

Supporting Statement for Paperwork Reduction Act Submissions  
Approval of non-substantive changes for an existing collection currently in use with an OMB control number for the **Supplemental Statement** for the Registration Statement (Foreign Agents) Form NSD-2.

**OMB Control # 1124-0002**

The most recent version of this form is dated May 01, 2014.

Part A. Justification

1. Necessity of Information:

This form is an extension to a currently approved collection and is the registration statement filed by individuals and firms representing foreign principals pursuant to the Foreign Agents Registration Act of 1938, as amended, 22 U.S.C. § 611, *et seq.* (FARA or the Act). The use of this form is required by the provisions of the Act and provides the means for compliance with the statutory provisions. The purpose of FARA is to protect the national defense, internal security, and foreign relations of the United States by requiring public disclosure by persons engaging in political activities and other activities for or on behalf of foreign governments, foreign political parties, and other foreign principals so that the Government and the people of the United States may be informed of the identity of such persons and may appraise their statements and actions in the light of their associations and activities.

2. Needs and Uses:

The supplemental statement must be filed within thirty days after the expiration of each period of six months succeeding the original filing date. This statement must contain accurate and complete information with respect to activities, receipts and expenditures. The information provided is maintained in the public office of the Registration Unit, Counterintelligence and Export Control Section, National Security Division where it is available for review by the public either during regular business hours at the public office of the FARA Registration Unit located at 600 E Street, N.W., Suite 1300 BICN Building, Washington, D.C. 20530; or online free-of-charge located at <https://www.fara.gov/>.

3. Use of Technology:

There has been an ongoing conversion of the FARA records system from a paper based filing system to a computerized filing system. Registration forms have been available in a fillable format on the FARA website located at <https://www.fara.gov/>. These forms were revised and submitted to OMB for 3 year renewal approvals in 2011 and 2014, and now contain fillable-fileable and electronic signature capabilities. Section 212 of P.L. 110-81, the Honest Leadership

and Open Government Act of 2007 (HLOGA), requires the Attorney General to provide registrants with the ability to file registration statements electronically. Following development, review, and testing, the FARA Registration Unit, with OMB approval, launched in 2011 *FARA eFile*, an online system capable of accepting electronic submissions of registration forms, online payments, and invoice account management by registrants. *FARA eFile*, accessible through the FARA public website, provides instructions to assist registrants in completing, signing and submitting registration forms, as well as instructions on how to electronically pay the required registration fees by online credit card or ACH debit payments through the Department of Treasury pay.gov financial collection service. The *FARA eFile* system permits registrants to file registration forms and pay corresponding registration fees electronically to the FARA Registration Unit, 24 hours a day, 7 days a week.

#### 4. Efforts to Identify Duplication:

A review of the National Security Division Forms Inventory Report revealed no duplication of efforts. There is no other similar information currently available which can be used for this purpose.

#### 5. Methods to Minimize Burden on Small Businesses:

This collection of information does not have an impact on small businesses or other small entities.

#### 6. Consequences of Less Frequent Collection:

Copies of all supplemental statement forms furnished under the Act are public records and open to public inspection. If this collection is not conducted, this information cannot be made available for public examination as required by statute.

#### 7. Special Circumstances Influencing Collection:

Section 612(a) of the Act states that every person who becomes an agent of a foreign principal must, within ten days thereafter, file with the Attorney General a registration statement. Section 615 of the Act requires that every agent of a foreign principal registered under the Act keep and preserve, while he is an agent of a foreign principal, such books of account and other records with respect to all of his activities, the disclosure of which is required under the provisions of this Act, and preserve the same for a period of three years following the termination of such status.

#### 8. Public Comments and Consultations:

A 60 day notice and a 30 day notice were published in the Federal Register on February 6, 2017 and April 11, 2017, respectively, to solicit public comments on this information collection. The

form for this information collection was created internally in the National Security Division. No comments from the general public concerning the 60-Day Federal Register notices were received by OMB - OIRA or the FARA Registration Unit. However, one (1) comment was received by the FARA Registration Unit in response to the 30-Day Federal Register notices.

9. Payment of Gift to Claimants:

No payment or gift is provided to respondents.

10. Assurance of Confidentiality:

The information provided is available to the public under the provisions of FARA, a disclosure statute. No assurances are provided.

11. Justification for Sensitive Questions:

There are no sensitive questions. Provisions have been made via the Office of Privacy and Civil Liberties (DOJ/OPCL) to ensure no PII is requested in the form's questions, other than what is specifically required under the statutory language.

12. Estimate of Hour Burden:

The number of respondents is estimated to be 288, 2 responses annually per each registrant or approximately 576 responses, at approximately 2 hours and 3 minutes (2.063 hours) per response to complete; and the annual burden hours of 1,188.29 hours is based on the stated responses at 2.063 hours (2 hours and 3 minutes) per response.

13. Estimate of Cost Burden:

An estimate of the total annual cost burden to respondents or record keepers resulting from this collection of information varies widely depending upon the nature of the foreign agent's activities for or in the interests of the foreign principal(s) represented, and the number of foreign principals represented during a particular reporting period. Therefore, a general estimate of the total cost in responding to the forms is not available.

Pursuant to P.L. 102-395 enacted on October 6, 1992, and established by regulations codified at 28 C.F.R. § 5.5, the Attorney General is authorized to establish fees to recover the cost of administering FARA. As part of the total annual cost burden to the respondents, a filing fee is charged for Exhibit A forms and for supplemental statement forms. There is no registration fee for the registration statement, the Exhibit B to the registration statement, the short form registration statement, or the amendment to the registration statement. Each respondent is required to pay a filing fee of \$305.00 for each Exhibit A filed, and is required to file this form each time the respondent acquires a new foreign principal. The filing fees for each supplemental statement filed vary depending on the number of foreign principals represented by the

respondent in a given six month period. The respondent is required to pay \$305.00 for each foreign principal represented during the six month reporting period. While each respondent will pay a filing fee of at least \$305.00 for each supplemental statement filed, some respondents may represent as many as 20 foreign principals and pay a filing fee of \$6,100.00 for each supplemental statement filed. The annual estimated cost, when considering only the filing fee, is at least \$610.00, and will increase by an additional \$610.00 for each foreign principal represented by the respondent during the year. The number of foreign principals represented in a given year varies. It is estimated that annually there are approximately 607 foreign principals listed by respondents on the registration forms. A total estimate of \$310,000.00 is received annually in filing fees from all respondents.

When considering the total annual cost, the filing fee is only one cost burden to the respondent or record keeper. Other costs associated with completing the registration forms vary widely depending on the nature of activities and number of foreign principals represented. Respondents reporting for only one foreign principal, and engaged in very little activity on behalf of the foreign principal, may incur only minimal costs above the filing fee because the time and effort in completing the forms is minimal. On the other hand, respondents who represent many foreign principals, and are actively engaged in activities for those foreign principals, incur greater costs in responding to the registration forms because more time and effort is required in responding. These annual costs also vary widely and can include anything from minimal administrative costs to costly hourly attorney fees. Therefore, a general estimate of these costs is unavailable.

#### 14. Estimated Annualized Costs to Federal Government:

The Registration Statement (OMB No. 1124-0001 & form NSD-1) is required for all new registrants to file their initial registration documents, and to establish a FARA eFile account that is a two-step process in conjunction with Registration Unit staff coordination, for electronically filing all documents and payment of required fees, as mandated by FARA via Congress as amended by Section 212 of the Honest Leadership and Open Government Act of 2007 (HLOGA). In April 2011, FARA eFile went live and became the required channel for registrants to properly register under FARA using the six (6) registration forms (1124-0001 thru 1124-0006).

Previous descriptions for “costs to the government” under Item 14 supporting statements, were based on traditional paper-filing assessments, using no complex electronic payment systems for registration success required to complete all registration submissions. NSD interprets e-Filing registrations as shifting from filling out forms to establishing a registration to include: completing all necessary forms, securing an eFile account, submitting forms and making online payments. Forms and payments are received and processed by the same personnel within the Registration Unit. However, it is the determination of NSD, that the Registration Statement is the

primary form in which to base costs to the government for completing registrations, as all other forms are completed by registrants while already having eFile accounts established.

Accordingly, the costs associated for OMB 1124-0003 thru OMB 1124-0006 are minimal and absorbed into OMB Control No. 1124-001. Costs to the government associated with the Supplemental Statement form (1124-0002 and/or form NSD-2) contain separate staff processing and postal mailing costs related to registrants' twice yearly supplemental statement fees with monthly mailings by staff conducted to remind registrants of their filing and fee obligations for this form. FARA registrants are assigned deadlines on a rotational basis so different registrants are assigned different deadline dates requiring mailings to be done monthly, with the costs identified in the supporting statement for OMB Control No. 1124-0002 and/or form NSD-2.

Estimated Annualized Costs to the Government for all six (6) forms associated with OMB Control No. 1124-0001 thru OMB Control No. 1124-0006 come to:

Prime Technical Contract to support FARA Program annualized costs: **\$227,856.00**

Software to support FARA Program: **\$140,380.71**

Federal Government salaries/costs associated with processing the registration statement: **\$12,866.08**

Mailing (postage & processing of monthly supplemental statement billings): **\$1,728.92**

Hosting & Network support: Federal Reserve (Pay.Gov), JMD, & CRMLink EAP: **\$0.00**

Total Costs: **\$382,831.71.**

Note: In developing the congressionally-mandated *FARA eFile* electronic filing system, the federal government invested considerable resources developing the computer code, screens, and other digital features that work with the FARA forms allowing the system to function. Once operational in 2011, the costs for *FARA eFile* development were greatly reduced. Since many technical projects involving the daily computer operations of the FARA Unit overlap, an exact figure for *FARA eFile* development is unavailable. The cost for the last two years of software development by the prime contractor on this, and other FARA computer projects, totaled \$1,173,860.00 (\$673,500.00 for FY 2010 and \$500,360.00 for FY 2009).

#### 15. Reasons for Change in Burden:

The number of respondents varies depending on the number of persons acting as agents of foreign principals required to register under the Act, and depending upon the number of

individuals acting as officials or employees or rendering assistance to the respondent for or in the interests of the respondent's foreign principal(s).

This is an extension to a currently approved collection. This information collection review (ICR) adds no further capabilities.

The FARA eFile creates E-Signature versions of existing FARA forms (fillable-fileable) along with associated screens allowing FARA registrants to complete, sign, and upload the forms, as well as pay the required filing fee using a credit or debit card. The public burden in completing the FARA forms electronically is unaffected by eFile. The time invested by the public in completing the required form remains the same, regardless of the method: paper-based or eFile.

The burden reduction is realized through the registration filing process. The filing process occurs immediately after the FARA form has been completed by the registrant, using either the paper-based version or the eFile method. The filing process ends when the registrant has completed the package for delivery using the paper-based method or submitted it electronically using eFile. It is estimated that E-Signature reduces the burden by .01 hours or one (1) minute, and the administrative burden is reduced by .28 hours or seventeen (17) minutes. Therefore, the estimated total burden reduction for the filing process for the supplemental statement to the registration statement form known as OMB Control Number 1124-0002 and form NSD-2, is reduced by 18 minutes if the form is submitted to the Registration Unit through eFile.=

#### 16. Plans for Publication:

Section 621 of FARA, requires the Attorney General to report every six months to the Congress concerning the administration of the Act, as well as the nature, sources and content of informational materials disseminated and distributed by agents of foreign principals registered under the Act. The text of the report lists, according to geographical area or nationality field, all agents who were registered at any time during the six month period, or who reported for the first time in that period activities, receipts, or disbursements for the previous period. It includes the identities of the agents and their foreign principal(s), a description of the agent's activities, a total figure for monies received, a description of any information materials disseminated, and a listing of all individual agents.

#### 17. Expiration Date Approval:

The expiration date OMB assigns for this ICR is entered into ROCIS and will be displayed on the FARA forms.

The *FARA eFile* system utilizes improved versions of the OMB 1124 FARA forms containing electronic signature capabilities, corresponding *FARA eFile* webpage screens for intuitive online filing, credit card and ACH debit payment options, self-service invoicing account management, and Justice Management Division (JMD) deposit capabilities utilizing the Department of

Treasury Pay.gov financial collection service. *FARA eFile* works in conjunction with the FARA Registration Unit Data and Imaging System to ensure proper accounting of registration forms and payments and allowing for the electronic deposit of fees.

The benefits of implementing *FARA eFile* include: convenience for the public, increased transparency of operations, adherence to the Paperwork Reduction Act (PRA) and HLOGA, and utilization of digitally-based and technically-advanced features as encouraged by the American people, industry, Congress, OMB, and DOJ that over time reduces burden, is more environmentally-friendly, and provides a streamlined process for users.

18. Exceptions to the Certification Statement:

The NSD does not request an exception to the certification of this information collection.

## **Part B. Statistical Methods**

This information collection does not employ statistical methods. Section 612 of FARA (22 U.S.C. § 612) sets forth the general requirements of registration, as well as the information which a registrant is required to supply in the registration statement.



**Part C. Certification and Signature**

**PAPERWORK CERTIFICATION**

In submitting this request for Office of Management and Budget (OMB) approval, I certify that the requirements of the Privacy Act and OMB directives have been complied with including paperwork regulations, statistical standards or directives, and any other information policy directives promulgated under the Paperwork Reduction Act of 1995.

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Heather H. Hunt  
Chief  
Registration Unit  
Counterintelligence and Export Control Section  
National Security Division  
Department of Justice

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