29, 2019); Cert. ¶ 3 (Jan. 15, 2021).

<sup>5</sup> See Honest Profit Conciliation Agreement; Cert. ¶ 1 (July 8, 2020); Alter City Conciliation Agreement; Cert. ¶ 1 (Jan. 20, 2021); CNMI Republican Party Conciliation Agreement; Cert. ¶ 1 (Jan. 28, 2022). [REDACTED]

The Covenant establishes that “[T]he CNMI is under the sovereignty of the United States but retains ‘the right of local self-government.’”<sup>7</sup> In relevant part, section 502(a) provides that “laws of the United States in existence on the effective date of this Section and subsequent amendments to such laws will apply to the Northern Mariana Islands, except as otherwise provided in this Covenant.”<sup>8</sup> The Covenant does not exclude the Federal Election Campaign Act of 1971, as amended (the “Act”), and states that the CNMI will be subject to U.S. laws “which are applicable to Guam and which are of general application to the several States as they are applicable to the several states.”<sup>9</sup>

IPIH is incorporated in the British Virgin Islands and headquartered in China. IPIH is the named Respondent in this matter, but the actions at issue were undertaken by Imperial Pacific, a wholly owned domestic subsidiary of IPIH.<sup>10</sup> In 2014, Imperial Pacific was granted the right by CNMI authorities to build at least two casino and hotel complexes on Saipan, CNMI's largest island. [REDACTED]

<sup>10</sup> We had named IPIH as the Respondent based on CNMI campaign finance reports and the company's initial response to the Commission. The recommendations herein include one to correct the name of this Respondent.

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Imperial Pacific made the following contributions to local candidates:

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- \$10,000 on Jan. 11, 2015, to lieutenant governor-elect Ralph Torres;

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- \$1,000 on Aug. 22, 2016, to CNMI representative Angel Demapan;

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- \$10,000 on Aug. 4, 2017, to then-governor Ralph Torres (through Friends of Ralph).

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Our information until our renewed contact with Imperial Pacific was that the 2015 contribution was made before Imperial Pacific was operating a casino, and, thus, the 2015 contribution likely was made with foreign funds. Regarding the 2016 and 2017 contributions,

1 although the funds may have been domestically generated from casino operations, it was still not  
2 clear who had been involved in the decision-making regarding the contributions.<sup>21</sup>

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<sup>21</sup> The statutes of limitations on these contributions have expired.

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9           Thus, although Imperial Pacific has sufficiently shown that U.S. citizens participated in  
10 the decision-making of the most recent contribution at issue and that the 2017 contribution was  
11 made at a time when Imperial Pacific was generating its own income, it cannot be ruled out that  
12 non-citizens also may have participated.<sup>30</sup> In light of all of this information, OGC did not  
13 continue further investigating Imperial Pacific [REDACTED]  
14 [REDACTED] reasoning that it  
15 does not appear to be an efficient or prudent use of Commission resources to investigate the  
16 identity of Shonna Yang or any other possible participants in the 2017 contribution decision-  
17 making further, given the information indicating that U.S. citizens participated in Imperial

<sup>30</sup> Nonetheless, the most likely scenario was that Imperial Pacific corporate insiders with strong ties to the Torres campaign handled all aspects of the 2017 contribution. [REDACTED]

Pacific's decision making, the time that has passed, and the lack of available information from the defunct Respondent. Critically, the statute of limitations for seeking a monetary penalty associated with this contribution is now expired. Accordingly, we recommend that the Commission take no further action as to Imperial Pacific after substituting the name of the subsidiary.

**C. Ralph Torres, the Ralph G. Torres Campaign, Friends of Ralph, and Angel Demapan**

Ralph Torres is the former governor of the CNMI. He was a candidate for lieutenant governor in 2014 and governor in 2018. The Ralph G. Torres Campaign was his campaign committee.<sup>31</sup> Friends of Ralph is a nonprofit entity which was formed in 2017 to raise funds and promote Torres's gubernatorial candidacy.<sup>32</sup> The Commission found reason to believe that in August 2017, Friends of Ralph accepted the \$10,000 contribution from Imperial Pacific described above and a \$10,000 contribution from Alter City, and, in December 2017, the committee accepted a \$5,000 contribution from Alter City.<sup>33</sup> The Commission also found reason to believe that, in addition to accepting the funds raised by Friends of Ralph at these 2017 fundraising events, Ralph Torres and the Ralph G. Torres Campaign accepted four contributions totaling \$65,000 from foreign nationals at a January 11, 2015 fundraiser.<sup>34</sup>

Angel Demapan was a candidate for the CNMI House of Representatives in 2014 and 2016, and a federal U.S. House candidate in 2018.<sup>35</sup> The Commission found reason to believe

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<sup>31</sup> Factual & Legal Analysis ("F&LA") at 1 (Ralph G. Torres, *et al.*).

<sup>32</sup> F&LA at 1 (Friends of Ralph).

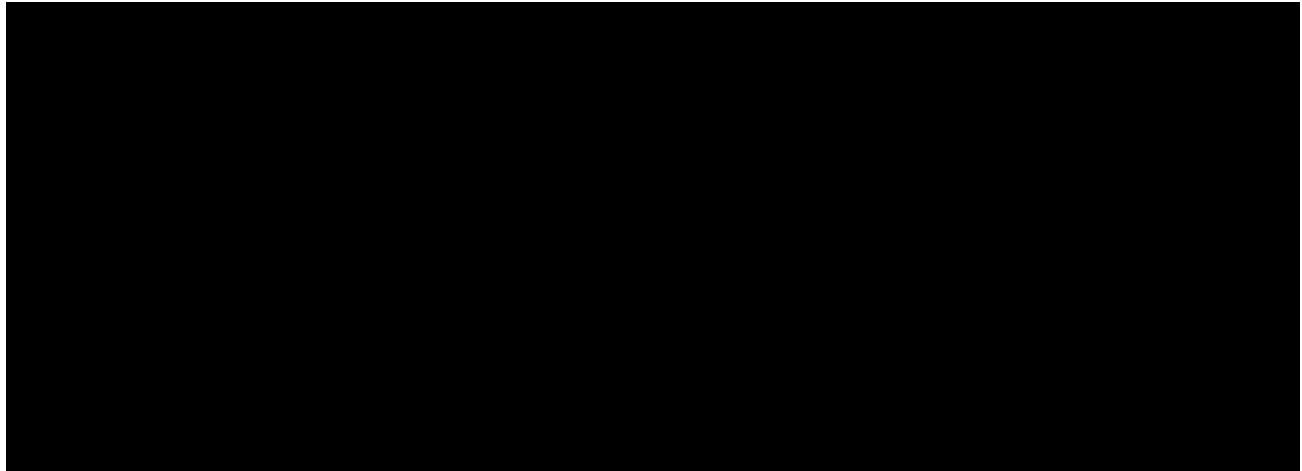
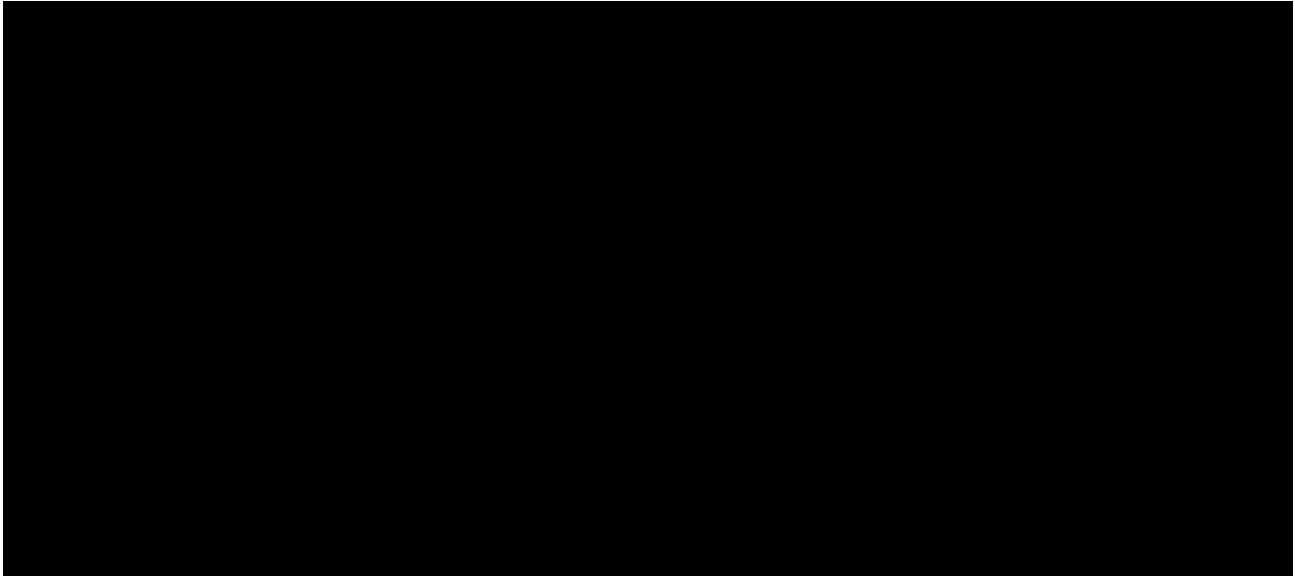
<sup>33</sup> *Id.* at 2, 11.

<sup>34</sup> F&LA at 7 (Ralph G. Torres, *et al.*).

<sup>35</sup> On July 25, 2019, the Commission found no reason to believe that Demapan's federal committee, Demapan for Congress and Geralyn C. Dela Cruz in her official capacity, violated the Act by accepting foreign national contributions. *See* Cert. ¶ 6 (July 29, 2019).



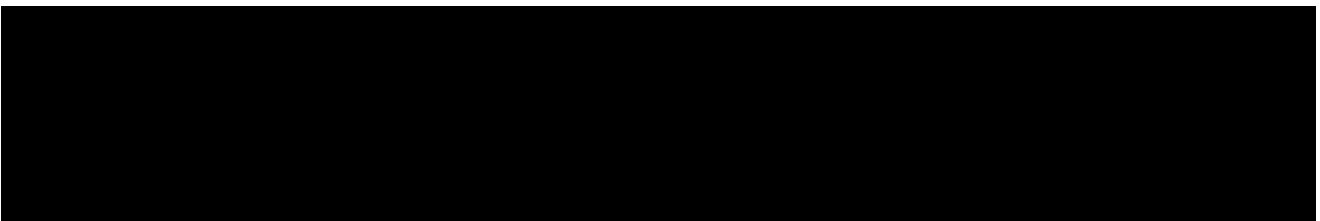
1 that Demapan and Angel Demapan for House, which is not a federal political committee,  
2 accepted \$3,600 in foreign national contributions in 2015 and 2016: contributions totaling  
3 \$2,600 from Honest Profit, which, as stated earlier, entered into a conciliation agreement with  
4 the Commission that the Commission approved,<sup>36</sup> and \$1,000 from Imperial Pacific.<sup>37</sup>



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<sup>36</sup> See Honest Profit Conciliation Agreement; Cert. ¶ 1 (July 8, 2020).

<sup>37</sup> F&LA at 9-10 (Angel A. Demapan, *et al.*).



[REDACTED]

[REDACTED] In  
any event, because the statute of limitations on these allegations has expired, we do not  
recommend that enforcement be further pursued, and accordingly recommend that the  
Commission take no further action as to Friends of Ralph.

The statute of limitations on the 2015 contributions [REDACTED]  
[REDACTED] with Ralph Torres and the Ralph G. Torres Campaign expired [REDACTED]  
[REDACTED] Therefore, we recommend that the Commission take no further action as to  
Ralph Torres and the Ralph G. Torres Campaign.

1           The statute of limitations expired as to Demapan's activity in April 2023. Because of that  
2           [REDACTED] we recommend that  
3           the Commission take no further action as to Demapan and Angel Demapan for House.

4           **D.     Hong Kong Entertainment**

5           Finally, Hong Kong Entertainment never responded [REDACTED] or any other  
6           communication from the Commission. It appears to be long-defunct. Therefore, we recommend  
7           that the Commission take no further action as to Hong Kong Entertainment.

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9           In this matter, as previously stated, the Commission has successfully negotiated and  
10          accepted three conciliation agreements.<sup>39</sup> For the foregoing reasons, we recommend that the  
11          Commission take no further action as to the remaining recipient entities discussed above.  
12          Closing the file will allow the previously approved conciliation agreements to be placed on the  
13          public record.

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<sup>39</sup>       *See* Honest Profit Conciliation Agreement; Cert. ¶ 1 (July 8, 2020); Alter City Conciliation Agreement; Cert. ¶ 1 (Jan. 20, 2021); CNMI Republican Party Conciliation Agreement; Cert. ¶ 1 (Jan. 28, 2022).

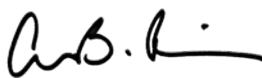
**III. RECOMMENDATIONS**

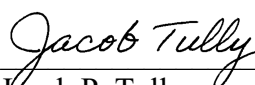
1. Substitute Imperial Pacific International (CNMI) LLC as Respondent for Imperial Pacific International Holdings;
2. Take no further action as to Imperial Pacific International (CNMI) LLC, Angel Demapan, Angel Demapan for House, Friends of Ralph, Ralph G. Torres, the Ralph G. Torres Campaign, and Hong Kong Entertainment;
3. Approve the appropriate letters; and
4. Close the file effective 30 days from the date of certification of this vote (or on the next business day after the 30th day, if the 30th day falls on a weekend or holiday).

Lisa J. Stevenson  
Acting General Counsel

July 30, 2024  
Date

  
Charles Kitcher  
Associate General Counsel for Enforcement

  
Anne B. Robinson  
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Jacob P. Tully  
Attorney