

May 26, 2020

By Email

CELA@fec.gov
Jeff S. Jordan
Assistant General Counsel
Complaints Examination &
Legal Administration

Re: MUR7624

Dear Mr. Jordan,

The undersign representing the CNMI Republican Party (the "Party"). This letter is in response to your letter dated January 30, 2020, and with regard to MUR 7624.

In your letter, you claim that the Federal Election Commission (the "Commission") believed that the Party and its treasurer, Ruffin S. Inos ("Mr. Inos") might have violated the Federal Election Campaign Act of 1971, as amended (the "Act") by accepting contributions from foreign national corporations in 2016, in violation of 52 U.S.C. §30121(a)(2). The Act was not violated.

According to the Act, no action should be taken against the Party and Mr. Inos in his official capacity as treasurer, for the reasons stated below. However, the Party would like to resolve this and hereby requests conciliation.

(1) The Commission Has No Jurisdiction Over the CNMI Campaign Activity

The Commonwealth of the Northern Mariana Islands (the "CNMI") is governed under the "Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America" (the "CNMI Covenant"). The Covenant granted a greater level of autonomy to the CNMI than to the states or the territories.

Under CNMI Covenant Article 1, Section 101, "the Northern Mariana Islands upon termination of the Trusteeship Agreement will become a **self-governing commonwealth** to be known as the "Commonwealth of the Northern Mariana Islands", in political union with and under the sovereignty of the United States of America." Under CNMI Covenant Article 1, Section 103, "the people of the Northern Mariana Islands will have the **right of local self- government and will govern themselves** with respect to internal affairs in accordance with a Constitution of their own adoption."

“A plain reading of the Covenant reveals one basic theme, the reservation of ‘self-government’ in the people of the Northern Mariana Islands.” *Borja v. Goodman*, No. 89-010, 1990 WL 291854, at *12 (N. Mar. I. June 26, 1990) The CNMI government is not a federal government, a state government or an instrumentality of the federal government. *Id.* at 13. The right of “self-government” over local and internal affairs keeps the CNMI election activity free from federal interference. *Id.*

The Commission was established by the 1974 Amendment of the Act as an independent federal government agency. The Party was not participating in a federal election with regard to the election where the donations were made. Based on the fact that federal agency has no jurisdiction over the local election activities, the Commission has no jurisdiction over the Party’s campaign activities. The Commission should take no action against either the Party or Mr. Inos in his official capacity as treasurer.

(2) The Donors In This Case Are CNMI Local Companies

Even if the Act applies to the CNMI, in this case, the Party did not violate the Act.

The donors in this case are (1) Alter City Group, Inc.: \$10,000; (2) Imperial Pacific International: \$10,000; (3) Honest Profit International: \$5,000.

The three donors are CNMI local companies owned by foreign owners. There is an exception under the Act:

“A domestic subsidiary of a foreign corporation (or a domestic corporation owned by foreign nationals) may make donations and disbursements in connection with state or local elections (if permissible under state and local law) provided that:

- These activities are not financed in any part by the foreign parent or owner; and
- Individual foreign nationals are not involved in any way in the making of donations to nonfederal candidates and committees.”

FEC, Foreign Nationals, <https://www.fec.gov/updates/foreign-nationals/>

Under the CNMI local election law, there is no prohibition on accepting fund from this kind of companies. The three companies listed above made substantial profits within the CNMI in 2016. As in AO 2006-15 (TransCanada) and AO 1992-16 (Nansay Hawaii, Inc.) listed on the Commission’s website, the fund came from their profits instead of their foreign parents. All decisions as to political donations were made by US citizens or permanent residents. Because this case falls under the exception of the Act, there is no violation in this case. The Commission should take no action against either the Party or Mr. Inos in his official capacity as treasurer.

CONCLUSION

The Commission has no jurisdiction over the Party and Mr. Inos in his official capacity as treasurer. Even if the Commission has jurisdiction over this matter, there is no violation in this case. No action should be taken against either of them. However, the Republican Party and Mr. Inos are open to conciliation as they want to maintain a good relationship with the Commission. The Party therefore requests conciliation.

Please feel free to contact us if you have any questions.

Very Truly Yours,



Michael W. Dotts

cc.: CNMI Republican Party



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STATEMENT OF DESIGNATION OF COUNSEL

Provide one form for each Respondent Witness

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AR/MUR/RR/P-MUR#

7624

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The above-named individual and/or firm is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

Date

(Signature - Respondent/Agent/Treasurer)

Title

James A. Ada

(Name - Please Print)

Chair

RESPONDENT:

CNMI Republican Party; Ruffin S. Inos, Treasurer
(Please print Committee Name/ Company Name/Individual Named in Notification Letter)

Mailing Address:
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This form relates to a Federal Election Commission matter that is subject to the confidentiality provisions of 52 U.S.C. § 30109(a)(12)(A). This section prohibits making public any notification or investigation conducted by the Federal Election Commission without the express written consent of the person under investigation.

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