

Finding the Other Manafort's:
How, and How Much, Foreign Money is Spent on Lobbying in the United States¹
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Introduction

The Foreign Agents Registration Act (FARA) exempts foreign commercial entities who have registered under the Lobbying Disclosure Act of 1995 (LDA) from registering with the US Department of Justice (DOJ). However, if the lobbying efforts of these entities benefit a foreign power they are required to be registered under FARA, not LDA. Research by Drutman and LaPira has addressed the aggregated levels of LDA registered lobbying viewing it with a domestic and strictly commercial lens. Previous research conducted by Courtney, Suman Lee, and Mannheim and Albritton examined foreign influence efforts aimed at the media, but not lobbying activity aimed at government. Mistry examined FARA registered lobbying on behalf of the Indian government but did not investigate the LDA registered activity of Indian commercial firms. Currently, no research has been conducted to analyze spend by foreign commercial entities on US lobbying efforts to paint a complete picture of the scope and scale of foreign lobbying within the United States. This project addresses this gap by employing a novel approach through the creation of a new and unique database of LDA registrants working on behalf of foreign clients. This database is then used to draw strategic inferences on the broader trend of LDA-based registrations on behalf of foreign clients. Primary source documents from the US Senate LDA database and the DOJ, FARA office were used for this study. This paper will demonstrate that foreign entities—potentially hundreds—are likely exploiting the LDA exemption to circumvent FARA requirements and obfuscate foreign lobbying efforts. This examination will reveal which foreign commercial entities are exploiting the LDA exemption, deepening the capabilities of academic researchers to explore the threat of foreign influence and unveil efforts to destabilize democracies, in the United States and beyond.

This paper will define the regulatory regimes, both FARA and LDA, which govern lobbying in the United States. This will be followed by a literature review of relevant studies examining lobbying using FARA and LDA data, with a focus on those studies which examined the grand scope of all lobbying and then specifically, foreign lobbying in the United States. The literature review will conclude with a section detailing one recent example, the *United States v. Paul Manafort*, which is directly relevant to this study. A description of the research method, to include the creation and make up of multiple unique databases from FARA and LDA data follows the literature review. The paper will then present an overview of the data and a brief examination of items of interest, followed by a discussion and conclusion.

Lobbying Regulations in the United States

The activities of lobbyists within the United States are primarily governed by the Foreign Agents Registration Act, 22 U.S.C. § 621 *et seq.* and the Lobbying Disclosure Act, 2 U.S.C. § 1601. Generally,

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FARA covers lobbying and public relations activity on behalf of foreign principals, to include foreign individuals, political parties and governments, whereas the LDA covers lobbying on behalf of domestic entities, like corporations, trade associations, unions, non-profits etc., and some foreign entities. This paper will examine an area where the laws have overlapping responsibilities: lobbying on behalf of foreign commercial entities, which may be acting on behalf of a foreign government or political party. To better understand this nuanced issue, the governing responsibilities of FARA and LDA will be explained in detail.

The Foreign Agents Registration Act

The activities of US lobbying firms that work on behalf of foreign principals within the United States are primarily governed by the Foreign Agents Registration Act (FARA), 22 U.S.C. § 621 *et seq.* FARA, as described by the US Department of Justice (DOJ) which administers the law, “is a disclosure statute that requires persons acting as agents of foreign principals 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” (Foreign Agents Registration Act [FARA], 2017). The US Congress initially passed the law in 1938 as part of an effort to unveil Nazi propagandists in the United States, and it has since been updated multiple times (Spak, 1990, p. 3-6). The DOJ office responsible for administering the law--the FARA Registration Unit (FARA, 2017)--works to ensure firms that need to register do so, collects the forms required under the statute from registered firms, and prepares a bi-annual report to the US Congress summarizing the activities of all registered agents.

FARA requires detailed disclosure of a registrant’s activities. Each firm that registers with DOJ is required to submit five forms: a Registration Statement, a Short Form Registration Statement, an Exhibit A, an Exhibit B, and a Supplemental Statement.

- Registration Statement: This form is the initial one required after a firm begins working for a foreign client (FARA, 2016a). This form has seven sections.
 - I. Registrant - Details on the firm registering
 - II. Foreign Principal - Details on the foreign entity which the firm is working for
 - III. Activities - A description of any activities the firm has or will undertake outside of those mentioned in Exhibit B.
 - IV. Financial Information - Details on any money received from the foreign principal, any money disbursed on behalf of the foreign principal, and any political contributions made by employees of the firm registered to work on behalf of the foreign principal.
 - V. Informational Materials - Details on any plans of the firm to distribute informational materials on behalf of the foreign principal, to include how they will be distributed and to what audiences.
 - VI. Exhibits and Attachments - A description of the exhibits and attachments required (to be discussed later).
 - VII. Execution - Signatures affirming the form is accurate.
- Short Form Registration Statement: “Each partner, officer, director, associate, employee, and agent of a registrant is required to file a short form registration statement unless [the registrant] engages in no activities in furtherance of the interests of the registrant's foreign principal or unless the services [the registrant] renders to the registrant are in a secretarial, clerical, or in a related or similar capacity” (FARA, 2016b).

- Exhibit A: “This exhibit ... sets forth the information required to be disclosed concerning each foreign principal named in” the Registration Statement, providing further details on whether the foreign principal is a government, political party, corporation or individual (FARA, 2016c)
- Exhibit B: “This exhibit ... sets forth the information concerning the agreement or understanding between the registrant and the foreign principal” (FARA, 2016d).
- Supplemental Statement: This form must be filed every six months by the firm and it details updates to all the items and activities from the Registration Statement for every foreign principal for which it is registered (FARA, 2016e). These forms include how much a firm is paid by their foreign principal, details on each contact made by the firm on the foreign principal's behalf, and any campaign contributions of short form registered agents at the firm during the time period.

Outside of these forms, firms also need to file an “Amendment to Registration Statement” (FARA, 2016f), if there are any changes in their registration. Firms must also file “Exhibit C” and “Exhibit D” submissions as well as copies of informational materials when applicable:

- Exhibit C: “This exhibit, for which no printed form is provided, consists of a true copy of the charter, articles of incorporation, association, constitution, and bylaws of a registrant that is an organization. A waiver of the requirement to file an Exhibit C may be obtained for good cause shown upon written application to the Assistant Attorney General, National Security Division, U.S. Department of Justice, Washington, DC 20530” (FARA, 2016a)
- Exhibit D: “This exhibit, for which no printed form is provided, sets forth an account of money collected or received as a result of a fundraising campaign and transmitted for a foreign principal” (FARA, 2016a).
- Informational Materials: “Informational materials are items, in both physical and electronic form, that an agent disseminates in interstate commerce on behalf of the foreign principal. Informational materials must contain the sort of labeling that Section 614(b) of FARA requires. The appropriate labeling is known as the ‘conspicuous statement.’” (DOJ, 2020a)

The FARA registration unit collects and files these forms and uses them to prepare the bi-annual report to the US Congress. As the June 2015 report (DOJ, 2015a) states, “Section 11 of [FARA] (22 U.S.C. § 621), requires the Attorney General to report every six months to the Congress concerning the administration of FARA, as well as the nature, sources and content of informational materials disseminated and distributed by agents of foreign principals registered under the Act.” This report contains:

according to geographical area or nationality field, all agents who were registered at any time during the first six months of 2015, or who reported for the first time in that period activities, receipts or disbursements for the previous period. It includes the identities of the agents and their foreign principal(s), a description of the agent’s activities, including a description of any informational materials disseminated, a total figure for monies received, and a listing of all individual agents (DOJ, 2015a, p.8-9).

Note that this report does not provide a comprehensive list of all activities undertaken by firms registered for a foreign principal, though details of these activities can be found in the Supplemental Statements of each firm.

There are several exemptions to registering with the FARA Unit, covering agents who engage in “bona fide religious, scholastic, academic, or scientific pursuits, or of the fine arts” as well as solely commercial activities and legal representation (DOJ, 2020b). Notably for this study, there is also an exemption for those agents properly registered under the LDA. Per DOJ: “An agent who is properly registered under the LDA is exempt from registration under FARA, if (i) the agent has engaged in lobbying activities and (ii) the representation is not on behalf of a foreign government or foreign political party. The exemption does not apply where a foreign government or a foreign political party is the principal beneficiary of the activities. See 22 U.S.C. § 613(h); 28 C.F.R. § 5.307” (DOJ, 2020b).

The Lobbying Disclosure Act

A significant change to FARA occurred with the passage of LDA in 1995. As mentioned above, under the LDA, “any agent who is engaged in lobbying activities and is registered under the LDA is exempt from FARA registration if the representation is on behalf of a foreign commercial interest rather than a foreign government or foreign political party” (DOJ, 2016a, 2). The LDA covers a broader range of lobbyists than FARA, but also maintains significant exemptions and requires far less disclosure of registrants.

The most recent LDA guidance available defines a lobbyist thusly: “an individual is a “lobbyist” with respect to a particular client if he or she makes more than one lobbying contact **and** his or her “lobbying activities” constitute at least 20 percent of the individual’s time in services for **that** client over any three-month period (emphasis in the original) (House, 2017a). Lobbying activities, as referenced above, mean “lobbying contacts and efforts in support of such contacts, including preparation and planning activities, research and other background work that is intended, at the time it is performed, for use in contacts, and coordination with the lobbying activities of others” (2 USC 1602(7)). To be covered by the LDA, the lobbying contacts, as referred to previously, must be with a “covered executive branch” or “covered legislative branch” official (2 USC 1602(8)). The LDA statute defines these covered officials in detail. For executive branch officials:

- (A) the President;
- (B) the Vice President;
- (C) any officer or employee, or any other individual functioning in the capacity of such an officer or employee, in the Executive Office of the President;
- (D) any officer or employee serving in a position in level I, II, III, IV, or V of the Executive Schedule, as designated by statute or Executive order;
- (E) any member of the uniformed services whose pay grade is at or above O–7 under [section 201 of title 37](#); and
- (F) any officer or employee serving in a position of a confidential, policy-determining, policy-making, or policy-advocating character described in [section 7511\(b\)\(2\)\(B\) of title 5 \(2 USC 1602\(3\)\)](#).

For legislative branch official:

- (A) a Member of Congress;
- (B) an elected officer of either House of Congress;
- (C) any employee of, or any other individual functioning in the capacity of an employee of-
 - (i) a Member of Congress;

- (ii) a committee of either House of Congress;
 - (iii) the leadership staff of the House of Representatives or the leadership staff of the Senate;
 - (iv) a joint committee of Congress; and
 - (v) a working group or caucus organized to provide legislative services or other assistance to Members of Congress; and
- (D) any other legislative branch employee serving in a position described under section 109(13) of the Ethics in Government Act of 1978 (5 U.S.C. App.) (2 USC 1602(4)).

Once defined as a lobbyist who spends more than 20 percent of their time lobbying, an individual or firm must meet certain monetary thresholds before they are required to register under LDA. These thresholds are adjusted over time. The latest updates to these thresholds, published January 1, 2017, require registrations from in-house lobbyists who are paid more than \$13000 a quarter and lobbying firms with a contract for more than \$3000 a quarter (House, 2017a, 2).

Registering under LDA requires three forms: the LD-1 (registration), the LD-2 (quarterly activity report), and the LD-203 (contribution report) (House, 2017a, 22). The LD-1 is the initial lobbying registration form and has 14 separate lines of information:

- 1) Effective Date of Registration
- 2) Identification Number (as assigned by the House/Senate regulator as appropriate)
- 3) Registrant Name and Address
- 4) Principal Place of Business
- 5) Telephone Number and Contact Name
- 6) General Description of Registrant's Business or Activities
- 7) Client Name and Address
- 8) Client Principal Place of Business
- 9) General Description of Client's Business or Activities
- 10) Lobbyists
- 11) Lobbying Issues (as coded by the House/Senate)
- 12) Specific Lobbying Issues
- 13) Affiliated Organizations
- 14) Foreign Entities (Senate, 2020a).

The LD-2 is filled every quarter a firm or individual continues to meet the registration obligations. The LD-2 includes:

- Disclosing the general lobbying issue area code(s)
- Identifying the specific issues on which the lobbyist(s) engaged in lobbying activities
- Identifying the Houses of Congress and the most specific Federal Agencies contacted
- Disclosing the lobbyists who had any activity in the general issue area
- Describing the interest of a foreign entity if applicable (House, 2017a, 18).

The LD-203 is a required form for any individual mentioned an LD-1 or LD-2 to file on a semi-annual basis. The LD-203 requires the disclosure of certain contributions, generally to political campaigns or political action committees. According to guidance from the US House of Representatives, the LD-203 requires, "the date, recipient, and amount of funds contributed (including in-kind contributions) to any

Federal candidate or officeholder, leadership PAC, or political party committee (registered with the Federal Election Commission), if the aggregate during the period to that recipient equals or exceeds \$200” (House, 2017a, 23). Notably, contributions to state and/or local candidates and committees are not required to be disclosed (House, 2017a, 23). Further contributions, related to business transactions between lobbyists and covered officials, dinners, conferences, retreats, Presidential inaugurations and libraries, are also required to be disclosed (House, 2017a, 23-24).

Differences in the Disclosure Requirements Between FARA and LDA

FARA requires more detailed disclosure by registrants than the LDA, as described above. Some of the key differences are apparent when comparing LDA’s LD-2 and LD-203 forms to FARA’s Supplemental Statement and Informational Materials. The Supplemental Statement requires disclosure of every press or government contact made on behalf of a foreign principal, whereas the LD-2 only requires the House of Congress or name of the Federal Agency contacted to be disclosed. The Supplemental Statement requires disclosure of every campaign contribution by any registered agent, at any level, whereas the LD-203 has a \$200 threshold minimum and does not include state or local campaigns. The LDA has no equivalent to FARA’s Informational Materials, so the general public has no record of materials distributed by LDA registered lobbyists. There are also differences related to the thresholds for needing to register under both statutes, as will be discussed in detail in the literature review.

Literature Review

Studies of foreign lobbying within the United States, whether using FARA or LDA data, are rather rare. There are a few articles regarding FARA and lobbying that will be discussed below, mostly from law and political science journals. As for foreign lobbying done by LDA registrants, there is only one ongoing project that has been presented at political science conferences in 2019 to examine it in any depth. The remaining literature, largely from political science, covers LDA registered lobbying as generally a US corporate enterprise. Some of these works are germane to this study and will be discussed below.

Public Relations Aspects of FARA Studied More Deeply

Most studies using FARA data—and still a small overall number—focus on the activities of registered public relations firms. This nascent field has been dubbed “international public relations” as it covers public relations activity taken on behalf of foreign countries (Banks, 1995; Kunczik, 1997) and borrows from the communications literature on “framing” (Entman, 1993). Early studies examined how a public relations campaign changed public opinion towards different foreign countries in the United States (Albritton and Mannheim, 1983; Mannheim and Albritton, 1984; Mannheim and Albritton, 1987; Kunczik, 2003). One of the authors of the early studies combined his research into a book, where he examined all FARA registered public relations activity in the early 1990s (Mannheim, 1994). More recent international public relations studies seek to use FARA data to explain the results of news coverage of foreign countries in the United States (Lee, 2006; Lee and Hong, 2012; Hong, 2007; Kioussis and Xu, 2008; Zhang and Cameron, 2003; Zhang and Benoit, 2003) as well as how spending on international public relations interacts with economic relationships between the United States and other foreign countries (Lee and Kim, 2015). Finally, a forthcoming political communication study raises some intriguing possibilities about how that discipline could use FARA data: these scholars found digital political

consultancies present among FARA registrants, but a lack of information about all of their activities within the publicly available disclosure data (McGregor, Barret and Kreiss, 2019).

Political Science Studies of FARA Registered Lobbyists a New Field

For the studies using FARA data to examine foreign countries lobbying efforts, the corpus is even smaller. A few studies provide an overview of the available data while others examine the impact FARA registered lobbyists can have on US trade or legislative processes. One of the communication scholars cited above provided a useful study of all FARA registered agents by country, but only examined the FARA unit's biannual reports (Zhang, 2005). A more recent work determined that a country is more likely to hire a FARA registered lobbyist if that state also has trade and military agreements with the United States as well as similar memberships in international organizations (Lee, 2018). One study examining the effectiveness of the India lobby on votes in the US Congress found that lobbying by FARA registered lobbyists was one of the key factors in determining the likelihood of a member voting in India's interest (Mistry, 2013). Another study, by You, went further, finding that contact by a FARA registered lobbyist had a significant effect on whether a House member voted in favor of a free trade deal with a foreign country (You, 2018). You also examined FARA registered lobbying by all registered agents during 2008-2010, producing some novel results: non-democratic countries pay a higher fee for FARA representation than their democratic counterparts and that campaign contributions and contacts are positively correlated (You, 2014). You's study showed that if campaign contributions were made during 2009-2010 to a member, the probability of at least one contact during the same period is 23.74%; without these campaign contributions, the probability of contact, 6.58%, is much lower (You, 2014, 98). Another study by You and a colleague, using details from FARA supplemental statements, determined that FARA registered lobbyists who were previously connected to a sitting member of Congress were afforded greater access to those members than others, and that foreign clients paid a premium for this access (Karam and You, 2017).

Law Review Articles Highlight FARA's Limitations, Burgeoning Study of Foreign Lobbying in LDA

Law review articles examining FARA have been useful in pointing out some of the challenges in enforcing the law and the concomitant limitations on the resultant data. As mentioned above, there are multiple exemptions to FARA, to include the LDA exemption focused on in this study, and there is no affirmative duty on agents to notify the US Department of Justice when they are claiming an exemption. According to some scholars, the lack of this affirmative duty renders effective enforcement of FARA's provisions nearly impossible (Lawson, 1996, 1165; Perry, 1990, 147). When the LDA was passed in 1995, some Justice Department officials noted that instituting the LDA exemption for foreign companies undercut "critical scrutiny of foreign influence over domestic affairs" as will be explained further below (Lawson, 1996, 1151). One law scholar went further to note, "many of the assumptions of the LDA's framers turned out to be wrong, and many 'commercial' entities wishing to substantively affect U.S. policy have used the LDA exemption from FARA as a way around the full disclosure required by FARA, especially when the policy advocated is unpopular" (Atieh, 2010, 1065). Two studies by Lee are the first to examine foreign lobbying conducted by LDA registrants, providing context and political science analysis of who takes advantage of the LDA exemption. Her 2018 study shows that political action committees affiliated with US subsidiaries of foreign corporations give to US campaigns at nearly twice the amount as their US counterparts (Lee, 2018). Most germane to this paper, her 2019 study determined that 15%

of all corporate lobbying registered within LDA for 2015-2016 was lobbying by domestic subsidiaries of foreign corporations (Lee, 2019).

Studies of LDA Registered Lobbying Provide Overview, Detail Data Limitations

Most studies of LDA registered lobbyists view the data, by default, as domestic US lobbying activity and not that on behalf of foreign entities—most of the lobbyists are indeed working for US domestic entities. These studies, while not focused on foreign lobbying, are beneficial to this study for scoping LDA data and highlighting its limitations. Drutman’s book, whose title “The Business of America is Lobbying” belies its view of LDA lobbying as a US corporate enterprise, examined all LDA registered lobbying from 1998 to 2012 (Drutman, 2015, 13). By Drutman's calculation, corporations make up the majority of LDA registered lobbying when calculated by spending, \$1.84 billion (55.5%) of a total \$3.31 billion in 2012 (Drutman, 2015, 8). LDA registered spending has grown from \$1.45 billion in 1998 to \$3.51 billion in 2019, according to the Center for Responsive Politics (CRP, 2020). This rise in spending is not correlated to a rise in the total number of registered lobbyists, however; the total number of lobbyists peaked in 2012 at 14,822 and has been on an overall downward trend through 2019 when 11,892 lobbyists registered (CRP, 2020).

These conflicting numbers point to a conclusion other studies have drawn, that there is much more lobbying occurring than is registered under LDA (or FARA). LaPira and his research collaborators have used a novel sampling approach to find additional lobbyists who are not registered under LDA or FARA. For the year 2012, they found that there were roughly as many unregistered lobbyists and policy advocates as there were LDA registered ones, and admit that this account is likely a conservative one that underestimates the total number of lobbyists (Thomas, 2017, 205 and 207). This study is limited by its Washington, DC area focus and by only comparing their results to LDA data and not FARA data, further suggesting an under count of the total number of lobbyists in the United States. A later study suggests that lobbying is growing, to include that the sheer number of lobbyists is increasing (Holyoke and Lapira, 2017). Another study claims the real total number of lobbyists and others “associated with all dimensions of the advocacy industry (registered and unregistered advocates and supporting institutions)” is estimated to be well over 100,000 and that total lobbying spending is closer to \$9 billion per year (Thurber, 2011, 363-364).

Recent Case

The Paul Manafort case highlights the need to further scrutinize the activities of LDA registered lobbyists who work for foreign clients.

From as early as 2010 to 2015, Paul Manafort Jr. (Manafort) and Richard Gates III (Gates) were unregistered foreign agents acting on behalf of the Government of Ukraine, former Ukrainian President Victor Yanukovich (Yanukovich), and two Ukrainian political parties, the Party of Regions and Opposition Bloc. Manafort and Gates received tens of millions of dollars in income for their work on behalf of the Ukrainian entities which required them to register under the Foreign Agents Registration Act (FARA). However, they did not report their work or income. Manafort, who had undergone DOJ inspections of FARA violations in the 1980s, was fully knowledgeable and familiar with FARA reporting requirements (DOJ, 2018, 4-5). Furthermore, when the US Department of Justice (DOJ) inquired into their activities, they replied with fraudulent statements (DOJ, 2017, 1-2).

In 2012, Manafort and Gates recruited two companies in Washington, D.C. to lobby US officials on behalf of the Ukrainian entities and work for the European Centre for a Modern Ukraine, a Belgium-based non-profit organization controlled by Yanukovich and the Party of Regions. These companies registered under the LDA. Gates repeatedly instructed the two companies on lobbying efforts based on Manafort's direct and frequent communications with Yanukovich. They were aware they were working on behalf of Ukrainian entities; for example, Gates wrote to one of the companies it would be "representing the Government of Ukraine in [Washington] D.C." (DOJ, 2017, 4, 19, 15).

Manafort, Gates, and the companies they hired knowingly conducted lobbying and public relations campaigns on behalf of Ukrainian government entities in the United States without registering under FARA. Their evasion of FARA and exploitation of the LDA exemption to FARA highlight the tradecraft used to obfuscate foreign lobbying efforts in the United States. Manafort's previous inspections also demonstrate the possibility FARA violators repeatedly circumvent FARA reporting requirements, despite their knowledge and familiarity with the law. This study explores which foreign clients may also employ this tradecraft to conceal lobbying efforts on behalf of foreign governments.

Methodology

To accurately study the foreign lobbying phenomenon and how it compares to the available data on lobbying in the United States, the authors and a team of three FBI interns constructed two datasets: 1) a compilation of the FARA spending information by country and registrant in the FARA Unit's biannual reports and 2) a compilation of all LDA registered lobbying for clients with a foreign address.

The FARA dataset compiles all the disparate elements of the FARA unit's biannual reports for years 2013 through 2017, the last year for which both reports were available for analysis. A team of FBI interns transposed the information in the biannual reports into a Microsoft Excel spreadsheet. The spreadsheet contained tabs for each year and columns for: Country, FARA Registrant, Type (of activity undertaken by the registrant as listed in the biannual report), Amount (of spending reported), Total (of monies spent by country). This effort only encompassed rote data entry – no additional coding. (See Supplemental Data entitled, "2013-2017 Biannual Report Data")

The LDA dataset examines foreign commercial entities, or clients, whose lobbyists registered under the United States Senate's LDA database from 2016 to 2019 (partial year). This time period was chosen because it was the most recent time period for which complete LDA data was available. To measure the impact of foreign lobbying efforts against the US Government by commercial entities, this paper examines the amount of money they reportedly spent on lobbying. In order to find all clients with active LDA registrants within one reporting year, search criteria in the online LDA database was refined to "client country" and "filing year." "Client country" refers to a client's purported country of origin and "filing year" refers to the year in which a lobbyist filed an L-2 quarterly report for his/her client. Authors and another FBI intern subsequently searched for all LDA registrants by client country, where country resolved to anything other than "United States" in 2016.² Search results were returned in a tabular display; the table contained data extrapolated from L-2 quarterly disclosure reports filed by LDA registrants including: "Registrant Name," "Client Name," "Filing Type" e.g. Fourth Quarter, Third Quarter, "Amount Reported," "Date Posted," and "Filing Year." Author utilized Microsoft Excel to record the data and inserted additional columns to document the "Country," and "Date Pulled" for each entry.

² In a rather odd quirk of the LDA data, US territories are not listed as being within the United States and instead are given their own country designator (e.g. Puerto Rico as its own country), therefore they are included as "foreign clients" for the purpose of this study.

The same queries were conducted for filing year 2017-2019. The FBI intern then added, from LD-1 and LD-2 forms, columns for: Registrant Street, Registrant City, Registrant State, Registrant Zip code, and Registrant Country.

While the supplemental data includes partial data for 2019, for the LDA portion this study will focus on years 2016-2018 as they contain a complete representation of the data. In order to create a unique and exploitable dataset, using Microsoft Excel, data collected from all filing years were organized in a tree hierarchy, first by client country, next by client, and lastly by LDA registrant (See Supplemental Data entitled, "LDADData-APSA2020Paper"). In order to identify and analyze trends in the dataset, pivot tables and charts were created as will be discussed in detail below.

Since the completion of our largely manual studies, both the FARA and LDA databases have improved their bulk structured data offerings, meaning future studies on this and other lobbying phenomena can use computational social science methods to build on our study. FARA bulk data can be found via the new FARA.gov API (<https://efile.fara.gov/ords/f?p=107:1:0:::>) and the US Senate's bulk LDA data for LD-1s and LD-2s can be found here (https://www.senate.gov/legislative/Public_Disclosure/database_download.htm). The US Senate also has bulk data available for LD-203s: https://www.senate.gov/legislative/Public_Disclosure/contributions_download.htm.

Overview of the Data

This section will describe the new datasets created for this study. It will begin with a discussion of the total amount of money spent by foreign clients, whether FARA or LDA registered, followed by a comparison of this spending with other assessed totals of lobbying spending as referred to in the literature review. This section will then delve more deeply into the LDA dataset and potential avenues for further study.

Total Foreign Spending in FARA and LDA Compared to Total Lobbying Spending

Table 1. Amount of Spending Reported by Registered Foreign Agents by Year, 2013-2017

Year	FARA Spending
2013	\$460,098,061.50
2014	\$464,303,137.42
2015	\$426,466,676.30
2016	\$424,135,398.80
2017	\$546,926,195.50

Sources: US Department of Justice. (2020) "Report of the Attorney General to the Congress of the United States on the Administration of the Foreign Agents Registration Act of 1938, as amended ..." First and Second Semi-Annual Reports from 2013-2017. Retrieved from <https://www.justice.gov/nsd-fara/fara-reports-congress>.

Table 2. Amount of Spending Reported by LDA Registrants on Behalf of Foreign Clients by Year, 2016-2018

Year	LDA Spending
2016	\$34,461,275
2017	\$41,496,687

2018	\$49,745,784
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Source: See Supplemental Data.

Tables 1 and 2 above show the aggregate totals for spending by registrants on behalf of foreign clients within both FARA and LDA. These totals show that on the whole, hundreds of millions of dollars more is spent by FARA registered agents on behalf of foreign clients as opposed to LDA registrants. Still, reported spending by LDA registrants on behalf of foreign clients is significant and shows considerable growth: from 2016 to 2018 LDA spending increased by more than \$15 million, a 44% increase from 2016 levels.

These new numbers, when compared first with the aggregate LDA lobbying spending numbers compiled by the Center for Responsive Politics, then layered with insights from Drutman and Lee, provide a more granular understanding of how much registered foreign lobbying there appears to be in the United States. Using the year 2017, the latest year for which FARA and LDA totals both exist, for comparison:

Table 3. Total Registered FARA and LDA Spending by Foreign Clients for 2017

2017 Spending Numbers	Rounded to the nearest million
Total FARA and LDA Spending*	\$3.927 billion
Total LDA Spending	\$3.38 billion
Foreign LDA Spending	\$41 million
FARA Spending	\$547 million
Percentage of Spending with Foreign Client	15%

*Total LDA Spending from Center for Responsive Politics, 2020; Rest from Supplemental Data

From Table 3 it can be observed that foreign spending on FARA and LDA advocates makes up 15% of the registered total of all spending. However, when including insights from Drutman and Lee's research, this percentage seems to be only the tip of the iceberg. As referred to in the literature review above, Drutman's work showed that in 2012, 55.5% of all LDA registered lobbying was on behalf of US corporations. Assuming this percentage holds true for 2017 totals, that would mean \$1.876 billion (rounded to the nearest million) was spent by US corporations on LDA registered lobbying. Further, Lee's research, using 2015-2016 information, found that 15% of all LDA registered US corporate lobbying was in fact on behalf of US subsidiaries of foreign corporations. Assuming this percentage holds true for 2017 totals and that Drutman's percentages are also correct for 2017, it can be roughly determined that registered lobbying ultimately on behalf of foreign clients is far larger than the figures and percentage stated in Table 3. So, if 15% of US corporate lobbying is in fact on behalf of foreign clients, for 2017 this would mean an additional \$281 million (rounded to the nearest million) of LDA lobbying spending is in fact on behalf of foreign clients. Therefore, instead of 15% (\$588 million out of \$3.927 billion) foreign spending on these advocates is more likely 22% (\$869 million out of \$3.927 billion).

Even these numbers and percentages are likely undercounts of total foreign spending. Some foreign corporations have joined US trade associations which have substantial spending on LDA registered lobbyists. For example, in 2013, Chinese firm Tencent joined the Entertainment Software Association which appears in LDA data as a US client (Corriea, 2013). In 2017, the association reported nearly \$50 million of spending on LDA registered lobbyists; the portion of that spending which was on behalf of foreign members of the association like Tencent is unknown (Center for Responsive Politics, 2020b).

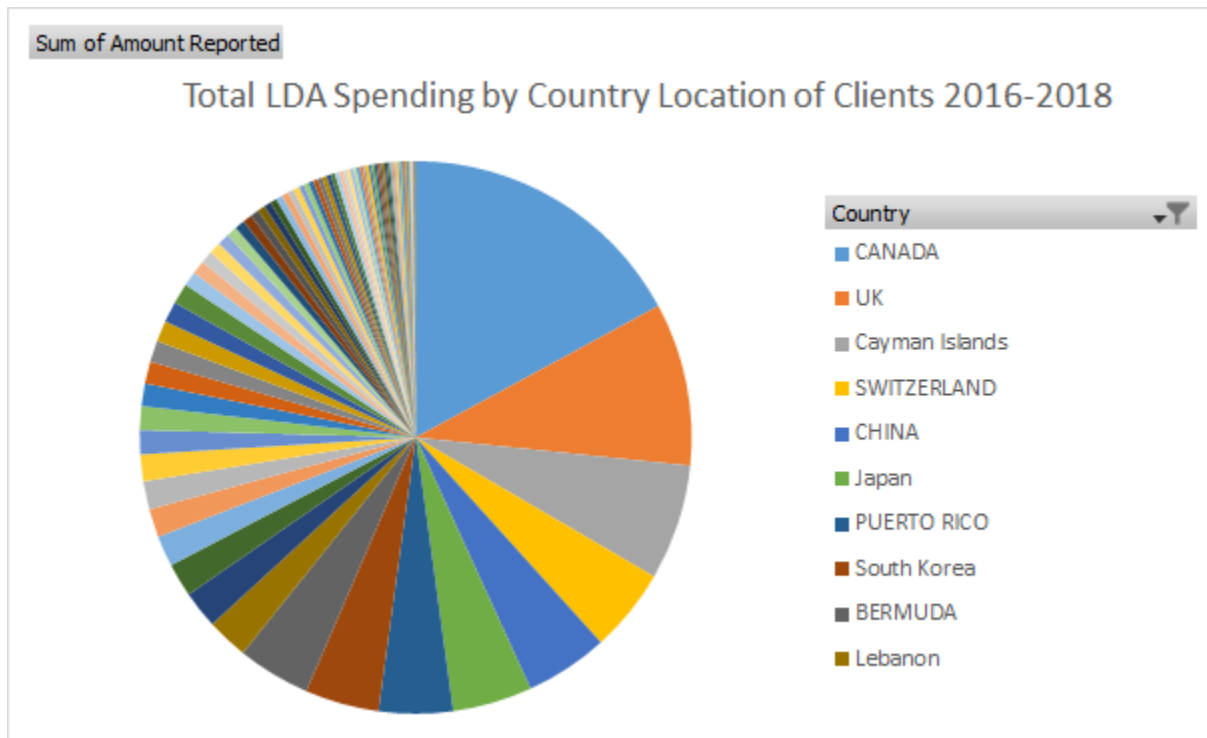
If taking into account the research by Thomas and LaPira as well as Thurber as cited above, they attempted to tally both the registered and unregistered numbers of lobbyists and associated spending which both imply a far greater total of moneys spent by foreign clients on advocates. If using the rough estimate proposed by Thomas and LaPira that there are about as many unregistered lobbyists as there are registered ones in the Washington, DC area, the totals for all spending (both FARA and LDA) could be doubled. In this case, for 2017, that could mean as much as roughly \$8 billion in total FARA and LDA spending. If foreign spending equates to 22% of this total, that would mean \$1.760 billion. While these numbers are much larger than the currently reported totals, they hew more closely to Thurber’s estimates of around \$9 billion in total lobbying spending. If we assume Thurber’s total of \$9 billion (an estimate he made in 2011 so likely another undercount for a more current year), foreign spending at 22% would make up \$1.98 billion.

Further Insights from the Foreign Client LDA Dataset

Examining the Foreign Client LDA dataset reveals intriguing insights into the country locations of the most prolific foreign clients, the kinds of LDA registrants who undertake this activity and the multiple entities in need of further research within the data. As discussed above, the case of Manafort—who was associated with an LDA registered lobbying effort on behalf of a foreign client—suggests the registrants who undertake this type of lobbying activity should be given further scrutiny.

Having already examined the overall spending by foreign LDA clients, further detail about what kinds of countries undertake this activity can be determined when broken down by spending by country:

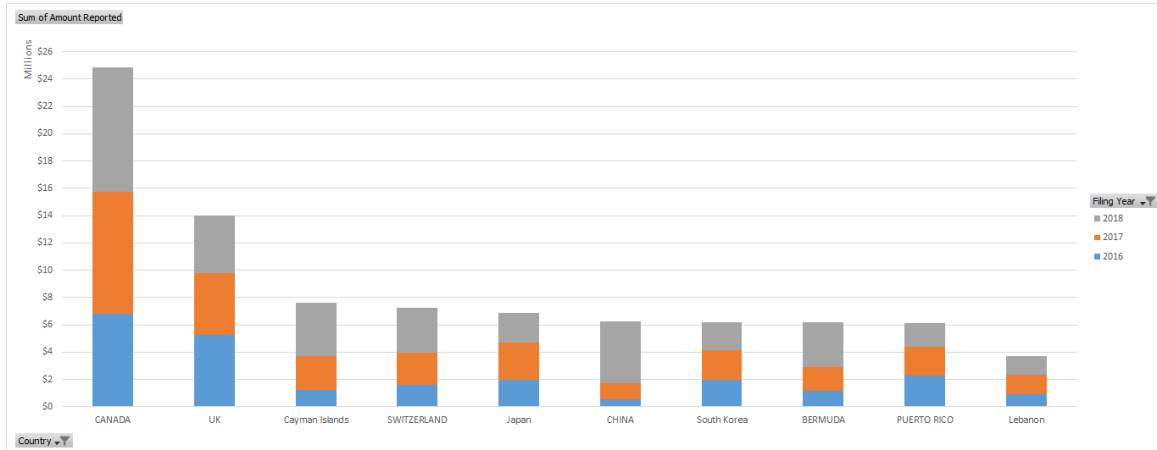
Chart 1. Share of LDA Spending by Country Location of Clients, 2016-2018



Source: See Supplemental Data.

While foreign clients represented many different foreign countries most of the spending by foreign clients is done by those in the top ten countries (labeled at right, above), about 79% of the total.³ Further examining the top ten countries we can see intriguing trends.

Chart 2. Top Ten Countries by LDA Spending by Year, 2016-2018



Source: See Supplemental Data.

As can be seen in Chart 2 above, Canada-based clients paid the most for LDA registered lobbyists followed by United Kingdom-based clients; these countries high spending seems to make sense due to longstanding governmental and economic ties to the United States. The third highest country, however, Cayman Islands, does not have similar ties, and it is further notable that the Cayman Island-based company hiring LDA registrants is in fact the Chinese company Alibaba, which reported more than \$6 million of LDA spending during the time period examined. Another notable trend in the top ten is China’s increased spending over the years examined. China-based clients increased their spending from a low of \$587,000 in 2016 to over \$4.5 million in 2018.

Table 4. Total Number of Foreign LDA Clients and Registrants by Registrations (LD-1s), 2016-2018

Registrants	225
Foreign Clients	413

Source: See Supplemental Data.

For the time period of LDA data examined by this study, there were 413 distinct foreign clients who hired 225 registrants to lobby on their behalf. Interestingly, the registrants were not all based in the Washington, D.C.-area or in the United States.

Table 5. Total Number of LD-1 and LD-2 Records by Registrant by State, 2016-2018

US States and Washington, DC	Number of LD-1 and LD-2 Records for 2016-2018
DC	4544
VA	352
MD	177

³ As noted previously, the LDA dataset counts US territories as separate countries, hence Puerto Rico’s inclusion here.

FL	33
PA	29
TN	27
CA	22
TX	21
MA	21
CT	20
VT	19
NY	18
OH	16
KY	15
NJ	13
GA	11
AR	11
NV	7
DE	5
WA	4
AL	4
MI	1
Total of Records of US-based Registrants	5370

Source: See Supplemental Data.

Table 5 shows that not all LDA registrants for foreign clients were based in the Washinton, D.C.-area. For this time period, there were 297 LDA records associated with a registrant that listed an address outside of Washington, DC, Maryland or Virginia, approximately 6% of the total 5370 records for US-based registrants.

Table 6. Total Number of LD-1 and LD-2 Records by Registrant by Country, 2016-2018

Country	Number of LD-1 and LD-2 Records for 2016-2018
USA	5370
CAN	124
GBR	59
ISR	15
CAY	14
SWE	14
ESP	13
AUS	13
BEL	13
IND	8
LUX	6
ITA	2
GER	2
CZE	1
Grand Total of Records of All Registrants	5654

Source: See Supplemental Data.

Table 6 shows that not only were some registrants from outside the Washington, D.C.-area, but a notable amount (284 records) were filed by firms from outside the United States, approximately 5% of the total records of all registrants. Combining the results from Table 5 and 6, it is significant that 581 records were filed by registrants either outside the D.C.-area or outside the United States, about 10% of the total records examined.

Discussion and Conclusions

This study set out to show the breadth of foreign lobbying in the United States and potentially how many entities may be improperly taking advantage of the LDA exemption to FARA. Before this work, foreign lobbying and advocacy efforts within the United States had not been studied in detail. Drutman's book, "The Business of America is Lobbying," implied that lobbying in the United States is inherently on behalf of Americans, and primarily American businesses. This study has shown for the first time that a significant portion of advocacy efforts in the United States are undertaken by foreign actors – potentially around 22% of the total spending. In other words, one out of every five dollars spent on lobbying in the United States comes from a foreign source.

As for how many lobbying firms may be improperly registered under LDA, this study provided granularity on the firms and foreign entities that may require greater scrutiny. For the time period examined by this study, 225 firms represented 413 clients, and were paid over \$125 million for their efforts. Further political science analysis of the abundance of LDA and FARA data available is necessary to broadening knowledge of foreign influence efforts in the United States and understanding the trends among such overt and concealed efforts.