

FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, D.C. 20463

2016 FEB 30 PM 4: 22

FIRST GENERAL COUNSEL'S REPORT

MUR 6981

CELA

DATE COMPLAINT FILED: November 3, 2015

DATE OF SUPPLEMENTAL COMPLAINT:
November 24, 2015

DATE OF LAST RESPONSE: December 22, 2015

DATE ACTIVATED: January 27, 2016

EXPIRATION OF SOL: March 31, 2016 to
August 31, 2020¹

ELECTION CYCLES: 2012, 2016

COMPLAINANTS:

Anne L. Weismann
Campaign for Accountability

RESPONDENT:

Sheldon Adelson

RELEVANT STATUTES
AND REGULATIONS:

52 U.S.C. § 30121(a)²
11 C.F.R. § 110.20

INTERNAL REPORTS CHECKED:

None

FEDERAL AGENCIES CHECKED:

None

I. INTRODUCTION

The Complaint in this matter alleges that Sheldon Adelson, the Chief Executive Officer of Las Vegas Sands Corporation, made contributions to federal campaigns and committees with funds derived from foreign nationals, in violation of the Federal Election Campaign Act of 1971, as amended (the "Act").

¹ The Complaint does not identify specific contributions. This Office therefore calculated the statute of limitations date range using the date of Respondent's first contribution during the 2012 election cycle and the date of Respondent's most recent federal election contribution, as of the date of this report.

² On September 1, 2014, the Federal Election Campaign Act of 1971, as amended (the "Act"), was transferred from Title 2 to new Title 52 of the United States Code.

1 a Hong Kong businessman, and that LVS maintained a partnership with Neptune Guangdong
2 Group, in which Cheung is a major shareholder.¹⁰ Additionally, the Complaint alleges that
3 Adelson maintains a business relationship with Ng Lap Seng, a chairman of a company based in
4 Macau and Hong Kong, who allegedly served as a confidential messenger for Adelson in his
5 communications with a Macau attorney advising LVS.¹¹

6 The Complaint states that Adelson reportedly spent \$150 million in the 2012 election
7 cycle, including contributions of over \$98 million to 34 candidates and committees.¹² The
8 Complaint further alleges that Adelson is planning to spend similar amounts in the 2016
9 presidential race.¹³

10 The Complaint concludes that, “[g]iven the extent to which Mr. Adelson’s wealth derives
11 from his Macau casinos—and the extent to which those casinos derive their profits from the
12 triad-controlled junkets that are heavily involved in money laundering—it is quite likely that
13 Macau organized crime funds and foreign money have wound up in the coffers of candidates for
14 federal office and/or in the treasuries of dark money groups supporting them.”¹⁴

15 On November 24, 2015, we received supplemental information from the Complainants,
16 consisting of copies of e-mails between employees or former employees of LVS regarding an
17 alleged prostitution scheme, an affidavit by a former LVS employee that appears to have been
18 filed in a Florida state court action against Adelson, and a document entitled “Statement

¹⁰ *Id.* ¶¶ 5, 15.

¹¹ *Id.* ¶¶ 6, 17.

¹² *Id.* ¶ 22.

¹³ *Id.*

¹⁴ *Id.* ¶ 23.

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1 regarding Sheldon Adelson” that appears to have been prepared by the Complainants regarding
2 their retraction of statements made about Adelson’s alleged connections to organized crime and
3 allegedly illegal campaign contributions.¹⁵ On December 4, 2015, we received a request from
4 the Complainants to withdraw the Complaint.¹⁶

5 In a Response, Adelson maintains that the Complaint “has no factual or legal basis.”¹⁷
6 The Response asserts that all of Adelson’s federal contributions derive from Adelson’s personal
7 earnings from his holdings in U.S. companies.¹⁸ The Response further asserts that Adelson has
8 “never contributed or used illegal foreign money in a U.S. election,” and that he “makes all his
9 own decisions on his political contributions.”¹⁹

10 III. LEGAL ANALYSIS

11 The Act prohibits a foreign national, directly or indirectly, from making a contribution or
12 donation of money or other thing of value in connection with a Federal, State, or local election,
13 or to a committee of a political party.²⁰ The Act also prohibits persons from soliciting,
14 accepting, or receiving a contribution or donation from a foreign national.²¹ A “foreign national”
15 is an individual who is not a citizen of the United States or a national of the United States and

¹⁵ See Supp. Compl. at 1-7.

¹⁶ See E-mail from Daniel Stevens, Deputy Director, Campaign for Accountability (Dec. 3, 2015, 4:47 PM EST). The message states that Complainants “have withdrawn their submissions requesting an investigation of Sheldon Adelson,” and that “[t]he allegations relied upon in making the requests are false” *Id.* at 2. The message also apologizes to Respondent and his family. *Id.*

¹⁷ Resp. at 1.

¹⁸ *Id.*

¹⁹ *Id.* at 2.

²⁰ 52 U.S.C. § 30121(a)(1)(A), (B); 11 C.F.R. § 110.20(b) and (c).

²¹ See 2 U.S.C. § 30121(a)(2); 11 C.F.R. § 110.20(g).

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1 who is not lawfully admitted for permanent residence.²² A "contribution" includes any gift,
2 subscription, loan, advance, or deposit of money or "anything of value" made for the purpose of
3 influencing any election for Federal office.²³

4 The Complaint alleges that Adelson made foreign national contributions in violation of
5 the Act. Recognizing that Adelson is a U.S. citizen, the Complaint generally alleges that
6 Adelson used funds derived from foreign nationals or foreign entities to make political
7 contributions relating to federal elections. The available information, however, does not support
8 drawing such a conclusion. The Complaint provides no information about the source of the
9 alleged foreign national contributions. Rather, the Complaint only generally alleges that foreign
10 nationals Cheung and Ng were involved with LVS operations in Macau, but it fails to specify
11 what, if any, role Cheung and Ng played in Adelson's federal contributions. Moreover, the
12 Complaint provides no information that would discredit Adelson's statement in his Response that
13 Adelson's political contributions derive from his own personal earnings.

14 The relevant factual information presented in the Complaint is limited to general
15 statements regarding business relationships between Adelson or LVS and foreign nationals or
16 entities that, even if true, do not appear to give rise to a potential violation of the Act.²⁴ In short,

²² 52 U.S.C. § 30121(b)(2).

²³ 52 U.S.C. § 30101(8)(A)(i); 11 C.F.R. § 100.52(a). Additionally, a foreign national may not directly or indirectly make an expenditure, an independent expenditure, or a disbursement in connection with a Federal, State, or local election. 52 U.S.C. § 30121(a)(1)(C); 11 C.F.R. § 110.20(f).

²⁴ Complainants cite MUR 6203 (Itinere North America, LLC, *et al.*), MUR 6184 (Skyway Concession Co., LLC), and MUR 6093 (Transurban Group, *et al.*) to argue that Adelson violated the Act by allegedly financing his campaign contributions with profits generated by the activities of foreign nationals at LVS enterprises. *See* Compl. ¶ 27. These three matters are distinguishable from the current matter because they were all generated by *sua sponte* submissions where respondents admitted to impermissible contributions made by a domestic subsidiary using funds of a foreign parent company or of a foreign national. In this matter, by contrast, Complainants have not specifically alleged that any of Adelson's contributions in fact derived from a foreign company or a foreign national.

1 this Office has no information indicating that Adelson made a contribution with foreign national
2 funds.²⁵

3 Accordingly, we recommend that the Commission find no reason to believe that Adelson
4 made a prohibited contribution in violation of 52 U.S.C. § 30121(a).

5 **IV. RECOMMENDATIONS**

- 6 1. Find no reason to believe that Sheldon Adelson violated 52 U.S.C. § 30121(a).
7 2. Approve the attached Factual and Legal Analysis.
8 3. Approve the appropriate letters.
9 4. Close the file.

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17 Date

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for Enforcement


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Assistant General Counsel


Tanya D. Senanayake
Attorney

²⁵ See Statement of Reasons, Comm'rs Mason, Sandstrom, Smith, & Thomas at 3, MUR 4960 (Hillary Clinton for U.S. Senate Exploratory Committee) (purely speculative charges do not form an adequate basis to find reason to believe that a violation of the Act has occurred).