



July 25, 2023

Mr. Matthew G. Olsen
Assistant Attorney General for National Security
Foreign Agents Registration Act (FARA) Unit
National Security Division
U.S. Department of Justice
175 N Street, NE
Constitution Square, Building 3 - Room 1.300
Washington, DC 20002

Dear Mr. Olsen:

Please accept this letter as a formal report of a violation by Adam Emanuel, a lobbyist registered under the Lobbying Disclosure Act (LDA), who we believe should be registered with FARA due to both the nature of his client, a wholly-owned subsidiary of a foreign government-owned foreign business that is the principal beneficiary of his lobbying, and the work he has reported on his LDA registration and reporting forms, namely lobbying for a Congressionally-funded weapons system. Democracy for the Arab World Now ([DAWN](#)) documented this information as part of its work to identify and investigate the activities of agents working on behalf of foreign governments and companies that violate human rights.

Israel Aerospace Industries (IAI) and Israel Aerospace Industries NA (IAI NA)

[Israel Aerospace Industries NA](#) (IAI NA), headquartered in Herndon, VA, is a wholly-owned subsidiary of Israel Aerospace Industries Ltd (IAI), headquartered in Lod, Israel. IAI NA was established with the [purpose](#) of developing business for the parent company in the United States, and maintaining relations with Congressional and government offices in the context of U.S. military assistance to Israel, notably the hundreds of millions of dollars [provided](#) for Israel's missile defense program each year.

The [Executive Vice President of North American Affairs](#) of IAI is [Amir Geva](#), an Israeli citizen and reserve Colonel in the Israeli military who previously [served](#) in Israel's embassy in Washington, DC as the Research and Development attaché. Geva sits on the [Management Board](#) of IAI, oversees the IAI NA subsidiary [and](#) “promotes marketing activity and collaborations in North America, including cooperation with local vendors and actualizing the aid agreement between the US and Israel.” Mr. Geva is based in Israel.

IAI [announced](#) the expansion of the presence of IAI NA in Washington, DC on September 25, 2019, with the establishment of a government relations and marketing office. Harel Locker, IAI's Chairman of the Board, explained, “IAI's vision is to fundamentally change the business model of IAI North America to better leverage IAI's innovative technology for use by the U.S. Government. Having a greater presence in Washington is critical to helping us grow our business in the US market by strengthening our ties to Congress, the Executive Branch, partners in the international community, and industry.”

Adam Emanuel (Emanuel & Associates, Inc.), Lobbyist

Adam C. Emanuel and his firm, Emanuel & Associates, have lobbied on behalf of Israel Aerospace Industries NA (IAI NA) since January 1, 2018, as per Mr. Emanuel's [filing](#) with the Lobbying Disclosure Act database. As documented by the registration form and subsequent reports submitted by Mr. Emanuel, his lobbying for IAI NA [concerns](#) the “Joint US-Israel Arrow Missile Defense Project” (see below), and targets the Department of Defense, U.S. Senate, and U.S. House of Representatives. From 1999 to 2018, Mr. Emanuel was registered as a lobbyist for Israel Aircraft Industries, Ltd, an Israeli state-owned company, which was renamed Israel Aerospace Industries in 2006.

Mr. Emanuel [registered](#) with LDA on behalf of IAI NA on January 1, 2018. In field 12 (“Specific lobbying issues (current and anticipated)), he wrote “Joint US-Israel Arrow Missile Defense Project,” but did not list any entity in field 14 (*Foreign Entities - Is there any entity a) holds at least 20% equitable ownership in the client or any organization identified on line 13; or b) directly or indirectly, in whole or in major part, plans, supervises, controls, directs, finances or subsidizes activities of the client or any organization identified on line 13; or c) is an affiliate of the client or any organization identified on line 13 and has a direct interest in the outcome of the lobbying activity?*). In his quarterly reporting since the registration, Mr. Emanuel has consistently avoided identifying the parent company, IAI, both in field 19 (*Interest of each foreign entity in the specific issues listed on line 16 above*) and in field 27 (*Foreign Entities - Add the following foreign entities*):

- in his [2019 Q1 report](#), Mr. Emanuel wrote “Joint program between U.S. and Israel” in field 19, in reference to what he wrote in field 16 (“Specific lobbying issues”): “Arrow Missile Defense Program,” while line 27 was left empty.
- in his most recent [2023 Q1 report](#), Mr. Emanuel left fields 19 and 27 empty, even though he wrote “Arrow Missile Defense, General Defense Aviation” in field 16;
- in his [2018 Q1 report](#), Mr. Emanuel wrote “Arrow missile defense system” in field 16, and “Joint program between U.S. and Israel” in field 19, but left field 27 empty.

While Mr. Emanuel and his company are [registered](#) with the Lobbying Disclosure Act (LDA), neither are registered with the Foreign Agents Registration Act (FARA) Unit at the Department of Justice (DOJ). In the FARA statute, there is an exemption for LDA-registered lobbyists, [defined](#) as:

An agent who is properly registered under the LDA is exempt from registration under FARA, if (i) the agent has engaged in lobbying activities and (ii) the representation is not on behalf of a foreign government or foreign political party. The exemption does not apply where a foreign government or a foreign political party is the principal beneficiary of the activities.

In the case of Mr. Emanuel and his firm, the evidence presented below demonstrates that the Government of Israel, as the owner of IAI, is the principal beneficiary of Mr. Emanuel's lobbying activities on behalf of IAI NA. As such, Mr. Emanuel appears to be in clear breach of FARA rules and should face the appropriate punitive sanctions under the statute.

FARA's position in a similar case can be found in a March 22, 2019, [Advisory Opinion](#) pursuant to 28 C.F.R. § 5.2, when Brandon van Grack, then Chief of the FARA Unit, addressed the registration requirements for a company (US subsidiary) that is a "wholly owned subsidiary of a foreign corporation that is itself wholly owned by a foreign government." In the Opinion, Mr. van Grack advised the lobbying firm that it was exempt from FARA registration because the lobbying activity, according to the lobbyist, will be "commercial in nature, will not serve predominantly a foreign interest, and will be directly in furtherance of [US subsidiary]'s "bona fide commercial, industrial and financial" operations and not those of [foreign parent]." In the response, Mr. van Grack also noted that the applicant stipulated that the client's "executive team is comprised entirely of U.S. citizens" and that the lobbying activities "would relate solely to its U.S. operations." Ultimately, in that case, the FARA Unit found that the lobbyist only needed to register with LDA and not FARA, but were circumstances to change, registration with FARA might be required.

As detailed below, Mr. Emanuel's lobbying fails to meet any of the exemption criteria articulated in this advisory opinion, and indicates that Mr. Emanuel should be registered under FARA, which he should have been aware of, given his [extensive history](#) of lobbying since 1998. His work predominantly serves a foreign interest, specifically the financial and political interests of Israel and IAI in maintaining U.S. government funding for the Arrow missile program.

Interests of Foreign Principal

According to public statements by parent company, Israel Aerospace Industries (IAI), IAI's financial reporting and the information Mr. Emanuel has reported on LDA forms regarding the subject of his lobbying work, we believe there is clear evidence that Mr. Emanuel is a foreign agent acting on behalf of a foreign principal - IAI and its owner, the government of Israel. This includes:

- IAI NA is a wholly-owned subsidiary of IAI, which is an Israeli state-owned company.¹ According to its [website](#), "IAI North America facilitates the growth and development of the U.S. market with its access to the U.S. Department of Defense, government agencies and

¹ According to its 2019 [audited financial report](#), "Israel Aerospace Industries Ltd. ("the Company") was founded in 1966 and is a "wholly owned government company", as this term is defined in the Israeli Government Companies Law.

industry partners.” [According](#) to Boaz Levy, President & CEO of IAI, “in working with the US, Israel’s position as an agile, ‘startup nation’ will provide for innovative solutions for complicated defense problems. Beyond working with subsidiaries...IAI also wants to increase its business with American defense giants like Lockheed Martin and Boeing.” The parent company (IAI) views the subsidiary as a means of expanding into new markets for the benefit of the parent company’s, and ultimately Israel’s, interests.

- IAI NA acts as the main interface with the U.S. Government in relation to the Arrow missile system, including through the work of its lobbyists. The Arrow 4 missile system is a [collaboration](#) between IAI and Lockheed Martin; Arrow 3 is a joint project between IAI and Boeing. The U.S. military assistance for Israel’s missile defense system is covered by the [U.S.-Israel Memorandum of Understanding \(2018\)](#) (MOU), approved by Congress in annual defense budgets, and neither commercial in nature nor available to other companies. Congress allocates funds for the Arrow system as [part of the annual](#) Defense Appropriations Bill. IAI is the only manufacturer of the Arrow missile system, and brings in U.S. companies as subcontractors. Any [sale](#) of the Arrow missile system to another country is arranged by and for the benefit of the Israeli company/government, with U.S. government approval.

As a result of the information Mr. Emanuel provided on the LDA forms and the nature of the funding for the Arrow system, it follows that the lobbying done by Mr. Emanuel in relation to the Arrow system is about ensuring Congressional support for and allocation of foreign military assistance to the Government of Israel, not about the commercial interests of a company. The MOU between the United States and Israel provides \$500 million per year to Israel for multilayered air defense – including the Arrow missile system. That is the same amount Congress has allocated each year since the MOU was signed.

- IAI NA prepares its financial reporting in Israel, as part of IAI’s audited financial reporting including its subsidiaries, as documented in the 2019 audited financial report of IAI. On [page 127](#), the auditors explain how IAI NA is a segment of IAI and documented in the financial accounts that follow: “In other segments, the Company also presents the activities of the subsidiary, IAI NA, and its subsidiaries...”

IAI’s 2019 financial report also explains the parent company’s total control of the subsidiary. On [page 61](#), the report lists the major subsidiaries of the company, including “IAI North America Inc.” and the rate of equity and voting rights for each. In both 2018 and 2019, the rate is 100% for IAI NA. [According](#) to the Corporate Finance Institute, “an investor is deemed to have significant influence over an investee if it owns between 20% to 50% of the investee’s shares or voting rights.” IAI’s 100% share ownership of IAI NA indicates it has total control of IAI NA.

Arrow Missile System

In February 2021, the Israeli Ministry of Defense [announced](#) plans for the development of the next-generation Arrow 4 missile system in a statement from Jacob Galifat, a general manager at IAI:

The Arrow weapon system, which was one of the first in the world to intercept ballistic missiles, will be upgraded with a significant capability, produced by Israel Aerospace Industries, in the form of the Arrow-4 interceptor. The interceptor will be the most advanced of its kind in the world and will provide a new layer of defense to the State of Israel and its citizens.

According to the Congressional Research Service's [report](#) on February 18, 2022, "U.S. Foreign Aid to Israel," in FY 2021, U.S. assistance to the Arrow 2 and Arrow 3 systems amounted to \$250 million,² while House and Senate appropriation bills for FY 2022 call for an additional \$250 million for the two systems.³

While the Arrow system is made jointly by Israel (IAI) and the United States, its export (by Israel) [requires](#) approval by the United States, which maintains the ability to "veto over any sales outside of Israel itself." The Arrow system development was [subsidized](#) by an estimated \$2.2 billion of U.S. taxpayer money.

On April 28, 2022, 122 Members of Congress signed a [bipartisan letter](#) to Betty McCollum (D-MN), Chair, and Ken Cavlert (R-CA), Ranking Member of the House Subcommittee for Defense, calling for the approval of \$500 million for Israel's missile defense system, including the Arrow programs, in the Defense Appropriations Bill for Fiscal Year 2023.

A month later, on May 23, 2022, U.S. Senators Kirsten Gillibrand (D-NY), and Mike Rounds (R-SD) [sent a letter](#) to Senators Jon Tester (D-MT) and Richard Shelby (R-AL), Chairman and Ranking Member, respectively, of the Senate Appropriations Subcommittee on Defense, calling for the committee to approve \$500 million for Israel's missile defense system, including the Arrow programs, in the Defense Appropriations Bill for Fiscal Year 2023. A total of 44 Senators ultimately signed the letter.

Mr. Emanuel [registered](#) with LDA to lobby on behalf of Israel Aerospace Industries NA in 2018 (under this name), and reported that his registered activity was for the Arrow missile system - "Joint US-Israel Arrow Missile Defense Project." Question #14 on the Lobbying Registration form (Lobbying Disclosure Act of 1995 (Section 4)) requires the lobbyist to indicate if there "is any foreign entity: a) holds at least 20% equitable ownership in the client..." According to the [Lobbying Disclosure Act Guidance](#) prepared by the House of Representatives, in the section 'Listing Foreign Entities':

Each registration must contain the name, address, principal place of business, amount of any contribution greater than \$5,000 to the lobbying activities of the registrant, and approximate percentage of ownership in the client of any foreign entity that: holds at least 20 percent equitable ownership in the client or any affiliate of the client required to be reported; or directly or indirectly, in whole or major part, plans, supervises, controls, directs, finances, or subsidizes the activities of the client or affiliate of the client required to be reported; or is an affiliate of either the client, or an organization affiliated with the client identified on the registration (LD-1) and has a direct interest in the outcome of the lobbying activity. The purpose of the disclosure is to identify the interests of the foreign entity that may be operating behind the registrant or client.

² See page 28 of the CRS report.

³ See Summary page 1 of the CRS report.

Conclusions

As evidenced above, and by the information available on both IAI NA's [website](#) and IAI's [website](#), the client in this case (IAI NA) is a wholly owned subsidiary of IAI, which itself is a government-owned (Israel) company, and under the full control of the parent company. Mr. Emanuel answered 'no' to this question; answering 'yes' requires additional reporting information and disclosure for the purposes of transparency, including Question #27 (submitted as blank by Mr. Emanuel), which requires identification of any foreign entity that has ownership in the client. As such, Mr. Emanuel seems to also be in violation of the LDA regulations, having provided false information by omitting the true nature of the relationship between his client and a foreign government. According to his reporting, Mr. Emanuel earns \$15,000 per quarter for his representation of IAI NA, though because he is not registered with FARA, a copy of the contract is not available for public review.

By comparison, other LDA-registered lobbyists for IAI NA have correctly represented that IAI NA is a wholly owned subsidiary of a foreign corporation. Mr. Emory Rogers of Ballard Spahr submitted a LDA [registration form](#) to represent IAI NA in 2020. Mr. Rogers' form lists IAI (the parent company) in the Foreign Entities section of the form, and lists the ownership stake as "100%". In [2019](#) and [2022](#) (as well as in an [amended](#) registration form in 2020), Mr. Justin Rubin submitted registration forms for Kasowitz Benson Torres (KBT) to lobby on behalf of IAI NA, and in each case documented that IAI NA was 100% owned by IAI Ltd.

In sum:

1. Mr. Emanuel is registered with LDA as a lobbyist on behalf of IAI NA and in regard to the Arrow missile system.
2. The Arrow system is not a commercial concern, but a matter of the bilateral relationship between the United States and Israel, and funded by U.S. taxpayers through the annual Defense Appropriations Bill.
3. Mr. Emanuel has not registered with FARA even though he is representing the interests of a foreign principal (Government of Israel via the state-owned IAI) pursuing issues related to the provision of Congressionally-mandated military assistance and has attempted to cover that up by indicating he is representing a commercial subsidiary. He has been a lobbyist for over 20 years, and it is inconceivable that he was not aware of the statutory requirements.
4. Mr. Emanuel is seemingly also afoul of [LDA rules](#) regarding the reporting of foreign ownership of his client. Other firms that previously represented IAI NA, such as Ballard Spahr, and that continue to represent it, such as KBT, have reported this information accurately.

We request the FARA Unit to immediately investigate these concerns and, if the violations as reported here are found to be true, to impose criminal penalties on Mr. Emanuel and Emanuel & Associates, per the terms outlined in [22 U.S.C. § 618\(a\)](#). Action in this case would set a strong example for firms lobbying on behalf of foreign principals and who seek to use subsidiary or shell companies to mask the

true interests on whose behalf they are lobbying. Inaction would suggest that FARA registration can be ignored and that transparency is optional both in the FARA and the LDA systems.

We appreciate your time and consideration of this complaint and we look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Shapiro", with a stylized flourish at the end.

Adam Shapiro
Director of Advocacy, Israel/Palestine
DAWN