

ALERT

Justice Department Charges Think Tank Founder for Evading FARA, Acting as Unregistered Foreign Agent

July 12, 2023

On July 10, 2023, the U.S. Attorney's office for the Southern District of New York announced the unsealing of an eight-count indictment against dual U.S.-Israeli citizen and Hunter Biden whistleblower Gal Luft, for allegedly violating the Foreign Agents Registration Act (FARA). The other seven counts relate to alleged violations regarding arms trafficking, making false statements to federal agents, and violating Iranian sanctions.

In the unsealed indictment, Luft is charged with willfully evading registration under FARA while acting as an agent of China during his time serving as co-director of the Maryland-based think tank, the Institute for the Analysis of Global Security. The indictment alleges that Luft conspired to advance the interests of China by acting through a U.S. Government official without registering under FARA as required by law. According to the indictment, Luft acted as an unregistered foreign agent by, among other things:

- Covertly recruiting and paying a former high-ranking U.S. Government official, in then-President Trump's Administration, on behalf of Chinese principals, to publicly support policies benefiting China.
- Leading up to the 2016 Presidential election, creating dialogues between the official and a Chinese national, which were then published in Chinese newspapers and distributed to US journalists and universities. Allegedly, Luft would write the high-ranking officials' responses to the Chinese national, including dialogue favorable to China that he "tucked between

Authors

Tessa Capeloto
Partner
202.719.7586
tcapeloto@wiley.law

Practice Areas

Election Law & Government Ethics
Foreign Agents Registration Act (FARA)
International Trade
National Security

the lines."

The charges of conspiracy to violate FARA carry a maximum prison term of five years. Luft faces a potential 100-year sentence if convicted of all eight counts in the indictment.

In addition to violating FARA, Luft is charged with attempting to aid Chinese companies in selling weapons to Libya, and brokering illicit arms transactions in violation of the Arms Export Control Act. Luft was first arrested in the Republic of Cypress in February with similar charges, but later fled once released on bail and is still a fugitive. The indictment speaks to the U.S. Department of Justice's increased efforts to enforce FARA compliance, and serves as a reminder that willful violations of FARA can result in substantial criminal penalties. Indeed, in announcing the indictment, U.S. Attorney Damian Williams said: "As the charges unsealed today reflect, our Office will continue to work vigorously with our law enforcement partners to detect and hold accountable those who surreptitiously attempt to perpetrate malign foreign influence campaigns here in the United States."

Wiley attorneys routinely handle matters on all aspects of FARA compliance, from counseling clients on whether registration is required, to assisting clients with completing and executing their FARA filings, and recently reissued its FARA Handbook, available [here](#).

* * * *

Maddie Van Aken, a Legislative and Reporting Coordinator at Wiley Rein LLP, contributed to this alert.