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[Calley joins SBAM to become president, lobbyist](#)

Former Lt. Gov. Brian Calley is becoming president of the Small Business Association of Michigan.

Former Lt. Gov. Brian Calley has joined the Small Business Association of Michigan to be the trade group's president and principal lobbyist.

Rob Fowler, president and CEO of 26,000-member organization representing small businesses, said he will retain the position of CEO, while shifting his lobbying and advocacy duties to Calley.

"I think he's perfect for us and I think we're perfect for him," Fowler told *Crain's*.

Calley started the new job at SBAM on Tuesday after he officially left the governor's office at noon following the swearing-in ceremony of Gov. Gretchen Whitmer and Lt. Gov. Garlin Gilchrist II.

Calley steps into the role of being the small-business group's chief government relations officer responsible for lobbying some of the same state senators and representatives he served with as lieutenant governor — and the new governor's administration.

"In many ways this is like coming full circle," Calley said in a statement. "I started my career in banking, making small business loans. As lieutenant governor, I worked on policy changes to create an environment where entrepreneurs can thrive."

As president of the Senate, Calley cast a tie-breaking vote in 2011 on the main package of legislation that replaced the Michigan Business Tax with the 6 percent Corporate Income Tax and let thousands of small-business owners with LLCs, S-corps and sole proprietorships shift their business income to the 4.25 percent individual income tax

Calley also was involved in crafting the compromise MBT legislation in 2007 and [joined then-Democratic Gov. Jennifer Granholm at the bill signing](#) — an act of bipartisanship that Attorney General Bill Schuette used against Calley in last August's GOP primary.

When he was a state representative from Ionia County, SBAM named Calley its legislator of the year in 2008.

"Throughout his time in public service, Brian Calley has been a champion for small business," Chad Paalman, CEO of NuWave Technology Partners and chairman of SBAM's board, said in a statement. "In this role and with his experience and smart, strategic approach, we know that Brian will serve our members well and help guide SBAM as we tackle future challenges, transitions, and opportunities."

At SBAM, Calley will run a government affairs staff of two people — himself and Micah Babcock, who is the group's grassroots coordinator and policy adviser.

Fowler said he's not concerned about SBAM receiving any sort of political backlash for hiring Calley immediately after he leaves office.

"I would say that the people who don't like Brian Calley aren't our people," said Fowler, who has been with SBAM since 2000. "Anybody who has ever met him knows he's not a sharp-edged partisan."

[How the Trash Industry Worked Overtime Trying to Thwart New York City's Reform Plans](#)

A push against a zoning proposal involved a trade group helmed by a man convicted in a bid-rigging scheme; \$500,000 to a lobbying firm that drafted legislation; and a lawmaker who was recently in business with one of the major haulers.

In the summer of 2016, New York City government officials called for reforming the city's private trash industry, calling it chaotic, dangerous and inefficient. Each night, an army of trucks races to complete long routes that crisscross the city, with dozens of companies collecting garbage from businesses in a single neighborhood.

The solution, officials declared, was a plan that would divide the city into zones. The city would choose which companies got to operate in a zone, holding them to environmental, safety and labor standards. The administration of Mayor Bill de Blasio announced its support for the reform. It also released a study that found zoning would reduce truck traffic across the city by up to 68 percent and reduce greenhouse gas emissions by 64 percent, leading to "cleaner air" and "safer streets," as well as improved recycling rates, customer service and worker safety. The report noted that the industry's practice of employing off-the-books workers was widespread.

The city's private trash haulers lined up in opposition to the zoning idea, and over the last few years they have engaged in an expensive and head-on campaign to thwart the plan.

To fight zoning, the haulers created a nonprofit trade group, and they installed as its sole paid officer a convicted felon whose past participation in a bid-rigging, bribery and kickback scheme likely should have barred him from holding the position, according to city regulations.

The trade group paid more than half a million dollars to a lobbying firm to line up local politicians in opposition to the city's plan, a push that paid off in June when two members of the City Council introduced legislation that would undermine the zoning reform. Records obtained by ProPublica show that the proposed legislation was taken virtually word-for-word from a document drawn up by the trade group's paid lobbyists.

And records show that Mark Gjonaj, one of the City Council members who proposed the competing legislation — a bill blocking the creation of zones and largely leaving the current regulation of the industry intact — had recently been in business with the owners of one of the private trash companies behind the anti-reform effort.

The head of the trade group, incorporated in 2016 as New Yorkers for Responsible Waste Management, said that the city's reform plan would do more harm than good, and that the major haulers had united in opposition in order to retain the industry's open-market system.

Asked about the criminal past of the group's lone paid official, Ray Shain, a spokesman said, "His role with NYRWM is limited to providing administrative services and counsel," adding, "NYRWM operates in accordance with all city and state rules and regulations." The spokesman,

Sam Spokony, said he didn't see any need to respond to questions about past business dealings Gjonaj had with one of the group's funders. Shain did not respond to requests for an interview. Kendall Christiansen, executive director and a paid lobbyist for NYRWM, said in a statement, "NYRWM's existence was made necessary by the de Blasio administration's failure to fully engage stakeholders and consider alternatives before unilaterally deciding that the industry's open market system must be eliminated and replaced by a network of zones and city-selected companies, which may simply disrupt the existing system rather than improve it."

ProPublica has spent the last year investigating the world of private trash collection in New York City. The reporting has shown many of the major companies to have troubled safety records, with their trucks regularly ordered off the roads after failing federal inspections. It has uncovered the operations of so-called "independent unions" at many major companies, labor outfits that workers and mainstream unions regard as sham operations working on behalf of the company owners. The stories have also raised questions about just how aggressively and effectively the city's oversight agency, known as the Business Integrity Commission, or BIC, has been in regulating the scores of companies that send trucks out across the city every night.

A spokeswoman for the de Blasio administration has defended the work of the BIC, but the city's ambitious reform plan was a clear step toward addressing long-standing problems with safety and working conditions as well as emissions and recycling rates.

Last month, the city's Sanitation Department released the latest details of its commercial waste zones plan, which would divide the city into 20 zones with three to five trash haulers servicing each. Legislation could come to a vote in the City Council as early as this spring. In developing the plan, the Sanitation Department held more than 150 meetings and heard from labor, environmental groups, safe streets advocates, and business and real estate interests, as well as members of the trash hauling industry.

In an interview this month, Kathryn Garcia, the city's sanitation commissioner, said she wasn't surprised by the opposition from the haulers.

"We're making a big change. This is significant reform. It hasn't been done," she said. "It will just be putting some guardrails around an industry that has really not been looked at in a very long time."

Formed in early 2016, New Yorkers for Responsible Waste Management is made up of more than 20 major private trash carters.

One of the group's funders, Sanitation Salvage, [surrendered](#) its license last month after ProPublica exposed its involvement in two fatal accidents and its history of using off-the-books workers. ProPublica has found that other member companies — Five Star Carting, Liberty Ashes, Boro-Wide Recycling, Century Waste and Industrial Carting — have struck deals with an "[independent union](#)" that workers allege is in cahoots with owners to suppress wages. The union is now the subject of a federal grand jury investigation. A number of the companies, including [Century Waste](#) and [Viking Sanitation](#), were involved in headline-grabbing accidents this year.

NYRWM could hardly have been more straightforward about its aims when it incorporated: Its initial tax filings declared the organization's purpose was to support politicians who would resist the city's reform plans. The group sought to organize "public demonstrations and media

campaigns” and “lobby government, civic and business leaders” to oppose the city’s zoning plans, the filings add.

Helping direct those efforts is Shain. Records show that Shain is listed as NYRWM’s incorporator, general counsel and secretary/treasurer. It is Shain’s signature that appears on the group’s lobbying forms. In city lobbying records, Shain is listed as the “client principal officer. On the NYRWM website, prospective members are invited to contact Shain.

How Shain assumed that role seems at odds with the city’s regulations. New York City law bans trash companies licensed by the city from being members of trade associations in which anyone holding a position “has been convicted of a racketeering activity or similar crime.” The BIC has companies sign licensing orders saying owners “shall not knowingly associate with any member or associate of organized crime or any racketeer in any manner, whether the association is related to the trade waste removal industry or not.”

In 2002, Shain pleaded guilty to two felonies and a misdemeanor in connection with a bid-rigging, bribery and kickback scheme that defrauded Queens public schools out of an estimated \$6.3 million. The city’s corporation counsel [sued Shain](#) for having engaged in a pattern of racketeering activity; Shain and his co-defendants’ convictions and agreement to make nearly \$5 million in restitution resolved the Racketeer Influenced and Corrupt Organization, or RICO, suit.

ProPublica has repeatedly asked the BIC about Shain’s record and his position with the industry group. The agency did not respond to detailed questions sent this month. “Shain’s crimes did not relate to the trade waste industry,” the BIC responded in a May 24 statement. “BIC reviews each case on its merits; there is no automatic bar based on someone’s criminal past.”

Deciphering NYRWM’s finances and activity is not easy. Federal tax records show that in its first 18 months of existence, NYRWM collected \$416,700 in membership dues and declared no other source of revenue. However, this figure doesn’t match the numbers on NYRWM’s state lobbying disclosures, which show that the group amassed \$4.4 million in 2016 alone from 15 carters — much of it in six-figure checks.

After an inquiry from ProPublica, Spokony said that the state’s lobbying records were incorrect and that the group was working to fix the issue. He said the group’s filings contained “misplaced decimal point errors.” Spokony provided a Dec. 10 email from Shain to the state lobbying body, the Joint Commission on Public Ethics, notifying officials of the “very large error” and asking how to correct the issue. (Spending on lobbying is self-reported.) ProPublica asked Spokony to send corrected figures for NYRWM’s finances but did not receive any.

The group’s lobbying [disclosures](#) also list Christiansen as its executive director and registered lobbyist. But none of NYRWM’s state or federal tax filings list Christiansen as an official or show any payments to him for his role as executive director. According to lobbying records, Christiansen is paid \$500 a month. ProPublica spoke to nearly a dozen people, including city officials, City Council staff and advocates for the zoning reform plan, and all said Christiansen’s fee seemed impossibly low for the amount of time he put into NYRWM matters.

They said Christiansen has been omnipresent during the fight over the zoning reform plan. He attended meetings and hearings, and officials say he emailed relentlessly. He has been a primary organizer of a series of “safety symposiums” — industry-led functions co-sponsored with the BIC that have included panel discussions, as well as presentations by the city’s Department of

Transportation and the New York Police Department. Christiansen discloses “safety symposium planning” among his lobbying efforts, and the events appear to be designed to reassure the public and industry regulators that carters take safety seriously.

City Councilman Antonio Reynoso, chair of the Sanitation Committee, has called the symposiums a “dog and pony show.”

ProPublica asked NYRWM whether Christiansen received a salary for his role as executive director, how much he was paid, who paid him and why he was not listed on the group’s tax filings; NYRWM did not respond.

ProPublica also asked to speak to Christiansen in late November. In an email, Spokony said the group would make Christiansen available “on the condition that that interview is limited to a discussion of NYRWM’s mission, its goals and its opposition to zones. This means that the interview would not include a discussion of specific NYRWM members.” (ProPublica did not accept these conditions.)

Christiansen was not the only lobbyist at work for NYRWM. The organization has paid \$516,000 since January 2016 to a firm called Bolton-St. Johns. On June 28, the fruits of their lobbying were realized when two City Councilmen who had been lobbied by Bolton-St. Johns introduced a piece of legislation that purportedly would improve safety and efficiency in the trash industry by giving the BIC more regulatory and oversight powers. Formally known as Intro 996, it seeks to authorize the BIC to require companies to provide things like annual safety certifications, report data on wages and benefits, and create “a task force to conduct a comprehensive review of existing law and rules.”

But the bill is clearly meant to blunt the de Blasio administration’s push for zoning. It contains a seemingly unremarkable clause that stipulates that the city can’t “adopt any rules that interfere with a business’ choice of waste services provider,” which would block city-imposed zoning.

Emails obtained by ProPublica in a public records request suggest that Intro 996 was drafted by NYRWM’s lobbyists. On Jan. 24, 2018, Bolton-St. Johns lobbyist Monica Hanley sent an email to City Councilman Robert Cornegy’s director of policy and communications, Kegan Sheehan, with the subject line “private carting legislation.” It contained an attachment titled “NYRWM DRAFT LEGISLATION V8.docx” as well as another attachment, “draft dear colleague letter.” Stamped at the top of the legislation document were the words “Confidential Draft — Not for Distribution or Attribution” in large letters.

A week later, Cornegy had a meeting with Hanley in a basement conference room of City Hall to discuss the proposed NYRWM legislation, according to a copy of Cornegy’s schedule obtained through a public records request. Emails from the Cornegy staffer show that Hanley had been in touch with the councilman’s office since at least October 2017.

Cornegy, joined by Gjonaj, introduced the bill on June 28. The text of the legislation was nearly identical to the document NYRWM’s lobbyist had sent to Cornegy’s office in January. The day the legislation was introduced, Cornegy emailed out a letter to City Council members urging his colleagues to support the bill, and the words were close to a match for the “draft dear colleague letter” written by the NYRWM lobbyist.

Bolton-St. Johns did not respond to a detailed list of questions. Cornegy in a statement stood by the merits of the proposed legislation and said it reflected wide input, but he did not respond to the question of Bolton-St. Johns’ role in writing it.

Voicing support for Intro 996, the haulers spelled out their argument against zoning in a letter to Garcia and the mayor last July.

“A top-down city-controlled zone-franchise system risks converting a successful business-to-business relationship into a bureaucratic business-to-city arrangement, burdening both customers and waste service providers with substantial new regulations and oversight,” read the letter. “New York City already benefits from a well-regulated collection of mostly locally-owned companies that bring generations of knowledge, passion and commitment to their work in keeping the city clean, and environmentally progressive.”

The letter was backed by the Real Estate Board of New York, or REBNY, a powerful realty lobbying group. According to state lobbying records, REBNY gave NYRWM \$120,000 this year through its affiliate, Taxpayers for an Affordable New York. REBNY’s general counsel, Carl Hum, said in a statement, “A system of zones and franchises is counterproductive because it eliminates choice and competition which leads to higher costs and lower quality of service to businesses throughout New York City.”

The argument has found other supporters among business interests, including the New York State Restaurant Association, the National Supermarket Association and the Building Owners and Managers Association. Intro 996 has also found a sole union supporter in Laborers Local 108. Virtually every other prominent labor, environmental and social justice advocacy group that’s active on waste issues has sided with the city’s plan.

“The push to zones also conveniently overlooks how safety is a ‘continuous improvement’ project that is never over in any industry, but can be part of a well-regulated system — like NYC already has,” Fritz Schneider, of Laborers Local 108, and Jose Maldonado, a NYRWM consultant, wrote in a [joint](#) opinion piece in April.

Many opponents of zoning in New York point to Los Angeles’ implementation of a zoned collection system as a failure that raised costs for businesses. “Anyone following last year’s chaotic implementation of a system of zones and franchises in Los Angeles has seen what can happen if city officials unilaterally advance a major policy shift without considering alternatives,” Christiansen said in a statement to ProPublica last week.

Intro 996 has been sent to the City Council’s Sanitation Committee for consideration.

Garcia noted that her agency’s studies had found that small businesses in New York currently pay more for trash pickup than big businesses. She acknowledged that zoning in Los Angeles “had a bit of a rocky rollout” with a rushed implementation over just six months, but she said New York’s plan differed in clear ways that would avoid the issues that Los Angeles businesses initially faced.

In making her case for reform, Garcia laid out what she thought zoning would accomplish. The first contracts would be awarded in 2021, followed by a two-year transition period.

“The real key I think for New Yorkers in general and for businesses in the city is you will have a more efficient system,” she said. “You will have less traffic on the road. For the private carting industry, you should have less maintenance. You should be spending less on fuel. It should be quieter. You won’t have 40 carters on one block on one night. But also just in general a system in which we’ll have a better handle on safety.”

Garcia said the arguments made by NYRWM, and captured in the legislation drafted by its lobbyists, seemed “designed to sort of keep things in place the way they are.”

Gjonaj has emerged as one of the trash industry's staunchest defenders, and his backing of the legislation meant to counter the city's reform efforts would not exactly surprise Bronx political insiders.

Gjonaj has described Steven Squitieri, one of the three brothers who own Sanitation Salvage, the Bronx hauler that surrendered its license in November, as a close friend of more than two decades. When Gjonaj launched his political career with a bid for a state assembly seat in 2012, Squitieri hosted a fundraiser. In December 2016, when then-Assemblyman Gjonaj announced his City Council campaign to a small circle of supporters, there was Squitieri standing at the front. And when Gjonaj and a handful of staffers celebrated the birthday of his wife, Roberta, at campaign headquarters in July 2017, Squitieri joined for cake. In all, the Squitieri family and its companies have donated more than \$45,000 to Gjonaj's campaigns.

Gjonaj also stood with Sanitation Salvage after ProPublica reported that employees had covered up a fatal accident involving one of the company's off-the-books workers. Records show that the union at Sanitation Salvage, which workers said was installed by company management, was long run by a man identified by law enforcement as a soldier in the [Genovese crime family](#). The city briefly suspended the company's operations because the city deemed it a threat to public safety.

"In the 20 years that I have known the Squitieri family, I have always known them to be generous and philanthropic people," Gjonaj said in a statement after a second fatal accident involving the company last spring. "They care deeply about the Bronx and their successful business is the gold standard of partnership between small business owners and community."

Gjonaj also defended the trash industry legislation he co-sponsored last summer, saying, "It adds to safety for the workers, it adds to better training, it adds to accountability and more oversight."

In May, Gjonaj squared off at a hearing with Garcia. Gjonaj argued that the city's zoning plan would create monopolies resembling the days when the mob controlled the industry. "Why would we revert back to a similar practice that was problematic for decades, that bred fraud, corruption, organized crime, manipulation of the market at the cost of small businesses?" he asked.

"It is not our position to dictate who should get into what industry," Gjonaj declared.

"I really think you are going to be pleasantly surprised," Garcia replied.

"I doubt that," Gjonaj said. "When government gets involved, I'm never pleasantly surprised."

Throughout his push on NYRWM's behalf, Gjonaj has always been clear about the nature of his relationship with the Squitieris: Yes, they were friends; yes, he'd taken campaign money from them; but no, he'd [never been](#) in business with them.

But records obtained by ProPublica indicate this is untrue.

Until recently, Gjonaj's brother, Paul, and Steven and John Squitieri co-owned a Bronx restaurant on City Island, and ProPublica found a long paper trail that shows that Mark Gjonaj was also involved with the establishment. (The Squitieris did not respond to questions from ProPublica.) Mark Gjonaj was listed as a principal on six different building permits. As well, an email obtained by ProPublica contains an exchange in which Gjonaj helped resolve a business decision with the other owners of the restaurant.

Records also show that Gjonaj appears to have used his Assembly office to help Don Coqui, the City Island restaurant. “Assemblyman Gjonaj: Nice speaking with you today,” an official from Bronx Community Board 10 wrote to mprealty@aol.com, Gjonaj’s personal business email address, in an email with the subject line “Don Coqui,” according to a public records request. In the email dated Sept. 22, 2016, the official gave directions for contacting a city agency about bringing the restaurant’s noise levels to code.

The restaurant was sold in June 2018, a week before Gjonaj introduced the legislation.

A longtime real estate broker and the first Albanian-American elected to City Council, Gjonaj assumed office in January of this year, and he disclosed an unusually long list of outside business interests. None of them, however, included his involvement with the restaurant. Gjonaj has directed over \$100,000 of his campaign cash into the restaurant.

Over the years, the restaurant picked up a couple of other investors. Records from 2014 show a couple named Dilja and Franjo Mirdita as each owning 9 percent of the business. Dilja and Franjo Mirdita share a residential address with their son, Viktor. News reports identify him as an “Albanian gangster.” According to Bronx county court records, Mirdita was arrested with a gun at the scene of the slaying of Genovese capo Pasquale Parrello’s son, Pasquale Parrello Jr., in 1993. Parrello Jr. was allegedly [killed](#) by the Gambino crime family over an insult that involved a slap in the face. In 1995, Viktor Mirdita was acquitted of murder but found guilty of criminal possession of a weapon in the second degree and served a total of 10 years behind bars. In the email exchange obtained by ProPublica in which the owners of the restaurant discuss an important matter, the participants include Mark Gjonaj’s personal business email, as well as one for viktormirdita@aol.com. A 2016 article by Jerry Capeci of Gang Land News, a source of news about organized crime that is often relied on by members of law enforcement, cited sources as having “learned that [Viktor] Mirdita was involved in a City Island restaurant.”

Mirdita was released from prison in 2003, and his ties to Mark Gjonaj appear to date to at least then. Between 2004 and 2016, records show that a company called Alliance Mechanical Inc. was registered to Mirdita with offices at 30 Pilot Street, a residential apartment building on City Island. During much of this time, Gjonaj co-owned 30 Pilot Street through Kramluap Realty LLC — “Paulmark” spelled backward — and Gjonaj and his family lived in the building. State Board of Elections records show that Viktor Mirdita has given \$6,200 to Gjonaj’s campaigns since 2012.

Viktor Mirdita did not respond to requests for comment. Reached by phone, Franjo Mirdita declined to comment and hung up.

In response to a detailed list of questions, Gjonaj’s office emailed a short statement that did not address any of ProPublica’s findings about his business interest in the restaurant or the role of NYRWM lobbyists in crafting the legislation he introduced into the City Council. The statement said the councilman was the subject of a smear campaign that was a distraction from the debate over reforming the private trash industry.

“The Councilman has taken a principled stand against zoning in favor of a policy that would increase oversight and protect worker safety without decimating the mom-and-pop shops that depend on reliable carting service at a reasonable price,” Reginald Johnson, a spokesman for Gjonaj, said in the statement.

Late last week, NYRWM quietly [announced](#) it would soon be “dormant.” Spokony, its spokesman, said the group was going to rejoin the National Waste & Recycling Association. Spokony said the decision had been in the works for a while after the association, a mainstream trade group that primarily represents waste hauling companies, also came out against the zoning plan.

Prospects for Intro 996, NYRWM’s favored legislation, seem dim. Interviews in recent months with a wide range of city officials suggest the de Blasio administration will prevail in its effort to put in place the zoning plan. The NYRWM legislation attracted few sponsors and is considered unlikely to make it out of the Sanitation Committee. The committee’s chair, Reynoso, is an outspoken proponent of the city’s reform plan.

At a hearing this year, Reynoso engaged in a heated exchange with Christiansen of NYRWM.

“Your industry has never taken on any task to advance itself on any issues — ever — in its history without us threatening [you] with legislation or some kind of reform,” Reynoso said. “You never, ever step up. So we have to help you step up.”

[Mueller fuels foreign lobbying crackdown](#)

Special counsel [Robert Mueller](#)’s Russia investigation has given federal prosecutors momentum to litigate alleged violations of what until last year was an obscure law governing foreign lobbying.

In the course of his now 19-month probe, Mueller has uncovered a web of alleged criminality linked to violations of a World War II-era law enacted amid concerns over foreign propaganda.

Mueller has obtained guilty pleas under the law, the Foreign Agents Registration Act (FARA), from two of [President Trump](#)’s 2016 campaign aides, [Paul Manafort](#) and Richard Gates.

Both pleaded guilty to charges linked to their lobbying work on behalf of pro-Russian forces in Ukraine.

Mueller has also referred cases falling outside his mandate to other U.S. prosecutors.

One of those referrals resulted in the guilty plea last summer of GOP consultant Sam Patten, an associate of Manafort’s. Patten pleaded guilty to illegally lobbying on behalf of a political party in Ukraine called the Opposition Bloc, the successor to Russia-backed oligarch Viktor Yanukovich’s Party of Regions. Patten has been cooperating with Mueller and other federal officials and prosecutors are expected to give an update on his case by Monday.

Meanwhile, federal prosecutors in Manhattan are said to be accelerating an investigation into Washington, D.C., firms that helped Manafort lobby on behalf of Yanukovich, raising the possibility new charges could be filed in the future.

And government prosecutors in Virginia are poised to lay out their case against a former business partner of Michael Flynn, Trump’s onetime national security adviser. Flynn is expected to be a witness against his old partner, who is charged with illegally lobbying on behalf of the Turkish government.

The developments have had a chilling effect in Washington among lobbyists and consultants.

“When you become ground zero for what America is angry about ... anything can happen,” said one lobbyist who spoke on the condition of anonymity. “All it takes is a couple of scandals.”

FARA dates back to 1938, when it was passed to ensure transparency of foreign influence in the American political process as a result of fears over Nazi and communist propaganda. It has been amended twice since then but is essentially the same law.

It requires that “agents of foreign principals,” typically lobbyists or consultants who work for foreign governments or political parties, register and file regular reports with the Justice Department on their activities. They also must file copies of materials they distribute for any foreign entities and keep a record of their activities.

Criminal prosecutions under the law have been few and far between. Indeed, a Justice Department [inspector general report](#) released two months before the 2016 presidential election concluded that Justice lacked a “comprehensive” strategy to enforce FARA.

Mueller’s investigation has turned the tides, at least for the time being.

Mueller charged Manafort and Gates with acting as unregistered foreign agents in October 2017, in addition to a slew of other federal offenses stemming from their lobbying on behalf of politicians in Ukraine. Both have since pleaded guilty and agreed to cooperate, though Manafort’s plea deal broke down dramatically last month as the special counsel accused him of lying.

Their cases spell potential trouble for two D.C. firms that Manafort recruited to lobby on behalf of Yanukovych in the United States. Manafort has admitted to arranging for the firms, the now-defunct Podesta Group and Mercury Public Affairs, to work for a nonprofit that claimed to be independent but was in fact under Yanukovych’s direction in order to obscure that their efforts were done at the behest of the Ukrainian government.

Mueller’s prosecutors said in September that some employees of both firms, identified only as “Company A” and “Company B” in [court filings](#), knew that they were receiving direction from Yanukovych and not the nonprofit.

Neither firm registered under FARA for the lobbying work. Instead, they registered under the Lobbying Disclosure Act. The two firms said they did so on advice from counsel, and both have subsequently registered under FARA.

FARA allows for some exemptions in which lobbyists could register under the Lobbying Disclosure Act rather than FARA. To do so, individuals or firms must represent foreign principals who are not foreign governments or political parties.

[The Associated Press](#) reported earlier this month that prosecutors in Manhattan, on Mueller’s referral, had in recent weeks interviewed witnesses to probe the lobbying done by the Podesta Group and Mercury, a sign of the investigation accelerating. Neither firm has been charged with wrongdoing.

Mueller’s referral also reportedly included Greg Craig, who worked as White House counsel under former President Obama and whose law firm Manafort hired to produce a report that defended the Ukrainian government’s imprisonment of former Prime Minister Yulia Tymoshenko, Yanukovych’s political rival.

Separately, Mueller’s investigation has contributed to prosecutors bringing charges against Bijan Kian, a co-founder of Flynn’s lobbying group who was indicted alongside another associate in mid-December on charges of conspiracy and acting as an unregistered agent of the Turkish government.

The charges came roughly a year after Flynn pleaded guilty in connection with Mueller's investigation and [admitted](#) to making false statements in filings to the Justice Department about the Flynn Intel Group's lobbying work related to Turkey.

Kian has pleaded not guilty and his trial is slated to begin in February in Alexandria, Va., where Flynn is expected to testify.

Lobbyists who do work with foreign governments insist they comply with FARA, and some have suggested that the recent charges give the false impression that the industry is characterized by shady dealings.

"One bad lobbyist can tarnish the whole industry," said one lobbyist, who likened the latest controversy to the Jack Abramoff scandal, which resulted in the former D.C. power player spending four years in prison and spurred congressional action to regulate lobbying.

Regardless, Mueller has thrown a spotlight on foreign lobbying activities that is unlikely to wane even after his investigation has concluded. Some lawmakers have pushed for legislation they argue would strengthen FARA and prevent individuals from exploiting loopholes in the law.

Lobbying shops may also start to turn away foreign clients if they haven't already, given that Russian interference and other recent developments have cast a shadow over the work. A handful of firms, for instance, have recently dropped Saudi Arabia as a client in light of journalist Jamal Khashoggi's murder.

"I think that even those who have been following the rules are going to think twice about this because I think there are probably ample numbers who have not been following the rules," one lobbyist told the Hill.

"Even those that register appropriately, the question is going to be why are you working for an oppressive regime? Why are you trying to bolster a foreign government over the U.S. government?" the person continued.

New bills are expected to be introduced in the coming year and House Democrats will likely push to get a bill that tackles foreign lobbying regulations out of the lower chamber.

"I think there is definitely more focus. People are more engaged," said Steven Cash, a D.C.-based lawyer at Day Pitney and former chief counsel to Sen. [Dianne Feinstein](#) (D-Calif.).

"I think there is more to come that is going to spin out of Mueller, and I suspect there is more to come generally, because we're going to be more attentive to this," Cash added.