

Former Lobbyist Indicted for Providing Bogus Lobbying Report to Investigators

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Late last year, the U.S. Department of Justice (DOJ) charged a former lobbyist with obstructing an investigation and, ultimately, a multimillion-dollar fraud trial when the lobbyist provided investigators with a fake quarterly lobbying report that he claimed to have filed with the U.S. Congress. The matter is an important reminder of the risks associated with misleading the government in connection with one's lobbying activities and reporting.

The indictment arose out of an investigation conducted by the U.S. Postal Inspection Service and centered around a company operating in North Carolina called Niyato Industries, Inc. According to the DOJ, Niyato's chief executive officer and others were operating a "high-yield investment fraud scheme" involving the company. As part of the government's trial preparations, a law enforcement agent contacted lobbyist Christopher Petrella, who was working to promote the company, and informed him that he may be called upon as a witness at trial. During the course of a pretrial interview, Petrella provided the agent with a quarterly lobbying report that he represented to the agent had been filed with the government.

According to the DOJ, however, the report was "bogus," had never been transmitted to Congress, and represented an attempt by Petrella to mislead the government into thinking he was a whistleblower reporting on malfeasance rather than a participant in Niyato's activities. (For example, the lobbying report Petrella handed over to the agent claimed in one field that his client had "been posting 'Tweets' which are misleading or fictitious [and] may be a violation of state and federal law.") In a subsequent follow-up telephone conversation, Petrella again purportedly reaffirmed to federal law enforcement that he had filed the lobbying report "with

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the United States Congress pursuant to certain requirements applicable to federal lobbyists.” Shortly after this second discussion, the DOJ charged Petrella with attempting to obstruct and impede the underlying judicial proceedings.

Further proceedings in the case are scheduled for later this month. The case is pending in federal court in the Western District of North Carolina.