



U.S. Department of Justice

National Security Division

Washington, DC 20530

August 17, 2010

[addressee deleted]

Re: [deleted text]

Dear [name deleted]:

This will acknowledge receipt of your letter, dated March 23, 2010, requesting the Department's opinion on whether your client, [US person], and the [US company], must register under the Foreign Agents Registration Act of 1938, as amended, 22 U.S.C. § 611 *et seq.* (FARA or the Act) for activities on behalf of the [foreign government]. We will treat your letter as a request for a Rule 2 advisory opinion, 28 C.F.R. § 5.2. The \$96 fee for this Rule 2 opinion is set forth in 28 C.F.R. § 5(d)(10). A check in that amount should be sent to this office. Set forth below is a summary of your letter and our meeting of [date deleted]. We conclude [US person] must register under FARA.

You indicated in your letter that [US company] was incorporated on [date deleted] in [US state] as a limited liability company by [the US person and by a foreign national who is also a US citizen]. Each owned 50% of the stock. [the foreign national who is also a US citizen] was listed as the company's Vice President, CEO, and Liaison Officer to [foreign government]. [US person] was the President, and [his/her] business address in [US state] was the headquarters of [US company].

According to your letter, on a trip to [foreign country] in early 2008, [US person] met with [foreign national who is also a US citizen] to whom [he/she] had been introduced the prior year. [foreign national who is also a US citizen] introduced [US person] to [foreign government official]. Both [foreign national who is also a US citizen] and [foreign government official] asked [US person] to provide consulting services to [foreign government]. [foreign national who is also a US citizen] and [US person] agreed to form [US company] to assist the representation of [foreign government].

On July 24, 2008 [US person], in [foreign country], met [foreign government official] and the President of [foreign country]. [He/She] and the representatives of the [foreign government] signed a contract for [US company] to assist [foreign government]. The contract provided for [US person] and [US company] to promote the professionalism and readiness of the [foreign government] security forces, to attract foreign assistance from the United States and other countries, and to foster foreign private investments in sectors of the [foreign government]. Attached to your letter is a [US company] budget. It lists a subtotal cost for services of \$670,000 for August 1-December 31, 2008. Below the subtotal, \$500,000 is listed for the estimated cost for the first five months of the contract for "a government relations subcontractor." Although the

list mentions [US person]'s U.S. office and administrative expenses at \$150,000, it is difficult to determine from the documents received how much money [US person] and [US company] were paid by [foreign government]. In October 2008, [US person] met with the President of [foreign government] about the President's fear of [text deleted]. Even though the U.S. had earlier applied strict sanctions against [foreign country], less severe U.S. sanctions applied to [foreign country]; however, [foreign government] was not permitted to [text deleted]. This would prohibit the export from the United States to [foreign government] of [text deleted]. The President of [foreign government] asked [US person] what he/she should do about this problem. [US person] told [him/her] to write a letter to the U.S. Secretary of State detailing the situation and have the letter delivered through ordinary diplomatic channels. Although we have no copy of the letter, it must have contained [US person]'s name. That same month, the Deputy Secretary of Defense, the Assistant Secretary of Defense for [continent], and the Commander of the U.S. [continent] Division met with [US person]. At the meeting [US person] confirmed that [foreign government] representations about [deleted text] [foreign country] were legitimate. Those present discussed the waiver of sanctions for [deleted text]. Another meeting was held with [US person] and representatives of the State Department about the waiver of sanctions to permit [text deleted]. [US person] reported about the meetings to [foreign government]. In December 2008 [he/she] stopped working for [foreign government] and the next month terminated [his/her] interest in [US company]. From August 2008 through December 2008, [US person] advised [foreign government] on strategies for improving foreign investments in [foreign government]. [He/She] also met with and communicated with U.S. and foreign investors about investing in [foreign country]. In addition, [he/she] conferred with officials of the U.S. Government about a waiver of U.S. sanctions against [foreign government].

Based on the representations in your letter, this Unit has determined that [foreign government] is a foreign principal under Section 1(b)(1) of the Act. To attract U.S. investors and U.S. government assistance, and to improve [deleted text], were conditions and goals of the [foreign government] and [US person]'s contract. This contract and the subsequent activities of [US person] in support of [foreign government] demonstrate [he/she] is an agent of a foreign principal as defined in Section 1(c) of FARA. [His/Her] efforts to influence U.S. government officials and a section of the U.S. public in these matters are political activities under Section 1(o) of FARA. Based upon the totality of the circumstances, we find that [he/she] and [US company] must register under the FARA.

You state in your letter that [US person] severed all ties with [US company] in January 2009. Section 7 of FARA requires that officers or directors of foreign agents are obligated to register under the Act, and the dissolution of the organization does not relieve the officer or director of the obligation to register. Consequently, [US company] and [US person] are foreign agents, and [US person] must register and terminate the registration for [himself/herself] and [US company].

The [US company] registration can be accomplished by filing an initial statement on Form NSD-1, Exhibits A and B, Forms NSD-3 and NSD-4. When applicable, an Exhibit C which consists of a true copy of the charter, articles of incorporation, association, constitution, and bylaws of a registrant that is an organization also is required.

In addition, a partner, officer, director, associate, employee, or agent of a registrant who engages directly in activity in furtherance of the interests of the registrant's foreign principal is required to file a short-form registration statement. This obligation, however, does not apply to an employee or agent of a registrant whose activities are rendered in a clerical, secretarial, or a related or similar capacity. [US person] should file a short form registration statement.

Please note that all registration statements filed on or after August 11, 1993 must be accompanied by the appropriate filing fee mandated by Congress in P.L. 102-395, enacted October 6, 1992, and established by regulations codified at 28 C.F.R. § 5.5, effective August 11, 1993. The filing fee for an initial statement is currently \$305.00 per foreign principal.

The initial and short-form registration statements, as well as all exhibits must be filed in triplicate. One original and two mechanically reproduced copies are sufficient. A fourth copy should be retained by [US person] for [his/her] records.

Enclosed is a copy of the Act, Rules and Regulations, and a complete set of forms necessary for filing a new registration under FARA. If you have any questions concerning this matter please contact me at (202) 514-1216.

Sincerely,

Heather H. Hunt, Chief
Registration Unit
Counterespionage Section
National Security Division

Enclosures