



FACT

FOUNDATION FOR
ACCOUNTABILITY
AND CIVIC TRUST

April 3, 2015

The Honorable Eric H. Holder, Jr.
Attorney General of the United States
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530-0001

Re: Request for Investigation into Reported FARA Violation by Sidney Blumenthal

Dear Mr. Attorney General:

We write to request that the Attorney General's office initiate an investigation into Sidney Blumenthal's apparent failure to comply with the Foreign Agents Registration Act (FARA). According to recent media reports, Mr. Blumenthal lobbied then-Secretary of State Hillary Clinton on behalf of a foreign political group without registering as required by FARA. This type of behavior is directly contrary to the requirements and purpose of FARA. Moreover, the Attorney General's office is solely responsible for the enforcement of FARA, and should immediately investigate this reported violation.

According to news reports, Mr. Blumenthal frequently emailed Secretary Clinton about international events while she was serving as Secretary of State. Alex Griswold, *Clinton Advisor Accused of Illegally Lobbying for Putin Ally*, The Daily Caller, Mar. 30, 2015 (attached as Exhibit A) (citing Sam Biddle, *Did Clinton's Backdoor Adviser Illegally Lobby for Putin Ally?*, Gawker, Mar. 30, 2015 [hereinafter *Illegally Lobby*] (attached as Exhibit B)). One of those emails is particularly troubling, in which Mr. Blumenthal lobbied Secretary Clinton on behalf of a political party in the country of Georgia. Biddle, *Illegally Lobby*. In a communication dated September 3, 2012, Mr. Blumenthal relayed a message from John Kornblum, who was working with a political group in Georgia named Georgia Dream. *Id.* Not only did Blumenthal indicate a change in the administration's position would be helpful politically, but he included a memo from Mr. Kornblum and a letter to Secretary Clinton from the Georgian Dream leader.

The news reports above identified behavior that appears to be contrary to FARA. Under FARA, any person who acts as an agent of a foreign principal must register with the Attorney General. 22 U.S.C. § 611. In determining who is required to register under the act, the terms are broadly defined to require registration. For instance, the term "agent of a foreign principal" includes any person who acts in any capacity at the request of a person indirectly directed by a foreign principal.

Id. The term “foreign principal” includes “a person outside of the United States,” as well as a foreign political party. *Id.*

Unfortunately, based upon the correspondence identified above it appears Mr. Blumenthal should have registered with the Attorney General. The importance of this violation is shown in the purpose of the Act. As the Justice Department explains, “FARA is a disclosure statute . . . Disclosure of the required information facilitates evaluation by the government and the American people of the statements and activities of such persons in light of their function as foreign agents.” Department of Justice, FARA, <http://www.fara.gov/>.

Mr. Blumenthal’s email lobbied to change the administration’s foreign policy. FARA is designed to provide the American citizens with information, without which the public is prevented from making informed decisions about government action and holding public official accountable. Additionally, the Attorney General’s office is solely responsible for the administration and enforcement of FARA. 22 U.S.C. Subchapter II; 28 C.F.R. § 5.1. We therefore respectfully request the Attorney General’s office immediately investigate and take appropriate action.

Respectfully submitted,



Matthew G. Whitaker
Executive Director
Foundation for Accountability & Civic Trust

Enclosure



- The Daily Caller - <http://dailycaller.com> -

Clinton Advisor Accused Of Illegally Lobbying For Putin Ally

Posted By [Alex Griswold](#) On 2:05 PM 03/30/2015 In | [No Comments](#)

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Former aide to President Bill Clinton Sidney Blumenthal may have lobbied then-Secretary of State Hillary Clinton on behalf of a Georgian billionaire with close ties to Russian autocrat Vladimir Putin throughout her tenure.

Gawker's Sam Biddle found the damaging evidence while reviewing the Blumenthal emails exposed by the Romanian hacker Guccifer. In one email, Blumenthal, who also served as an unofficial confidant to Hillary Clinton, passed along a memo to Hillary from an advisor to Georgian billionaire Bidzina Ivanishvili asking for Clinton's support in the Georgian election. **(VIDEO: Gawker To Sue State Department Over 'Nixonian' Clinton Emails)**

Ivanishvili was a candidate from the Georgian Dream party, challenging the sitting Georgian President Mikheil Saakashvili on a platform of creating closer ties with neighboring Russia. But in the email, Blumenthal was open about the fact that Clinton should support Georgian Dream, because to do otherwise would give Republicans an advantage in the 2012 election.

"I just had a conversation with [former Clinton diplomat] John Kornblum, who raises an issue that could be a potential hot spot a month before the U.S. election," Blumenthal wrote to Hillary. "...Kornblum suggests that a politically beleaguered Saakashvil might ratchet up tensions with Russia before the election, drawing Republican attention and creating a cudgel to beat the Obama administration as soft on Russia."

The legal experts Gawker spoke to said that Blumenthal likely broke the law. The Foreign Agents Registration Act requires that those who lobby the government on the behalf of foreign actors to register with the Justice Department. Violations of the act are punishable by up to 10 years in prison and a \$10,000 fine. **(VIDEO: Hillary Clinton Dodges Question From Reporter On Potential Perjury)**

"Gawker attempted to reach Justice Department spokesman Brian Fallon to ask whether the department intended to launch an investigation..." Biddle writes. "Fallon did not return repeated phone calls or emails. On April 1, he will leave the Justice Department to join Clinton's presidential campaign as press secretary."

[h/t [Gawker](#)]

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Did Clinton's Backdoor Adviser Illegally Lobby for Putin Ally?



Sam Biddle

Filed to: HILLARY CLINTON 3/30/15 11:25am

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MY BLOG



Hillary Clinton says there is nothing to hide in her scandalous personal email account, now apparently half-deleted. But leaked emails from her longtime confidant Sidney Blumenthal show that he and another former official from Bill Clinton's administration were secretly lobbying the secretary of state on behalf of a billionaire in the former Soviet state of Georgia who was seeking closer ties with Putin's Russia—seemingly in violation of a federal law designed to prevent foreign powers from covertly wielding influence within the United States.

As Gawker reported last week in collaboration with ProPublica, emails from Blumenthal's hacked account revealed that he was running what amounts to a private, off-the-books intelligence operation for Clinton, sending her detailed reports on goings-on in Libya, Europe, and elsewhere. Among these memos is one urging Clinton to consider re-examining the State Department's posture toward the opposition in Georgia.



Leaked Private Emails Reveal Ex-Clinton Aide's Secret Spy Network
 Starting weeks before Islamic militants attacked the U.S. diplomatic outpost in Benghazi, Libya,...



In 2012, Georgia was gearing up to elect a new prime minister. Oligarch Bidzina Ivanishvili led the opposition Georgian Dream party, which called for closer relations with Russia—a state that had invaded Georgia only four years earlier. He was opposing the incumbent President Mikheil Saakashvili, who had enjoyed U.S. support.

Ivanishvili was eager to meet with then-Secretary of State Clinton, but found himself snubbed during a state visit in June 2012. In September 2012, Blumenthal prepared a long, official-looking memo for Clinton on the subject of the Georgian election. It passed along a note from John Kornblum, an international lawyer who had served as ambassador to Germany under Bill Clinton. According to Blumenthal's memo, Kornblum was "working with the political party in Georgia opposing Saakashvili"; contemporaneous press accounts corroborate the fact that Kornblum was formally acting as an adviser to Georgian Dream.

Blumenthal's preamble to the memo warned that Georgia "could be a potential hot spot a month before the U.S. election" if Saakashvili decided to "ratchet up tensions with Russia" as a political maneuver. Though he wrote that he was passing on Kornblum's memo "without comment," it is clear that Blumenthal thought the ideas should be taken seriously.

For: Hillary
From: Sid
Re: Georgia election/US election flashpoint

I just had a conversation with John Kornblum, who raises an issue that could be a potential hot spot a month before the US election. Kornblum is working with the political party in Georgia opposing Saakashvili, called Georgian Dream. The Georgia election is October 1. Kornblum suggests that a politically beleaguered Saakashvili might ratchet up tensions with Russia before the election, drawing Republican attention and creating a cudgel to beat the Obama administration as soft on Russia.

Kornblum's memo was a full-throated plea for Clinton to warn Saakashvili not to crack down on Georgian Dream before the elections. Continued support for Saakashvili, he wrote, "would turn Georgia into a Caucasian Cuba and make sure we never had a reasonable security relationship with Russia." Kornblum also passed along a personal letter to Clinton from Ivanishvili himself, in which Ivanishvili accused Saakashvili of undemocratically attacking his party and asking for Clinton's support: "The Georgian people are waiting for a clear signal that America understands and supports their dreams for democracy."

Kornblum wasn't just a geopolitical hobbyist. He was a lobbyist for a pro-Putin politician who was exploiting a connection to the secretary of state. Blumenthal, perhaps eager to get a chance to play diplomat after being rejected for an official State gig, happily played middle-man. The memo clearly constitutes evidence that Kornblum sought to influence U.S. policy on behalf of a foreign political leader, and that he enlisted Blumenthal for help in that project.

Generally speaking, it's fine to lobby U.S. officials on behalf of a foreign power, as long as you register with the U.S. Department of Justice. If you don't register, it's a crime.

The Foreign Agents Registration Act of 1938, known as FARA, is designed to prevent undisclosed meddling in American politics by foreign interests. At its heart, FARA is a transparency law—if you're working for a Chinese bank or a Turkish minister while inside the U.S., you're required to disclose your affiliation along with some financial details about the relationship. According to the statute, anyone who attempts to "influence any agency or official of the Government of the United States...with reference to formulating,

adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party" must register with the Justice Department within 10 days of doing so.

Neither Kornblum nor Blumenthal filed reports with the Justice Department disclosing their efforts to lobby Clinton on behalf of Georgian Dream, according to a search of the FARA online database. Other U.S. citizens who did register as operatives of Georgian Dream include Al Gordon, CEO of D.C.-based lobbying firm National Strategies, LLC, and Romano Romani, CEO of the public relations firm Parry and Romani Associates Inc.

Gawker spoke to four attorneys who specialize in FARA to ask whether Kornblum and Blumenthal were required by the law to report their activities on behalf of Ivanishvili. One, who spoke on the record, said it sounded like an apparent attempt to short-circuit the normal legal process by routing the contact through Blumenthal, who was not a government official, rather than Kornblum directly reaching out to the State Department. The three others, all of whom insisted on anonymity because of the sensitivity of the subject matter, said in no uncertain terms that Blumenthal and Kornblum both should have registered before lobbying Clinton.

Amos Jones, a Washington, D.C., attorney and FARA expert and Assistant Professor at Campbell Law School, said the contact was a "legal-loophole-laundering dynamic"—a way to dodge FARA. "If they were clients of my firm, I would be looking very closely," he said. "[Their behavior] raises questions of compliance with the statute."

Another FARA attorney who spoke only on background said that both men should have registered for their attempts to influence Clinton. Even Blumenthal's single email to Clinton relaying Kornblum's concerns, the attorney said, obligated him to register under the law. "Technically, there's no minimum," he said. All that matters is "if you are acting at the request of a foreign government in an attempt to influence American political interests." A second FARA attorney who also spoke on background agreed with this assessment.

A third attorney deeply versed in the FARA statute said Kornblum and Blumenthal's efforts were precisely "the type of activity that is meant to be captured" by the law, even if the lobbying is done on an informal basis: FARA covers "anybody who's [lobbying] directly or indirectly," he added. "If you could just hire a middle man to get out of registration, it would be a giant loophole in the law," he said. If a foreign entity tried to launder influence through unregistered individuals, he said, "the Department of Justice would have a problem with that."

The purpose of FARA is narrow and clear. The Department of Justice website points out specifically that "in 1966, FARA was significantly amended to focus on the integrity of the United States Government decision-making process, and to emphasize agents seeking economic or political advantage for their clients." Ivanishvili's consultants in America with duties as lightweight as mailing out DVDs and tweeting links were compelled to register and document their activities to the Justice Department, as D.C.-based firm National Strategies, LLC, did:

- **How to Get Involved:** Sign-up to stay informed, follow on social media outlets such as (Twitter, contact your legislator, suggested letters to the editors, etc.

- **About the Coalition** □ Consultant will maximize the website's online visibility through coordination with the other (Georgian Dream online assets as well as optimize search engine using select keywords and phrases and search engine marketing tactics.

It's hard to imagine how someone with a direct line to the State Department would feel exempt from the law when SEO jockeys were not.

Kornblum did not respond to repeated requests for comment. Reached by Gawker on his cell phone, Blumenthal hung up when asked about the memo.

Gawker attempted to reach Justice Department spokesman Brian Fallon to ask whether the department intended to launch an investigation into Blumenthal and Kornblum's failure to register. The maximum penalty for willfully violating FARA is up to 10 years in prison and a \$10,000 fine. Fallon did not return repeated phone calls or emails. On April 1, he will leave the Justice Department to join Clinton's presidential campaign as press secretary.

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CONFIDENTIAL

September 3, 2012

For: Hillary
From: Sid
Re: Georgia election/US election flashpoint

I just had a conversation with John Kornblum, who raises an issue that could be a potential hot spot a month before the US election. Kornblum is working with the political party in Georgia opposing Saakashvili, called Georgian Dream. The Georgia election is October 1. Kornblum suggests that a politically beleaguered Saakashvili might ratchet up tensions with Russia before the election, drawing Republican attention and creating a cudgel to beat the Obama administration as soft on Russia.

Without comment, I have enclosed below Kornblum's memo, the letter sent to you from the Georgian Dream leader (which Kornblum sent me), and an article from The Economist.

- John Kornblum memo

-- By running in the parliamentary elections as a unified democratic coalition, Georgian Dream has energized the opposition in a way which has never happened before in Georgia. The population is extremely angry at Saakashvili, but in the past he could always out maneuver the divided opposition. Now he can't.

-- This time it will be different. There is a real chance Saakashvili could lose. He is doing everything possible to avoid that indignity, including harassing Georgian Dream in ways described in the letters. (Note 150,000 Euros fine.)

-- At the same time, there are continued tensions with Russia and considerable instability in the region. If Saakashvili clearly steals the election, there could be public discontent, violence and maybe a "wag the dog" scenario with Russia.

-- Our point to the US is not that we are the best (even though we are) but that Georgian Dream has begun a new dynamic which has put Saakashvili under pressure and is causing him to react in authoritarian ways, which in themselves are heating up the climate.

-- All this could burst out in the final four weeks of the American election. This is the last thing the President needs. The best and only way to stop it is for the US to tell Saakashvili publicly (he ignores private warnings) to cut it out. Nobody else counts Only the US.

(Privately Saakshvili is expressing great dissatisfaction with the lack of open support from the administration. My private feeling is that he is being stirred up by the US military, who see him as their client in a very difficult region. But to support Saakshvili the way they want would turn Georgia into a Caucasian Cuba and make sure we never had a reasonable security relationship with Russia. This means consequences for policy toward Iran, Afghanistan, Korea etc.)

- Letter to you from Georgian Dream leader

The Honourable Hillary Rodham Clinton
Secretary of State
U.S. Department of State
Washington, D.C.

Dear Secretary Clinton:

I am grateful that you have recently visited our country to learn personally about the historic political transformation that is now underway. I quote often your statement that Georgia's future depends primarily on the quality of its democracy.

It is out of fear for the future of this democracy that I am writing you today. For the first time in Georgian history, a broad citizen's movement has formed around the Georgian Dream political coalition to build a consensus among democratic forces in Georgia. We are fighting together to achieve the first peaceful transfer of power in Georgian history. Our goal is to lay the foundations for an institutionalized democracy in which the government acts according to the rule of law.

I also want to reassure you that Georgian Dream is fully committed to deepening Georgia's integration with the West and eventually joining NATO and the European Union. The coalition and I strongly support Georgia's troop deployment in Afghanistan and elsewhere, as well as Georgia's role in supporting logistical operations in Afghanistan. However, we must admit that Georgia's NATO and EU aspiration cannot be realized until Georgia becomes a true democracy and rids itself of authoritarianism.

A modern civil society has been a cherished goal of the Georgian people since we regained our independence twenty years ago. Unfortunately, old habits are hard to overcome. Our nation is still controlled by single-party institutions in the hands of a leader who rejects the most basic principle of democracy – that he must someday leave office. He has declared himself personally to be indispensable for the further development of the nation. This belief is unfortunate.

In limited cases, the Georgian government has reversed its assault on the opposition and democracy when publicly and specifically criticized by the U.S. government or other international actors. However, in general, despite the many demands by yourself and other Western leaders for free elections, President Saakashvili is ignoring you and the established standards for elections; weakening the chances that our election on October 1 will be free, fair, and truly competitive.

The election law is being misinterpreted in a manner that makes it almost impossible for opposition parties to campaign. The OSCE Parliamentary Assembly pre-election observation mission recognized this during their recent visit to Georgia and expressed serious concerns about the government's actions undermining a free, fair, and competitive election, as well as ongoing erosion of Georgia's rule of law.

We launched our campaign optimistically, crisscrossing the country and spreading our vision to reverse Georgia's massive unemployment rate through economic growth, provide healthcare and education to all Georgians, and reduce tensions with Russia while further deepening Georgia's relationship with America and Europe.

Unfortunately, the government of Mikheil Saakashvili is using every method available to it to undermine the election process. The government has launched an aggressive campaign to suppress the democratic opposition, including imposing over \$125 million in illegal fines against Georgian Dream and its supporters; imprisoning, interrogating, and firing from government jobs opposition leaders and supporters; and suppressing the independent media and the opposition's access to voters. And, of course, my own rights as a native-born Georgian citizen were taken from me only days after I agreed to lead the Georgian Dream coalition.

Most recently, the government seized all of the funds in the campaign's bank accounts and has blocked us from receiving new donations, effectively stopping our ability to campaign in the last month of the election. While there are indications the government may suspend seizing new donations, campaign donors are continuously harassed and fined, and their homes have been seized and auctioned.

Madam Secretary, I am sure you are aware that more is at stake in our parliamentary election than the future of Georgia. The Caucasus region is riddled with conflicts and pressures for change are growing. The current government's projection of Georgia as a military bulwark against Russia in the Caucasus region is making the situation worse. President Saakashvili's use of Cold War rhetoric is neither in Georgia's interest nor in that of the West. It makes a healthy Western security relationship with Georgia and thus with the Caucasus almost impossible.

You have much wider interests in our region that require cooperation with Russia, no matter how difficult that may appear to be at the moment. A freeze in relations between Russia and Georgia cannot serve your longer-term goals. Our goal is to help rebuild links with Russia by pursuing a new sort of diplomacy in our region, based on the vision you stated so eloquently during your visit to Georgia.

I set forth my personal convictions in an article that appeared recently in the *Wall Street Journal Europe*. Introduction of a diplomacy that combines strong defence with a program of dialogue and reconciliation would be Georgia's most important contribution to cooperation in our dangerous region. Georgian Dream's program for peace in the Caucasus will build on the experience of the peaceful revolutions that restored democracy in Central Europe and ultimately led to the fall of the Soviet Union itself. Our vision will be the antidote for traditional rivalries which flourish in the authoritarian societies of our region. The tens of thousands of persons who attend our peaceful rallies are the heirs of the democratic movements begun by the Solidarity movement in Poland thirty years ago.

The Georgian people are waiting for a clear signal that America understands and supports their dreams for democracy.

Domestically, the first step back to the path of democracy must be an open and fair election that offers the hope of a peaceful transfer of power. Recent polls suggest that Georgian Dream can make this happen, if the authorities give democracy a chance. You can help by making clear publicly to the current government that you will not tolerate its obvious efforts to undermine the October 1 election.

I hope with this letter that I have been able to open a dialogue with you that will enable us further to explore our mutual goals of building democracy and peace in our strife torn region. Georgian Dream's commitment to a democratic future for Georgia is a permanent one. We are ready to do whatever you believe is useful to make our dream a reality.

Respectfully,

Bidzina Ivanishvili
Founder, Georgian Dream Political Coalition

- Article from The Economist

Georgian politics

Blood feud

Jul 13th 2012, 18:39 by G.E. Tbilisi

<http://www.economist.com/blogs/easternapproaches/2012/07/georgian-politics?zid=307&ah=5e80419d1bc9821ebe173f4f0f060a07>

IS Georgian democracy in trouble? The government claims that the “Russian-influenced opposition” could subvert Georgia’s parliamentary elections in October this year. In contrast, Bidzina Ivanishvili, the founder of Georgian Dream, an opposition party, complains of systematic discrimination at the hands of an increasingly authoritarian regime. New polling results show that only 38% of Georgians think that Georgia is now a democracy, compared with 49% in February.

Georgians may have too pessimistic a view of their own country. As a recent pre-electoral assessment from the National Democratic Institute (NDI) points out, Georgia has implemented several key democratic reforms in recent years. New institutions ensure the accuracy of the voters’ list or regulate party financing. Amendments to the electoral code in late 2011 and early 2012 introduced a raft of positive changes although the failure to redraw electoral districts (which range from 6,000 to 158,000 voters) means some votes are worth less than others. Recent “must carry” provisions will improve opposition parties’ access to the media by obliging cable providers to transmit all television channels with news programmes during the sixty-day campaign period. In all, the “2012 electoral process is more formalised and regulated compared

to past elections”, the NDI concludes.

Even so, the dark side of Georgian politics, which Thomas de Waal has likened to “a blood feud”, has been all too evident since Mr Ivanishvili entered politics in October last year. Georgia’s richest man remains without Georgian citizenship, an absurd situation of which most of his compatriots disapprove; the sooner that is resolved, the better. The Chamber of Control stands accused of levying disproportionate fines on the Georgian Dream movement, which Mr Ivanishvili has refused to pay. (It has responded by seizing some of his assets). And before Parliament adopted the must carry provisions, Channel 9, a new television station co-owned by Mr Ivanishvili’s wife, and Global TV, the only broadcaster that carried it, suffered from almost continuous harassment.

Both sides continue to vilify each other, complaining of harassment, improper campaign spending, attempted bribery of state officials and abuse of administrative resources. A debate in the European Parliament on 4th July about Georgian politics reached similar extremes. As punch-ups during Georgian Dream campaign meetings in the central Georgian villages of Mereti on 26th June and Kareleti on 12th July suggest, it could get nastier still.

Yet Mr Ivanishvili’s political awakening has also awoken Georgian voters. Huge, peaceful rallies have taken place across the country, far beyond anything seen in recent years. Many more Georgians (75%) now plan to vote in October’s elections than intended to so in September last year (51%), polls show. And the political debate is increasingly focused on issues that matter to ordinary Georgians, not just personalities.

Georgian Dream unveiled some of their plans in May: cutting utility costs, investing in agriculture, free universal health-insurance and increased pensions. Vano Merabishvili, the former interior minister who became prime minister in late June, announced the government’s four-year post-election programme shortly after taking office. He too wants to boost pensions, provide universal health-insurance, and invest in agriculture. Mr Merabishvili has also set up a new ministry to tackle unemployment (roughly 34% of Georgians say they are unemployed, compared with an official rate unemployment rate of 16%), and promises to provide each family with vouchers worth \$600.

Does Mr Merabishvili’s appointment indicate that Mikheil Saakashvili, the president, is unlikely to become prime minister once his term in office expires in early 2013? As one of the few big beasts of Georgian politics, Mr Merabishvili would certainly be hard to shove aside. At any rate, slightly more Georgians would oppose such a job-swap à la Putin than would approve of it.

Reassuringly, 55% of Georgians surveyed think the elections will be well conducted, and only 21% fear falsification. But there is little room for complacency. Mr Ivanishvili has said that if he has any evidence of vote-rigging by the authorities, he will call for street protests. For most foreign observers, and many Georgians, that would be a step backwards. Yet 27% of those polled say he would be justified in doing so. Come October, that sentiment could matter.

While most Georgians are focused on who will win, Georgia’s allies say the credibility of the electoral process is key. As the NDI states, “further development of democratic institutions and

practices offer the best chance for western integration and for long-term prosperity and stability.”
With the political temperature likely to rise further in coming months, Georgia’s politicians
would do well to bear that in mind. Will they?