

ALERT

Global Law Firm Enters into Settlement Agreement with DOJ for Failure to Register as a Foreign Agent

January 18, 2019

Yesterday, January 17, 2019, the U.S. Department of Justice (DOJ) announced that it has entered into a settlement agreement (Agreement) with Skadden, Arps, Slate, Meagher & Flom LLP (Skadden) to resolve the law firm's failure to register as an agent of the Government of Ukraine under the Foreign Agents Registration Act (FARA).

According to the Agreement, since 2012, Skadden was involved in a public relations campaign for the Government of Ukraine that was directed towards the U.S. media. As such, Skadden was acting as an "agent of a foreign principal" under the statute. Although the FARA Registration Unit reached out to Skadden on several occasions regarding the law firm's involvement in this public relations campaign, DOJ noted in a press release that a "partner then at Skadden made false and misleading statements to the FARA Unit, which led it to conclude in 2013 that the firm was not obligated to register under FARA." DOJ later discovered that Skadden was actually required to register in 2012, but failed to do so. In addition to agreeing to retroactively register under FARA as part of the Agreement, Skadden has agreed to pay the U.S. Department of Treasury the fees and expenses that it received from Ukraine during the representation – i.e., more than \$4.6 million.

Under FARA, individuals and/or entities that engage in one or more covered activities- e.g., public relations activities, political activities, etc. – within the United States and on behalf of a foreign principal must register under FARA unless an exemption to registration applies. This case reinforces the importance of understanding the registration

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triggers and reporting requirements under the statute. It also highlights the significant penalties (civil, criminal, and reputational) that can result from failure to comply with these obligations.

A copy of the settlement agreement is available [here](#).

Wiley Rein's FARA Handbook, which reviews the laws and regulations that govern whether an entity should register with the FARA Registration Unit of the DOJ, the registration process, the obligations of registered agents, and the penalties that may be imposed for FARA violations, can be read [here](#). For more information about FARA, please contact one of the authors of this alert.