

# The Project on Foreign Money in American Politics

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## 1 Introduction

Governments around the world invest billions of dollars each year to influence American policy and media. To do so, they avail themselves of Washington's many lobbyists. The range of activities that Washington lobbyists undertake on behalf of foreign clients is astounding. They meet with American lawmakers, fund their election campaigns, draft legislative bills, court the executive branch, disseminate media kits to leading newspapers, and shape the agendas of policy think tanks. The American public had its attention captured by foreign lobbyists following the November 2016 election, but the world's governments have been lobbying Washington for a long time.

At USC, I co-direct the Project on Foreign Money in American Politics, a research team of 20 undergraduates. Together, we are building a dataset of foreign influence operations in the United States. Our work exploits the Foreign Agents Registration Act (FARA), which requires agents who represent foreign principals to file detailed activity reports every six months. These reports are made available by the U.S. Department of Justice (DOJ), and include a wealth of information: every penny that foreign governments pay to Washington lobbyists, every contact that lobbyists make on the foreign government's behalf, every media campaign that lobbyists initiate, every campaign to which lobbyists contribute while under contract, and more. Although several organizations have attempted to make these documents more accessible to the public, none has yet catalogued them in a way that enables analysis with the tools of modern social science. Accordingly, this project has drawn substantial attention from DOJ officials, who, during a series of meetings in Washington, have provided critical assistance with our data coding guidelines and feedback on tentative results.

With this book project, I seek answers to three sets of questions, all of national importance.

## 2 Questions

### 2.1 Causes of Foreign Lobbying

The first set of questions focuses on the causes of foreign lobbying. Which of the world's governments invest most heavily in Washington lobbyists? What are the economic and political calculations abroad that compel foreign governments to purchase access in Washington? My working hypothesis is that foreign governments invest in Washington lobbyists at politically sensitive moments: often in the months surrounding elections, when they anticipate having to repress protesters.

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I draw these hypotheses from Central Africa, where anecdotal evidence is abundant. In Gabon, for instance, President Ali Bongo signed a \$1.3m contract with Bryan Cave LLP, a Washington lobbying firm, just months before the August 2016 presidential election, which ended with him claiming victory amid credible allegations of massive fraud. To suppress protests, Bongo ordered a military assault on opposition headquarters, at which point the lobbying firm helped the Bongo government place an exculpatory op-ed in the *New York Times*. In 2009, President Teodoro Obiang Nguema of Equatorial Guinea hired Qorvis Communications/MSLGroup to conduct an extensive public relations campaign on his behalf. For a monthly retainer of \$60k, Qorvis routinely courts *The New York Times*, Associated Press, CNBC, and *Washington Post*; issues press releases trumpeting Obiang’s economic and human rights record; and stages interviews with the country’s senior political figures, which it then distributes as news programs. In Cameroon, as images of soldiers executing civilians went viral on social media, President Paul Biya’s government signed two lobbying contracts to inoculate itself from Washington’s criticisms ahead of the October 2018 presidential election.

“Are [Washington lobbyists] enabling a dictatorship to exist and to get away with atrocities?,” one Equatoguinean asylee in the United States asked rhetorically. “Without a doubt. That’s exactly why they’re hired.”

## 2.2 Consequences of Foreign Lobbying

The second set of questions focuses on the consequences of foreign lobbying. The world’s governments hire Washington lobbyists year after year, and so they must believe it advances their interests. Although there is virtually no research on the causes or consequences of foreign lobbying in American politics, there is ample evidence that corporate lobbying works. What do the world’s governments get for the billions of dollars they spend?

I consider a range of potential effects. When foreign lobbyists distribute media kits to journalists, does the likelihood of positive coverage in American newspapers increase? Does language from media kits ultimately appear in the news that American citizens consume? There is some evidence they do. Peter Courtney, an FBI analyst, showed that when the Mexican and Saudi governments invested in lobbying campaigns with some media component, the rate of positive coverage in several American newspapers increased. I expand his work to a global sample. Using techniques from computational social science, my co-author and I have obtained the entire archive of the *New York Times*, and are in the process of obtaining the archives of other major newspapers.

Does foreign lobbying induce Members of Congress to sponsor, or vote for, legislation? Does lobbying soften otherwise critical human rights reports? Does lobbying yield better aid packages from the Bretton Woods institutions, who are also routinely targeted by lobbying campaigns? To answer these questions, I obtained the text of all Congressional legislation, voting records, and bill sponsorship information since the 1970s. I supplement these data with more documents that may be influenced by Washington lobbyists: economic reports from the IMF and World Bank, press releases by Members of Congress, and others. These data will enable a series of statistical techniques to estimate the effect of foreign influence campaigns on US media coverage, think tank documents, government reports, and the statements and voting records of American politicians.

My initial research suggests that lobbying contracts that entail policy advocacy are more likely to feature campaign contributions to politicians than contracts that focus on public relations campaigns. This suggests “pay to play”: that Washington lobbyists contribute to American election

campaigns to secure their foreign clients' policy objectives. The dataset will reveal whether campaign contributions spike before Congressional votes or decisions to sponsor legislation, and whether the recipients of campaign contributions vote as foreign governments would have them.

### 2.3 The Politics of Disclosure Compliance

Finally, I consider the quality of the disclosure process itself. Are lobbyists who represent foreign threats to American security – or who represent the world's most corrupt, repressive governments – less likely to disclose their activities? Is the income these lobbyists receive consistent with what would be expected for the influence activities they report?

By measuring lobbying activities per dollar disclosed, I can ascertain whether some lobbyists are more compliant than others. Figure 1 presents the lobbying histories of two countries: Russia and Congo (Brazzaville). The trends from Congo are typical of other countries; the trends from Russia are not. For each month along the  $x$ -axis, the left  $y$ -axis records total number of lobbying activities disclosed, and the right  $y$ -axis records how much money lobbyists reported receiving. Monies received and lobbying activities undertaken tend to be tightly correlated, as they are for Congo's lobbyists. This is intuitive; lobbying is a business. Strikingly, however, during their period of most intense activity, lobbyists for the Russian government reported receiving *no* financial payments. This is highly unusual, and suggests criminal activity. I also find that, during former Ukrainian President Viktor Yanukovich's tenure, the Russian and Ukrainian governments employed the *same* Washington lobbyists. This too is unusual, and suggests a coordinated media strategy by America's geopolitical rivals to influence policy. My data will ultimately reveal just how unusual this is.

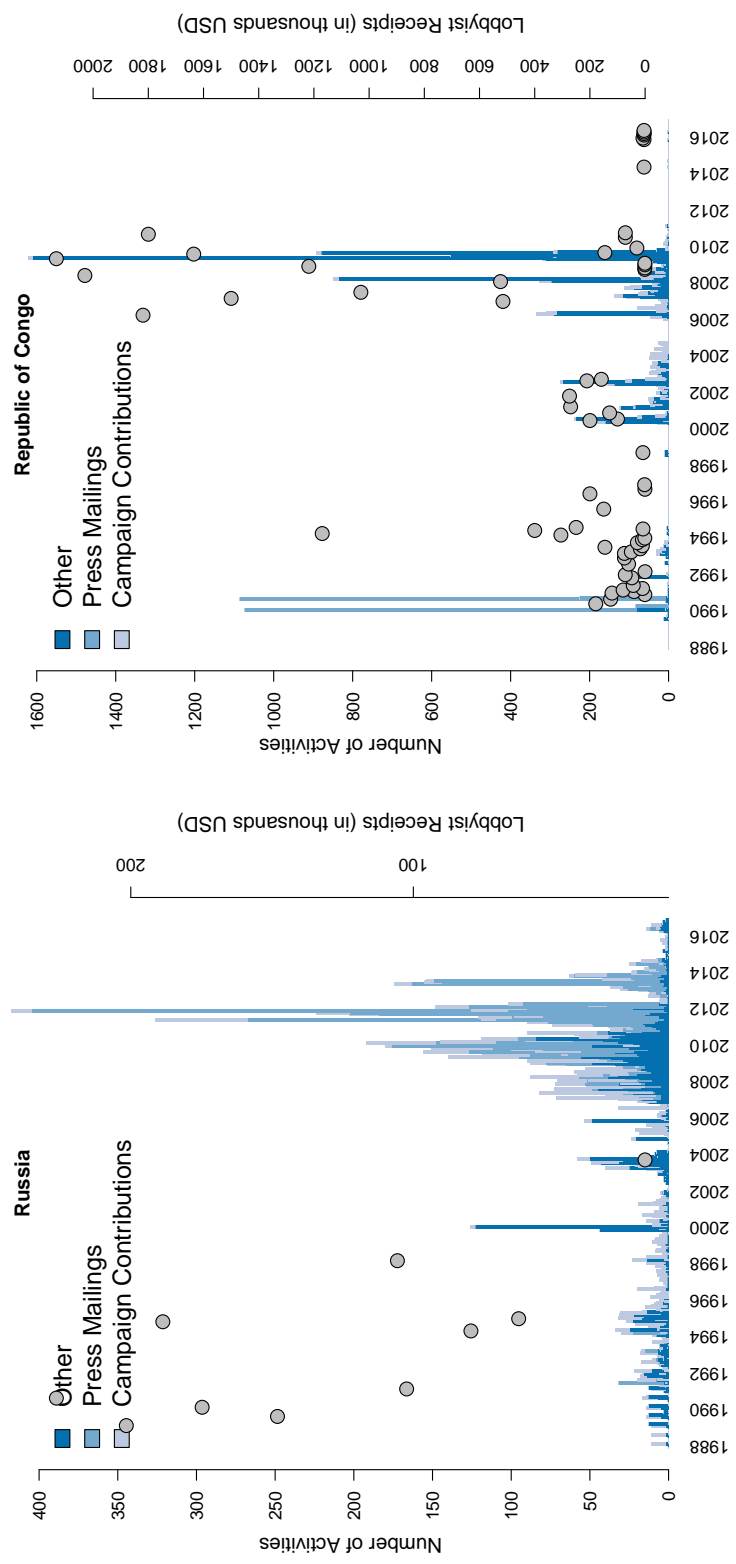


Figure 1: Foreign lobbying histories of the Russian and Congolese governments. Gray dots give payments reported from the foreign principal to the lobbyist.