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United States Senate  
COMMITTEE ON THE JUDICIARY  
WASHINGTON, DC 20510-6275

September 20, 2016

**VIA ELECTRONIC TRANSMISSION**

The Honorable Loretta E. Lynch  
Attorney General  
U.S. Department of Justice  
950 Pennsylvania Avenue, NW  
Washington, DC 20530

Dear Attorney General Lynch:

On July 6, 2016, I wrote to you regarding Mr. Sidney Blumenthal, a self-described “advisor” to the Clinton Foundation and an individual that Secretary Clinton used as an “off the books” intelligence resource during her time at the State Department.<sup>1</sup> I noted that Mr. Blumenthal was delivering documents to Secretary Clinton on behalf of Mr. John Kornblum, a lawyer working for the opposition party in Georgia, the Georgian Dream.<sup>2</sup> My letter requested specific information that was not included in the Department of Justice’s (DOJ) May 22, 2015 response.<sup>3</sup> In particular, the May 22, 2015 response failed to indicate whether letters of inquiry had been sent to Mr. Blumenthal and Mr. Kornblum, and what additional steps have been taken to identify if further action is necessary. The failure to fully respond required a follow up letter on July 6, 2016 to which the DOJ responded on August 31, 2016. In that response, the DOJ again failed to answer the majority of the questions posed. In particular, in both the May 22 and August 31, 2016 responses the DOJ noted that neither Mr. Blumenthal nor Mr. Kornblum is, or ever has been, registered under the Foreign Agents Registration Act (FARA).<sup>4</sup>

Given the public reporting on Mr. Blumenthal’s and Mr. Kornblum’s activities in support of the Georgian Dream, it is imperative that the DOJ explain why it does not appear to be enforcing the legal requirement to register under FARA.

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<sup>1</sup> Letter from Senator Charles E. Grassley, Chairman, U.S. Senate Comm. On Judiciary, to Loretta E. Lynch, Attorney General, U.S. Dep’t. of Justice (July 6, 2016).

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

<sup>4</sup> Letter from Peter J. Kadzik, Assistant Attorney General, U.S. Dept. of Justice, to Charles E. Grassley, Chairman, U.S. Senate Comm. On the Judiciary (May 21, 2015); Letter from Peter J. Kadzik, Assistant Attorney General, U.S. Dept. of Justice, to Charles E. Grassley, Chairman, U.S. Senate Comm. On the Judiciary (August 31, 2016).

As I have noted in previous letters, according to news reports, Mr. Blumenthal and Mr. Kornblum attempted to influence Secretary Clinton, and potentially the President, on behalf of a foreign entity.<sup>5</sup> News reports indicate that Mr. Kornblum passed along a personal letter to Secretary Clinton via Mr. Blumenthal from Mr. Bidzina Ivanishvili, the leader of the opposition Georgian Dream.<sup>6</sup> In that letter, Mr. Ivanishvili requested Secretary Clinton's support for the Georgian Dream, which was opposing the sitting Georgian government in an upcoming election.<sup>7</sup> Mr. Blumenthal also transmitted a memo from Mr. Kornblum to Secretary Clinton that urged her to support the Georgian Dream.<sup>8</sup>

The FARA requires individuals to register with the DOJ if they act, even through an intermediary, "as an agent, representative, employee, or servant" or "in any other capacity" at the behest of a foreign principal, including a foreign political party such as the Georgian Dream, for purposes of engagement with a United States official.<sup>9</sup> The registration applies to anyone who attempts to influence a U.S. government official on behalf of a foreign principal in an effort to "formulat[e], adopt[, or chang[e] the domestic or foreign policies of the United States."<sup>10</sup> Likewise, an individual whose activities are subject to registration under FARA and who sends informational material "for or in the interest of [a] foreign principal" with the intent or belief that such material will be circulated among at least two persons must transmit the material to the Attorney General no later than 48 hours after actual transmission.<sup>11</sup> Notably, an ongoing failure to register with the DOJ is a continuing offense.<sup>12</sup>

A recent Inspector General (IG) audit of the DOJ's FARA enforcement procedure found that there is a lack of statutory understanding of FARA, as well as a lack of a coherent enforcement strategy.<sup>13</sup> Specifically, the Inspector General noted "there was not a coordinated strategy on FARA," and "there was no strategy addressing how FARA fits into the Department's overall national security efforts."<sup>14</sup> Even National Security Division officials "acknowledged the differing views on what constitutes a FARA charge" and as a result are in the process of "educat[ing] field investigators and prosecutors on the difference."<sup>15</sup> The IG's report found that the DOJ's refusal to properly enforce FARA extended into civil enforcement as well, noting that injunctive relief had not been sought as a remedy since 1991.<sup>16</sup> Such a lack of enforcement has created a lack of accountability. The IG report noted that, documents are routinely submitted late or in many cases registrants ceased submitting required documents entirely.<sup>17</sup>

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<sup>5</sup> Sam Biddle, *Did Clinton's Backdoor Advisor Illegally Lobby for Putin Ally?*, Gawker (March 30, 2015); see also, Jeff Gerth, *Private Emails Reveal Ex-Clinton Aide's Secret Spy Network*, ProPublica in Conjunction with Same Biddle of Gawker (March 27, 2015).

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> 22 U.S.C. §§ 611(b)-(c)

<sup>10</sup> 22 U.S.C. § 611(o)

<sup>11</sup> 22 U.S.C. § 614(a)

<sup>12</sup> 22 U.S.C. § 618(e)

<sup>13</sup> Office of the Inspector General of the U.S. Department of Justice, *Audit of the National Security Division's Enforcement and Administration of the Foreign Agents Registration Act*, p. 11 (September 2016).

<sup>14</sup> *Id.*

<sup>15</sup> *Id.* at 10.

<sup>16</sup> *Id.* at 12.

<sup>17</sup> *Id.* at 13.

Congress intended FARA to be enforced. And, FBI personnel interviewed by the IG voiced their frustration at a lack of FARA enforcement. The majority of FBI personnel interviewed complained that the DOJ was “generally slow and [] reluctant to approve FARA charges.”<sup>18</sup> The IG report concluded that the DOJ has failed to devote the time and attention required to enforce FARA, oftentimes taking the view that “[these] matters will take as long as they take,”<sup>19</sup> while failing to use the tools at its disposal to compel compliance with FARA. These findings are extremely disappointing and illustrate a complete breakdown of the FARA enforcement process.

The behavior of Mr. Blumenthal and Mr. Kornblum, to include multiple reported transmittals to the Secretary of State on behalf of foreign entities, consists of the type of activity Congress intended to reach. Yet, it appears that the DOJ has not required either individual to register under FARA. The DOJ’s May 22 response states that a letter of inquiry is sent to individuals when questions exist with respect to the requirement to register. The letter also states that specific to Mr. Blumenthal and Mr. Kornblum, “[t]he Department will take appropriate steps to evaluate whether further action is warranted.”<sup>20</sup> But, not only has the DOJ failed to explain why Mr. Blumenthal and Mr. Kornblum have not been required to register under FARA, the DOJ’s August 31 response also failed to specify what other steps were taken to ensure compliance with FARA in this particular case.

In light of all of the above, please provide an update to the following questions:

1. Given the available reporting of the facts and circumstances relating to Mr. Blumenthal and Mr. Kornblum, to include their efforts on behalf of foreign entities, please explain why the DOJ has not required them to register under FARA.
2. In DOJ’s May 21, 2015 letter, it noted that “[t]he Department will take appropriate steps to evaluate whether further action is warranted.”<sup>21</sup> What steps were taken to evaluate whether further action was necessary with respect to Mr. Blumenthal’s and Mr. Kornblum’s failure to register under FARA?
3. The DOJ noted in its May 21, 2015 response that letters of inquiry are sent to individuals when “questions regarding a possible obligation to register come to the attention of the FARA unit.”<sup>22</sup> Once a letter of inquiry is sent and the DOJ decides to close the inquiry, is the letter available via a Freedom of Information Act request? If not, why not?

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<sup>18</sup> *Id.* at 10.

<sup>19</sup> *Id.*

<sup>20</sup> Letter from Peter J. Kadzik, Assistant Attorney General, U.S. Dept. of Justice, to Charles E. Grassley, Chairman, U.S. Senate Comm. On the Judiciary (May 21, 2015).

<sup>21</sup> *Id.*

<sup>22</sup> Letter from Peter J. Kadzik, Assistant Attorney General, U.S. Dept. of Justice, to Charles E. Grassley, Chairman, U.S. Senate Comm. On the Judiciary (May 21, 2015); Letter from Peter J. Kadzik, Assistant Attorney General, U.S. Dept. of Justice, to Charles E. Grassley, Chairman, U.S. Senate Comm. On the Judiciary (August 31, 2016).

4. Under 28 C.F.R. § 5.2 any present or prospective agent of a foreign entity may request an advisory opinion from the DOJ regarding the need to register. Has Mr. Blumenthal or Mr. Kornblum, or their attorneys, ever requested an advisory opinion? If so, please provide a copy.

Please answer the questions according to their corresponding questions. I anticipate that your written response and the responsive documents will be unclassified. Please send all unclassified material directly to the Committee. In keeping with the requirements of Executive Order 13526, if any of the responsive documents do contain classified information, please segregate all unclassified material within the classified documents, provide all unclassified information directly to the Committee, and provide a classified addendum to the Office of Senate Security. The Committee complies with all laws and regulations governing the handling of classified information. The Committee is not bound, absent its prior agreement, by any handling restrictions or instructions on unclassified information unilaterally asserted by the Executive Branch.

Thank you in advance for your cooperation with this request. Please respond no later than October 4, 2016. If you have questions, contact Josh Flynn-Brown of my Committee staff at (202) 224-5225.

Sincerely,



Charles E. Grassley  
Chairman  
Committee on the Judiciary