

105TH CONGRESS
1ST SESSION

H. R. 610

To amend the Federal Election Campaign Act of 1971 to prohibit contributions and expenditures by multicandidate political committees controlled by foreign-owned corporations, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 5, 1997

Ms. KAPTUR (for herself, Mr. BARRETT of Wisconsin, and Ms. SLAUGHTER) introduced the following bill; which was referred to the Committee on House Oversight, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Federal Election Campaign Act of 1971 to prohibit contributions and expenditures by multicandidate political committees controlled by foreign-owned corporations, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Ethics in Foreign Lob-
5 bying Act of 1997”.

1 **SEC. 2. PROHIBITION OF CONTRIBUTIONS AND EXPENDI-**
2 **TURES BY MULTICANDIDATE POLITICAL**
3 **COMMITTEES OR SEPARATE SEGREGATED**
4 **FUNDS SPONSORED BY FOREIGN-CON-**
5 **TROLLED CORPORATIONS AND ASSOCIA-**
6 **TIONS.**

7 Title III of the Federal Election Campaign Act of
8 1971 (2 U.S.C. 441 et seq.) is amended by adding at the
9 end the following new section:

10 “PROHIBITION OF CONTRIBUTIONS AND EXPENDITURES
11 BY MULTICANDIDATE POLITICAL COMMITTEES SPON-
12 SORED BY FOREIGN-CONTROLLED CORPORATIONS
13 AND ASSOCIATIONS

14 “SEC. 324. (a) Notwithstanding any other provision
15 of law—

16 “(1) no multicandidate political committee or
17 separate segregated fund of a foreign-controlled cor-
18 poration may make any contribution or expenditure
19 with respect to an election for Federal office; and

20 “(2) no multicandidate political committee or
21 separate segregated fund of a trade organization,
22 membership organization, cooperative, or corporation
23 without capital stock may make any contribution or
24 expenditure with respect to an election for Federal
25 office if 50 percent or more of the operating fund of

1 the trade organization, membership organization, co-
2 operative, or corporation without capital stock is
3 supplied by foreign-controlled corporations or foreign
4 nationals.

5 “(b) The Commission shall—

6 “(1) require each multicandidate political com-
7 mittee or separate segregated fund of a corporation
8 to include in the statement of organization of the
9 multicandidate political committee or separate seg-
10 regated fund a statement (to be updated annually
11 and at any time when the percentage goes above or
12 below 50 percent) of the percentage of ownership in-
13 terest in the corporation that is controlled by per-
14 sons other than citizens or nationals of the United
15 States;

16 “(2) require each trade association, membership
17 organization, cooperative, or corporation without
18 capital stock to include in its statement of organiza-
19 tion of the multicandidate political committee or sep-
20 arate segregated fund (and update annually) the
21 percentage of its operating fund that is derived from
22 foreign-owned corporations and foreign nationals;
23 and

24 “(3) take such action as may be necessary to
25 enforce subsection (a).

1 “(c) The Commission shall maintain a list of the
2 identity of the multicandidate political committees or sepa-
3 rate segregated funds that file reports under subsection
4 (b), including a statement of the amounts and percentage
5 reported by such multicandidate political committees or
6 separate segregated funds.

7 “(d) As used in this section—

8 “(1) the term ‘foreign-owned corporation’
9 means a corporation at least 50 percent of the own-
10 ership interest of which is controlled by persons
11 other than citizens or nationals of the United States;

12 “(2) the term ‘multicandidate political commit-
13 tee’ has the meaning given that term in section
14 315(a)(4);

15 “(3) the term ‘separate segregated fund’ means
16 a separate segregated fund referred to in section
17 316(b)(2)(C); and

18 “(4) the term ‘foreign national’ has the mean-
19 ing given that term in section 319.”.

20 **SEC. 3. PROHIBITION OF CERTAIN ELECTION-RELATED**
21 **ACTIVITIES OF FOREIGN NATIONALS.**

22 Section 319 of the Federal Election Campaign Act
23 of 1971 (2 U.S.C. 441e) is amended by adding at the end
24 the following new subsection:

1 “(c) A foreign national shall not direct, dictate, con-
2 trol, or directly or indirectly participate in the decision-
3 making process of any person, such as a corporation, labor
4 organization, or political committee, with regard to such
5 person’s Federal or non-Federal election-related activities,
6 such as decisions concerning the making of contributions
7 or expenditures in connection with elections for any local,
8 State, or Federal office or decisions concerning the admin-
9 istration of a political committee.”.

10 **SEC. 4. ESTABLISHMENT OF A CLEARINGHOUSE OF POLITI-**
11 **CAL ACTIVITIES INFORMATION WITHIN THE**
12 **FEDERAL ELECTION COMMISSION.**

13 (a) ESTABLISHMENT.—There shall be established
14 within the Federal Election Commission a clearinghouse
15 of public information regarding the political activities of
16 foreign principals and agents of foreign principals. The in-
17 formation comprising this clearinghouse shall include only
18 the following:

19 (1) All registrations and reports filed pursuant
20 to the Lobbying Disclosure Act of 1995 (2 U.S.C.
21 1601 and following) during the preceding 5-year pe-
22 riod.

23 (2) All registrations and reports filed pursuant
24 to the Foreign Agents Registration Act, as amended

1 (22 U.S.C. 611 and following), during the preceding
2 5-year period.

3 (3) The listings of public hearings, hearing wit-
4 nesses, and witness affiliations printed in the Con-
5 gressional Record during the preceding 5-year pe-
6 riod.

7 (4) Public information disclosed pursuant to the
8 rules of the Senate or the House of Representatives
9 regarding honoraria, the receipt of gifts, travel, and
10 earned and unearned income.

11 (5) All reports filed pursuant to title I of the
12 Ethics in Government Act of 1978 (5 U.S.C. App.)
13 during the preceding 5-year period.

14 (6) All public information filed with the Federal
15 Election Commission pursuant to the Federal Elec-
16 tion Campaign Act of 1971 (2 U.S.C. 431 and fol-
17 lowing) during the preceding 5-year period.

18 (b) DISCLOSURE OF OTHER INFORMATION PROHIB-
19 ITED.—The disclosure by the clearinghouse, or any officer
20 or employee thereof, of any information other than that
21 set forth in subsection (a) is prohibited, except as other-
22 wise provided by law.

23 (c) DIRECTOR OF CLEARINGHOUSE.—(1) The clear-
24 inghouse shall have a Director, who shall administer and

1 manage the responsibilities and all activities of the clear-
2 inghouse.

3 (2) The Director shall be appointed by the Federal
4 Election Commission.

5 (3) The Director shall serve a single term of a period
6 of time determined by the Commission, but not to exceed
7 5 years.

8 (d) AUTHORIZATION OF APPROPRIATIONS.—There
9 are authorized to be appropriated such sums as may be
10 necessary to conduct the activities of the clearinghouse.

11 **SEC. 5. DUTIES AND RESPONSIBILITIES OF THE DIRECTOR**
12 **OF THE CLEARINGHOUSE.**

13 (a) IN GENERAL.—It shall be the duty of the Direc-
14 tor of the clearinghouse established under section 4—

15 (1) to develop a filing, coding, and cross-index-
16 ing system to carry out the purposes of this Act
17 (which shall include an index of all persons identi-
18 fied in the reports, registrations, and other informa-
19 tion comprising the clearinghouse);

20 (2) notwithstanding any other provision of law,
21 to make copies of registrations, reports, and other
22 information comprising the clearinghouse available
23 for public inspection and copying, beginning not
24 later than 30 days after the information is first
25 available to the public, and to permit copying of any

1 such registration, report, or other information by
2 hand or by copying machine or, at the request of
3 any person, to furnish a copy of any such registra-
4 tion, report, or other information upon payment of
5 the cost of making and furnishing such copy, except
6 that no information contained in such registration or
7 report and no such other information shall be sold
8 or used by any person for the purpose of soliciting
9 contributions or for any profit-making purpose;

10 (3) to compile and summarize, for each cal-
11 endar quarter, the information contained in such
12 registrations, reports, and other information com-
13 prising the clearinghouse in a manner which facili-
14 tates the disclosure of political activities, including,
15 but not limited to, information on—

16 (A) political activities pertaining to issues
17 before the Congress and issues before the exec-
18 utive branch; and

19 (B) the political activities of individuals,
20 organizations, foreign principals, and agents of
21 foreign principals who share an economic, busi-
22 ness, or other common interest;

23 (4) to make the information compiled and sum-
24 marized under paragraph (3) available to the public

1 within 30 days after the close of each calendar quar-
2 ter, and to publish such information in the Federal
3 Register at the earliest practicable opportunity;

4 (5) not later than 150 days after the date of
5 the enactment of this Act and at any time there-
6 after, to prescribe, in consultation with the Comp-
7 troller General of the United States, such rules, reg-
8 ulations, and forms, in conformity with the provi-
9 sions of chapter 5 of title 5, United States Code, as
10 are necessary to carry out the provisions of section
11 4 and this section in the most effective and efficient
12 manner; and

13 (6) at the request of any Member of the Senate
14 or the House of Representatives, to prepare and
15 submit to such Member a study or report relating to
16 the political activities of any person and consisting
17 only of the information in the registrations, reports,
18 and other information comprising the clearinghouse.

19 (b) DEFINITIONS.—As used in this section—

20 (1) the terms “foreign principal” and “agent of
21 a foreign principal” have the meanings given those
22 terms in section 1 of the Foreign Agents Registra-
23 tion Act of 1938, as amended (22 U.S.C. 611);

1 (2) the term “issue before the Congress” means
2 the total of all matters, both substantive and proce-
3 dural, relating to—

4 (A) any pending or proposed bill, resolu-
5 tion, report, nomination, treaty, hearing, inves-
6 tigation, or other similar matter in either the
7 Senate or the House of Representatives or any
8 committee or office of the Congress; or

9 (B) any pending action by a Member, offi-
10 cer, or employee of the Congress to affect, or
11 attempt to affect, any action or proposed action
12 by any officer or employee of the executive
13 branch; and

14 (3) the term “issue before the executive
15 branch” means the total of all matters, both sub-
16 stantive and procedural, relating to any pending ac-
17 tion by any executive agency, or by any officer or
18 employee of the executive branch, concerning—

19 (A) any pending or proposed rule, rule of
20 practice, adjudication, regulation, determina-
21 tion, hearing, investigation, contract, grant, li-
22 cense, negotiation, or the appointment of offi-
23 cers and employees, other than appointments in
24 the competitive service; or

25 (B) any issue before the Congress.

1 **SEC. 6. PENALTIES FOR DISCLOSURE.**

2 Any person who discloses information in violation of
3 section 4(b), and any person who sells or uses information
4 for the purpose of soliciting contributions or for any prof-
5 it-making purpose in violation of section 5(a)(2), shall be
6 imprisoned for a period of not more than 1 year, or fined
7 in the amount provided in title 18, United States Code,
8 or both.

9 **SEC. 7. AMENDMENTS TO THE FOREIGN AGENTS REG-**
10 **ISTRATION ACT OF 1938, AS AMENDED.**

11 (a) QUARTERLY REPORTS.—Section 2(b) of the For-
12 eign Agents Registration Act of 1938, as amended (22
13 U.S.C. 612(b)), is amended in the first sentence by strik-
14 ing out “, within thirty days” and all that follows through
15 “preceding six months’ period” and inserting in lieu there-
16 of “on January 31, April 30, July 31, and October 31
17 of each year, file with the Attorney General a supplement
18 thereto on a form prescribed by the Attorney General,
19 which shall set forth regarding the three-month periods
20 ending the previous December 31, March 31, June 30, and
21 September 30, respectively, or if a lesser period, the period
22 since the initial filing,”.

23 (b) EXEMPTION FOR LEGAL REPRESENTATION.—
24 Section 3(g) of the Foreign Agents Registration Act of
25 1938, as amended (22 U.S.C. 613(g)) is amended by in-
26 serting after “whether formal or informal.” the following:

1 “A person may be exempt under this subsection only upon
2 filing with the Attorney General a request for such exemp-
3 tion.”.

4 (c) CIVIL PENALTIES.—Section 8 of the Foreign
5 Agents Registration Act of 1938, as amended (22 U.S.C.
6 618), is amended by adding at the end thereof the follow-
7 ing:

8 “(i)(1) Any person who is determined, after notice
9 and opportunity for an administrative hearing—

10 “(A) to have failed to file a registration state-
11 ment under section 2(a) or a supplement thereto
12 under section 2(b),

13 “(B) to have omitted a material fact required to
14 be stated therein, or

15 “(C) to have made a false statement with re-
16 spect to such a material fact,

17 shall be required to pay a civil penalty in an amount not
18 less than \$2,000 or more than \$5,000 for each violation
19 committed. In determining the amount of the penalty, the
20 Attorney General shall give due consideration to the na-
21 ture and duration of the violation.

22 “(2)(A) In conducting investigations and hearings
23 under paragraph (1), administrative law judges may, if
24 necessary, compel by subpoena the attendance of witnesses

1 and the production of evidence at any designated place
2 or hearing.

3 “(B) In the case of contumacy or refusal to obey a
4 subpoena lawfully issued under this paragraph and, upon
5 application by the Attorney General, an appropriate dis-
6 trict court of the United States may issue an order requir-
7 ing compliance with such subpoena and any failure to obey
8 such order may be punished by such court as contempt
9 thereof.”.

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