

ALERT

# PAID OFF Act Introduced in 118th Congress

February 24, 2023

On February 15, 2023, Sen. John Cornyn (R-TX) introduced the Preventing Adversary Influence, Disinformation and Obscured Foreign Financing (PAID OFF) Act of 2023 in an effort to close registration loopholes in the Foreign Agents Registration Act (FARA). Sen. Cornyn (R-TX) is joined in support by Sen. Jim Risch (R-ID), ranking member of the Senate Foreign Relations Committee, as well as a group of bipartisan Senators.

This bill would amend FARA to remove both the trade/commerce and the Lobbying Disclosure Act (LDA) exemptions to FARA registration in cases where a foreign principal is deemed to be a foreign adversary, which have been defined by statute as China, Cuba, Iran, North Korea, Russia, and Syria. As the law currently stands, foreign agents solely representing the *bona fide* trade or commercial interests of a foreign principal may rely on the trade/commerce exemption to register under FARA.

Additionally, foreign agents who are duly registered under the LDA and are engaged in political activity (in a manner in which foreign governments or foreign political parties are *not* the principal beneficiary of such activity) are subject to the LDA exemption under FARA. This legislation would address these two prominent loopholes in FARA registration that are criticized for being subject to exploitation by foreign agents. Originally introduced in October of 2022 by Sens. Cornyn (R-TX), Whitehouse (D-RI), Hagerty (R-TN), Fischer (R-NE), and Rubio (R-FL), the bill's bipartisan support and reintroduction in the 118th Congress is a testament to the growing movement of FARA reform and a push for transparency in foreign lobbying efforts.

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## Practice Areas

Election Law & Government Ethics  
Foreign Agents Registration Act (FARA)  
National Security

Wiley's FARA Handbook provides further information on FARA as well as the relationship between FARA and the LDA. Additional information on pending LDA and FARA reforms can also be found in our coverage of proposals in the 117th Congress and 2022 Review of FARA developments. Please contact the FARA attorney listed on this alert for any questions.

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