



U.S. Department of Justice

Office of Legislative Affairs

Office of the Assistant Attorney General

Washington, D.C. 20530

August 31, 2016

The Honorable Charles E. Grassley
Chairman
Committee on the Judiciary
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

This responds to your letter to the Attorney General dated July 6, 2016, regarding the applicability of the Foreign Agents Registration Act of 1938, as amended, 22 U.S.C. § 611 *et seq.* ("FARA" or "the Act"), to Mr. Sidney Blumenthal and Mr. John Kornblum, in connection with Mr. Bidzina Ivanishvili and the Georgian Dream.

According to a search of the FARA records, neither Mr. Blumenthal nor Mr. Kornblum is, or ever has been, registered under FARA. As you know, FARA is a disclosure statute that requires an agent of a foreign principal, as defined in Section 611(c), to register when that person engages within the United States in certain activities at the request of, or under the direction or control of, a foreign principal. As a general matter, an agency relationship must be established in order for an individual or organization to incur an obligation to register under the Act. Absent this agency relationship, registration under FARA is not required. In addition, if an agency relationship does exist, registration may not be required if the person qualifies for any one of the exemptions in Section 613 of the Act.

As to your question regarding inspections of books and records of registered agents, FARA does provide legal authority to conduct such inspections pursuant to 22 U.S.C. § 615. Here, however, the Department of Justice (the Department) has not inspected any books or records of Mr. Blumenthal or Mr. Kornblum under Section 615 of the Act because, as noted above, neither individual is, or ever has been, a registered agent of a foreign principal.

With regard to your inquiries as to whether the Department has sent letters of inquiry to Mr. Blumenthal or Mr. Kornblum, as indicated in the Department's prior letter to the Committee dated May 21, 2015, letters of inquiry sent by the FARA Unit are considered investigative activity. Consistent with longstanding Department of Justice practice, we neither confirm, nor deny the existence of non-public investigations and therefore, cannot comment or provide documents on the existence, or nonexistence, of investigative activities.

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As a general matter, the FARA Unit's investigative activity includes sending letters of inquiry to parties with a potential obligation to register. FARA Unit personnel continue to monitor potential covered FARA activity on a daily basis, and if additional evidence or information indicating direction and control by a foreign principal is discovered, we can assure you the Department takes appropriate action to seek compliance with the Act.¹

We hope this information is helpful. Please do not hesitate to contact this office if we may provide additional assistance regarding this or any other matter.

Sincerely,

A handwritten signature in black ink, appearing to read "PK" followed by a stylized flourish.

Peter J. Kadzik
Assistant Attorney General

cc: The Honorable Patrick J. Leahy
Ranking Member

¹ As explained in the Department's May 2015 letter, however, the FARA Unit lacks statutory authority to compel potential registrants to provide information.