



# OFFICE OF THE INSPECTOR GENERAL

## U.S. Department of Justice

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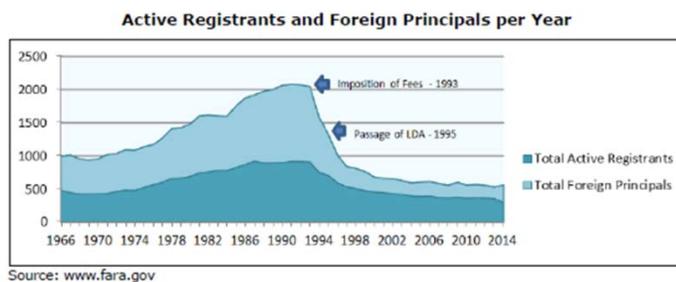
### DOJ OIG Releases Report on the DOJ's Enforcement of the Foreign Agents Registration Act

The Department of Justice (DOJ) Office of the Inspector General (OIG) announced today the release of a report examining the DOJ National Security Division's (NSD) enforcement of the Foreign Agents Registration Act of 1938 (FARA). The DOJ OIG concluded that the DOJ lacks a comprehensive FARA enforcement strategy, and that such a strategy should be developed and integrated with the DOJ's overall national security efforts. The OIG initiated this review in response to a requirement by the U.S. House of Representatives Committee on Appropriations that the OIG review the DOJ's enforcement of FARA.

FARA requires persons acting as agents of foreign principals—which includes foreign governments, political parties, and individuals—in a political or quasi-political capacity to make periodic public disclosure of their relationship with the foreign principal, as well as activities, receipts, and disbursements in support of those activities. A willful failure to register as an agent of a foreign principal may result in criminal prosecution and a sentence of a fine and up to 5 years in prison. The DOJ can also seek to enjoin a party from acting as an agent of a foreign principal in violation of FARA.

The specific findings in today's report include:

- **The number of FARA registrations has declined in the last two decades, and prosecutions and other enforcement actions are rare.** The number of FARA registrations peaked in the 1980's, with a high of 916 registrants in 1987, and began to fall sharply in the 1990's. The DOJ has not performed an analysis on the decline, but NSD officials speculated that the imposition of FARA registration fees in 1993 and the passage of the Lobbying Disclosure Act, which carved out a significant exemption to FARA in 1995, were likely factors. Between 1966 and 2015, the DOJ only brought seven criminal FARA cases, and it has not sought civil injunctive relief under FARA since 1991.
- **Investigative agents and NSD officials do not appear to agree about the intent of FARA, or what constitutes a "FARA case."** Investigators we spoke to generally believed that investigations conducted pursuant to a separate criminal provision, 18 U.S.C. § 951 (Section 951), were FARA cases, whereas NSD officials believe that Section 951 and FARA are intended to address different criminal activities. Specifically, NSD described Section 951 as targeting



information gathering and other espionage-like activities on behalf of a foreign government, and FARA as requiring registration and disclosures by foreign agents engaged in legal activities, such as lobbying, tourism, and economic development. We believe these differing understandings are indicative of the lack of a comprehensive DOJ enforcement strategy on FARA. Investigators also expressed frustration about a perceived reluctance by NSD to approve FARA cases for prosecution, a criticism that NSD officials denied, although NSD simultaneously acknowledged the need to improve communication with investigators about the reasons for approval decisions.

- **NSD needs to improve its controls and oversight of FARA registrations, particularly its efforts to ensure the timely submission of required documents and its inspections of registered foreign agents.** We found that 62 percent of initial registrations were untimely, and that 50 percent of registrants filed at least one supplemental statement late. We also found that several inspection recommendations issued by NSD's FARA unit remained unresolved, and we believe that NSD can further improve its monitoring efforts by developing a policy to ensure appropriate resolution of recommendations identified in its inspection reports.
- **NSD has developed several proposals for legislative changes to FARA that could improve enforcement efforts.** For example, NSD officials told us they have difficulty compelling the production of information from persons who may be agents, and therefore are pursuing civil investigative demand authority from Congress to help enhance the NSD's ability to assess the need for potential agents to register. While we concur that CID could be a useful tool for NSD, there are important competing considerations at stake, and we believe that any expansion of such authority must also include appropriate controls and oversight to ensure it is used appropriately.

The report makes 14 recommendations to help improve NSD's enforcement and administration of FARA. NSD agreed with all of the recommendations.

**Report:** Today's report is available on the OIG's website at the following link: <https://oig.justice.gov/reports/2016/a1624.pdf>.

**Multimedia:** To accompany today's report, the OIG has released a 9-minute podcast featuring the Deputy Inspector General and a member of the audit team discussing the report's findings. The podcast and a downloadable transcript are available at the following link: <https://oig.justice.gov/multimedia/>.