

ALERT

Senator Grassley Introduces New Bipartisan FARA Reform Legislation

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On June 10, 2019, U.S. Senator Chuck Grassley (R-IA) introduced the *Foreign Agents Disclosure and Registration Enhancement Act*, which aims to improve compliance and enforcement of the Foreign Agents Registration Act (FARA) by enhancing the Department of Justice's (DOJ) investigative tools and increasing penalties for violations. In addition, the bill directs the U.S. Government Accountability Office (GAO) to audit FARA's Lobbying Disclosure Act (LDA) exemption to study whether the exemption is being misused or abused. The legislation is co-sponsored by Senators Feinstein (D-CA), Cornyn (R-TX), Shaheen (D-NH), Rubio (R-FL), and Young (R-IN).

The *Foreign Agents Disclosure and Registration Enhancement Act* proposes a number of amendments to the FARA statute, including:

- Providing the Attorney General with Civil Investigative Demand authority to investigate possible violations by those who should register as foreign agents;
- Increasing criminal fines and establishing new civil penalties for noncompliance; requiring DOJ to develop and implement a comprehensive enforcement strategy for FARA; and
- Requiring the GAO to produce a report on the effectiveness of these amendments.

In addition, the bill directs GAO to audit FARA's LDA exemption, including providing an analysis of whether the exemption leads to misuse or abuse of Federal lobbying registration and disclosure requirements.

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This legislation is similar to Senator Grassley's *Disclosing Foreign Influence Act*, which he introduced in the 115th Congress, but with several important substantive and procedural differences. The old bill would have eliminated the LDA exemption, however, this new bill only calls for an audit of the exemption. Moreover, the 115th Congress featured an array of FARA reform bills in the Senate, which all failed to find traction. The *Foreign Agents Disclosure and Registration Enhancement Act* differs in that Senators that individually pushed FARA reform bills in the 115th Congress have now come together in a bipartisan manner to champion a single bill.

This new legislation pursues a more conservative approach to the LDA exemption and adds a strong bipartisan coalition of original co-sponsors. This makes the *Foreign Agents Disclosure and Registration Enhancement Act* immediately more popular than the *Disclosing Foreign Influence Act* and more likely to become law.

NOTE: Paul Coyle, a 2019 Wiley Rein summer associate, co-authored this article with Mr. Pickard and Ms. Capeloto