

# The Open Secret of Foreign Lobbying

**Exclusive:** Russia-gate has focused attention on requirements for U.S. citizens acting as “foreign agents” to register with the Justice Department, but these rules have been sporadically or selectively enforced for decades, Jonathan Marshall writes in the first of a series.

By Jonathan Marshall

The alleged hacking of the Hillary Clinton campaign’s emails and the numerous contacts of Donald Trump’s circle with Russian officials, oligarchs and mobsters have triggered any number of investigations into Moscow’s alleged efforts to influence the 2016 election and the new administration. With U.S.-Russian relations at their lowest point since the Cold War, however, it would be tough to argue that Moscow has achieved any leverage in Washington.

In contrast, as journalist Robert Parry recently noted, American politicians and the media have been notably silent about other examples of foreign interference in U.S. national politics. In part that’s because supporters of more successful foreign pressure groups have enough clout to downplay or deny their very existence. In part it’s also because America’s political system is so riddled with big money that jaded insiders rarely question the status quo of influence peddling by other nations.

That wasn’t the case a century ago. In the run-up to U.S. entry into World War I, millions of Americans became wildly alarmed by the potential influence of pro-German fifth columnists. The success of the Bolshevik revolution in 1917 shifted much of that paranoia toward the Soviet Union, prompting the infamous Red Scare.

Two decades later, Americans again became troubled by the growing influence of fascist and Communist propaganda in this country. In response, Congress in 1938 passed a law regulating “foreign agents” and requiring disclosure of their political and public relations activities and spending. Willful failure to register can be punished by up to five years in prison and a \$10,000 fine.

Since the end of World War II, however, enforcement of the Foreign Agents Registration Act has been notably lax. Its effectiveness has been stymied by political resistance from lobby supporters as well as by the law’s many loopholes – including Justice Department’s admission that FARA “does not authorize the government to inspect records of those not registered under the Act.”

A 2016 audit by the inspector general of the Department of Justice determined

that half of FARA registrations and 62 percent of initial registrations were filed late, and 15 percent of registrants simply stopped filing for periods of six months or more. It also determined that the Department of Justice brought only seven criminal cases under FARA from 1966 to 2015, and filed no civil injunctions since 1991.

“FARA is violated more or less daily in Washington and largely ignored by authorities unless it involves someone without political connections,” commented Matt Taibbi of *Rolling Stone*. “An awful lot of important people in Washington who appear to be making fortunes lobbying for foreign countries are merely engaged in ‘litigation support,’ if you ask them.”

In addition, foreign governments find it easy to circumvent the act by tactics such as investing in influential foreign policy think tanks like the Atlantic Council, Brookings Institution, and Center for Strategic and International Studies – buying credibility for their views without full disclosure.

In a rare exception to normal practice, the Atlantic Council’s foreign ties briefly came under close scrutiny in 2013, when its chairman, Chuck Hagel, was nominated to become President Obama’s Secretary of Defense. The Atlantic Council’s major funders include the United Arab Emirates and Bahrain, several Turkish entities, the Ukrainian World Congress, Kazakhstan, and several of the biggest U.S. defense corporations. Yet good luck finding any such disclosures at the end of the many op-ed columns its staff publish in the *Washington Post* and other outlets on relevant issues of U.S. foreign policy.

The combination of lax enforcement and tremendously high stakes – including billions of dollars in foreign aid, arms sales, and economic sanctions – has led to intense foreign lobbying in the United States, some of it financed with recycled U.S. aid. But there’s nothing new about this trend.

Forty years ago, in their book *The Power Peddlers*, Russell Warren Howe and Sarah Hays Trott reported that “the foreign lobby network is a high growth industry, both in terms of numbers and cash; there are at least fifteen thousand persons already engaged in foreign lobby activity . . . in Washington – thirty for every Member of Congress.”

Despite the serious implications for U.S. foreign policy and American democracy, such investigations of foreign lobbying have been few and far between. Perhaps the most far-reaching official probe was launched by Senate Foreign Relations Committee Chairman J. William Fulbright in 1963, led by special counsel Walter Pincus, who went on to a long career as an investigative reporter at the *Washington Post*. Among other things, the hearings exposed the lucrative, secretive work of lobbyists for various Caribbean nations to jack up U.S.

purchases of their sugar exports at above-market prices. Their efforts put millions of dollars in the pockets of ruthless dictators like Rafael Trujillo of the Dominican Republic.

After Trujillo's assassination in 1961, his former intelligence chief disclosed that Trujillo bought the votes of leading members of Congress for a bigger sugar quota with millions of dollars in bribes and the services of prostitutes. Those members of Congress went unprosecuted, but the Kennedy Justice Department nailed Hearst society columnist Igor Cassini – brother of the First Lady's favorite dress designer – for acting as an unregistered agent of the Trujillo regime. Three years earlier, the head of the Mutual Broadcasting System pleaded no contest to charges of accepting \$750,000 from Trujillo to act as another unregistered agent.

### **Unmasking the Pro-Israel Lobby**

In 1962, the Justice Department also took rare aim at the pro-Israel lobby by forcing the American Zionist Council, formed in 1949 as a tax-exempt umbrella of American Jewish groups, to register as a foreign agent. Weeks later, supporters did an end run by folding AZC and incorporating the American Israel Public Affairs Committee (AIPAC) to continue acting as a de facto lobby – but without Israeli money and without filing as a foreign agent.

The Fulbright committee did not drop the case, however. It subpoenaed records of the AZC and determined that it had been “ostensibly controlled by American citizens but had its budget approved in Jerusalem.” Over a period of eight years, the committee learned, AZC took more than \$5 million from the Jewish Agency, a semi-official arm of the Israeli government, to disseminate pro-Israeli propaganda in the United States.

Grant Smith, a pioneering researcher on the origins of the pro-Israel lobby, has asked “what might be different today if AIPAC in particular had been properly registered under the Act.”

“When AIPAC director Morris Amitay was caught red-handed mishandling classified missile secrets in 1975, he could have been prosecuted under FARA. When AIPAC and an Israeli diplomat purloined the entire 300-page book of classified trade secrets compiled from 70 U.S. industry groups opposed to unilateral trade concessions for Israel in 1984, they could have been prosecuted for failing to report their clandestine subversion of due process. When in 2005 [AIPAC officials] Steven J. Rosen and Keith Weissman met with Israeli diplomats during efforts to pass classified information to the press they thought could trigger a U.S attack on Iran, FARA consequences would have awaited them all.

“However, because the U.S. Department of Justice has unilaterally abrogated its responsibility to enforce FARA, people, ideas, money and propaganda campaigns continue to secretly slosh freely between Tel Aviv and Israeli fronts in America with taxpayer funds thrown into the toxic brew.”

The issue of foreign agents and their role in U.S. politics resurfaced as a major issue in 2016, with speculation about Russian connections to the Trump campaign and reports of possible FARA violations by Trump’s campaign manager and chief foreign policy adviser. The American people are long overdue for another Fulbright-style investigation into foreign lobbies and the adequacy of current enforcement measures. To highlight some of the critical issues at stake, Consortiumnews.com over the next few days will publish a series of articles on some of the workings of lobbyists, pressure groups and agents working on behalf of Taiwan, Israel, Saudi Arabia, Turkey, and Ukraine.

*Next: The China Lobby*

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