

ALERT

DOJ Charges Two Political Consultants With Violating FARA

January 9, 2024

The U.S. Department of Justice (DOJ) started 2024 off with a major Foreign Agents Registration Act (FARA) enforcement announcement. Just last week, Barry Bennett and Douglas Watts, two longtime political consultants with deep Washington ties, each entered into a Deferred Prosecution Agreement (DPA) with DOJ in response to allegations that they failed to comply with FARA for lobbying performed on behalf of a foreign government.

DOJ accused Bennett of a “scheme to falsify, conceal, and cover up material facts from the Department of Justice’s FARA Unit and false statements and material omissions in FARA filings.” According to DOJ, Bennett’s consulting company entered into an agreement to lobby on behalf of an unnamed country (Country A); Bennett also operated a company founded by Watts (Company A), which served as a public relations firm for the interests of Country A. While DOJ left the country unnamed in the DPA, a 2021 *Wall Street Journal* investigation reported that Bennett received funding and direction from the Qatari government for work operating the PR firm Yemen Crisis Watch.

According to DOJ, Bennett’s firm received approximately \$773,000 from Country A in 2017 for lobbying efforts conducted on behalf of Company A. Actions taken by Company A, as directed and carried out by Bennett and Watts, included over 3,000 phone calls to Members of the House “encouraging them to discontinue U.S. involvement in a coalition of Country A’s rivals,” publishing opinion articles, mailing American citizens, and lobbying both Congress and former President Donald Trump.

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Bennett's firm failed to disclose the creation and operation of Company A in its existing FARA filings, and neither Watts nor Company A were registered under the Act. Under the terms of their DPAs, Bennett has agreed to amend his FARA filings and pay a \$100,000 fine; Watts must pay a \$25,000 fine. If both men comply with the DPA's terms, DOJ will dismiss the charges with prejudice.

This case highlights DOJ's continued focus on FARA enforcement and underscores the significant penalties – both civil and criminal – that can result from noncompliance. Particularly given DOJ's heightened focus on FARA enforcement, it is important that individuals and companies that are engaged in political and quasi-political activities in the United States on behalf of foreign interests understand the broad scope of FARA as well as the extensive registration requirements for "agents of a foreign principal."

Maddie Van Aken, a Legislative and Reporting Coordinator at Wiley Rein LLP, contributed to this alert.