

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2499

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.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 18, 1995

Ms. KAPTUR 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

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## 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 For-  
5 eign Lobbying Act of 1995”.

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  
26 the trade organization, membership organization, co-

1       operative, or corporation without capital stock is  
2       supplied by foreign-controlled corporations or foreign  
3       nationals.

4       “(b) The Commission shall—

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

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

23              “(3) take such action as may be necessary to  
24      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) There shall be established within the Federal  
14 Election Commission a clearinghouse of existing public in-  
15 formation regarding the political activities of foreign prin-  
16 cipals and foreign agents (as defined by the Foreign  
17 Agents Registration Act of 1938, as amended). The infor-  
18 mation comprising this clearinghouse shall include and  
19 be solely limited to the following:

20           (1) Existing publicly disclosed registrations and  
21 quarterly reports required by the Federal Regulation  
22 of Lobbying Act (2 U.S.C. 261–270).

23           (2) Existing publicly disclosed registrations and  
24 quarterly reports required by the Foreign Agents  
25 Registration Act, as amended (22 U.S.C. 611–621).

1           (3) The catalogue of public hearings, hear-  
2           ings witnesses and witness affiliations as printed in  
3           the Congressional Record.

4           (4) Existing public information disclosed pursu-  
5           ant to House and Senate rules regarding honoraria,  
6           the receipt of gifts, travel, earned and unearned in-  
7           come, post-congressional employment, and conflict of  
8           interest regulations.

9           (5) Existing public information disclosed pursu-  
10          ant to the requirements of the Federal Election  
11          Campaign Act of 1971 (2 U.S.C. 431 et seq.).

12          (b) Notwithstanding any other provision of law, the  
13          disclosure by the clearinghouse of any information other  
14          than that set forth in subsection (a) shall be prohibited  
15          except by Act of Congress.

16          (c) A Director shall administer and manage the re-  
17          sponsibilities and all activities of the clearinghouse.

18          (d) The Director shall be appointed by the Federal  
19          Election Commission.

20          (e) The Director shall serve a single term not to ex-  
21          ceed 5 years.

22          (f) There shall be authorized such sums as necessary  
23          to conduct activities of the clearinghouse.

1 **SEC. 5. DUTIES AND RESPONSIBILITIES OF THE DIRECTOR**  
2 **OF THE CLEARINGHOUSE.**

3 (a) IN GENERAL.—It shall be the duty of the  
4 Director—

5 (1) to develop a filing, coding, and cross-index-  
6 ing system to carry out the purposes of this Act  
7 (which shall include an index of all persons identi-  
8 fied in the reports, registrations, and other existing  
9 public disclosures filed under this Act);

10 (2) notwithstanding any other provision of law,  
11 to make copies of registrations, reports and public  
12 disclosures filed with him under this Act available  
13 for public inspection and copying, commencing as  
14 soon as practicable, and to permit copying of any  
15 such registration or report by hand or by copying  
16 machine or, at the request of any person, to furnish  
17 a copy of any such registration or report upon pay-  
18 ment of the cost of making and furnishing such  
19 copy; but no information contained in such registra-  
20 tion or report shall be sold or utilized by any person  
21 for the purpose of soliciting contributions or for any  
22 profit-making purpose;

23 (3) to compile and summarize, for each cal-  
24 endar quarter, the information contained in such  
25 registrations, reports, and other existing public dis-  
26 closures required by this Act in a manner which fa-

1 facilitates the disclosure of political activities, includ-  
2 ing, but not limited to, information on—

3 (A) political activities pertaining to issues  
4 before the Congress and issues before the execu-  
5 tive branch; and

6 (B) the political activities of individuals,  
7 organizations, foreign principals, and foreign  
8 agents who share an economic, business, or  
9 other common interest;

10 (4) to make the information compiled and sum-  
11 marized under paragraph (3) available to the public  
12 within 30 days after the close of each quarterly pe-  
13 riod, and to publish such information in the Federal  
14 Register at the earliest practicable opportunity;

15 (5) not later than 150 days after the date of  
16 the enactment of this Act and at any time there-  
17 after, to prescribe, in consultation with the Comp-  
18 troller General of the United States, rules, regula-  
19 tions, and forms, in conformity with the provisions  
20 of chapter 5 of title 5, United States Code, as are  
21 necessary to carry out the provisions of this Act in  
22 the most effective and efficient manner;

23 (6) at the request of any Member of the Senate  
24 or the House of Representatives, to prepare and  
25 submit to such Member a special study or report re-

1       lating to the political activities of any person, such  
2       report to consist solely of the information in the reg-  
3       istrations, reports, and other publicly disclosed infor-  
4       mation required in this Act;

5               (7) to require the accurate, timely, and com-  
6       plete transfer of information required under section  
7       1 of this Act to the clearinghouse; and

8               (8) to refer to the Comptroller General for in-  
9       vestigation any instances where registrations, re-  
10      ports, and political information required in section 1  
11      of this Act are not forwarded to the clearinghouse  
12      in an accurate, timely, and complete fashion.

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

14              (1) the term “issue before the Congress” means  
15      the total of all matters, both substantive and proce-  
16      dural, relating to (A) any pending or proposed bill,  
17      resolution, report, nomination, treaty, hearing, inves-  
18      tigation, or other similar matter in either the Senate  
19      or the House of Representatives or any committee or  
20      office of the Congress, or (B) any action or proposed  
21      action by a Member, officer, or employee of the Con-  
22      gress to affect, or attempt to affect, any action or  
23      proposed action by any officer or employee of the ex-  
24      ecutive branch; and

1           (2) the term “issue before the executive  
2 branch” means the total of all matters, both sub-  
3 stantive and procedural, relating to any action or  
4 possible action by any executive agency, or by any  
5 officer or employee of the executive branch, concern-  
6 ing (A) any pending or proposed rule, rule of prac-  
7 tice, adjudication, regulation, determination, hear-  
8 ing, investigation, contract, grant, license, negotia-  
9 tion, or the appointment of officers and employees,  
10 other than appointments in the competitive service,  
11 or (B) any issue before the Congress.

12 **SEC. 6. AMENDMENTS TO THE FOREIGN AGENTS REG-**  
13 **ISTRATION ACT OF 1938, AS AMENDED.**

14           (a) Section 2(b) of the Foreign Agents Registration  
15 Act of 1938, as amended, is amended in the first sentence  
16 by striking out “, within thirty days” and all that follows  
17 through “preceding six months’ period” and inserting in  
18 lieu thereof “on January 31, April 30, July 31, and Octo-  
19 ber 31 of each year, file with the Attorney General a sup-  
20 plement thereto on a form prescribed by the Attorney Gen-  
21 eral, which shall set forth regarding the three-month peri-  
22 ods ending the previous December 31, March 31, June  
23 30, and September 30, respectively, or if a lesser period,  
24 the period since the initial filing.”.

1 (b) Section 3(g) of the Foreign Agents Registration  
2 Act of 1938, as amended, is amended by inserting after  
3 “whether formal or informal.” the following: “Notwith-  
4 standing any other provision of law, persons covered by  
5 this subsection shall be exempt only upon filing with the  
6 Attorney General an affirmative request for exemption.”.

7 (c) Section 8 of the Foreign Agents Registration Act  
8 of 1938, as amended, is amended by adding at the end  
9 thereof the following:

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

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

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

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

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

24 “(2)(A) In conducting investigations and hearings  
25 under paragraph (1), administrative law judges may, if

1 necessary, compel by subpoena the attendance of witnesses  
2 and the production of evidence at any designated place  
3 or hearing.

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

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