Foreign Influence in US Politics*

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Abstract

This paper investigates the informational role of lobbyists in the context of foreign lobbying in the United States. Using Department of Justice data on contacts between foreign governments and US legislators, we show that exogenous shocks to these connections influence foreign aid, tariff legislation, and corporate subsidies to foreign firms. Subsidies to connected foreign firms are associated with lower local employment, challenging the view that lobbyists provide technical expertise for better policymaking. However, subsidies to connected firms increase incumbent legislators' vote shares suggesting that foreign lobbying may still deliver valuable political information. Overall, our findings highlight the nature of the information channel of lobbying and underscore the broad economic significance of foreign lobbying in the US.

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1 Introduction

Providing policymakers and legislators with information is often regarded as the primary way interest groups exert influence over the policymaking process (Potters and van Winden, 1992; Grossman and Helpman, 2001; Bombardini and Trebbi, 2020). Under this view, lobbyists offer their technical and political expertise to lawmakers, helping them make more informed decisions and, in turn, improving their electoral prospects.[1] Despite its importance, however, there is almost no empirical evidence on the role of the *information channel* of lobbying (Bombardini and Trebbi, 2020). Often, empirical research has focused on *quid-pro-quo* models, which frame lobbying as an exchange of monetary contributions or favors. The emphasis is largely driven by the availability of data on lobbying expenditures, campaign contributions, and the "revolving door" phenomenon (Blanes i Vidal, Draca, and Fons-Rosen, 2012; Bertrand, Bombardini, and Trebbi, 2014). While such data are unquestionably valuable, they are not well-suited to assessing the potential informational benefits of lobbying. Crucially missing is evidence on the interactions among lobbyists, their clients, and policymakers, leaving the informational dynamics of lobbying largely unexplored.

This paper addresses these issues by studying foreign lobbying in the US. This setting is ideal because the Foreign Agents Registration Act (FARA) of 1938 mandates detailed disclosures of lobbying activities, allowing us to track each contact among foreign clients, their lobbyists, and US policymakers. These data, while unique to foreign lobbying, are quite difficult to process, with records scattered across several thousand unformatted, scanned PDF files stored digitally on the De-

[1] Indeed, the American League of Lobbyists itself describes lobbying as essential to democracy, involving tasks like researching legislation, attending hearings, working with coalitions, and educating both government officials and corporate officers on policy implications. They emphasize that providing information is crucial for informed government decisions.

partment of Justice (DOJ) website.

In this setting, we make two key contributions. Our first contribution is provide large-scale evidence on the nature and scope of foreign influence in US politics. We construct a novel dataset from DOJ records of contacts between foreign agents—representing foreign principals like governments and firms—and US legislators. These data—the first of their kind in scope and detail—capture more than 200,000 contacts between representatives of 159 foreign governments and approximately 1,200 US legislators, 40,000 contacts between representatives of 167 foreign governments and employees of 27 different US government agencies, and nearly 8,000 contacts between representatives of 131 foreign governments and 157 state governors from 2000 to 2018.

We then provide new empirical evidence quantifying the impact of foreign lobbying in the US by analyzing exogenous shocks to connections between foreign governments and US legislators. Following Cohen, Diether, and Malloy (2013), we examine changes in foreign aid allocation around the departure of legislators with ties to foreign governments from Congressional committees relevant to foreign aid, finding a significant reduction of $15.8 million on average. Next, we observe that the departure of connected legislators lowers the likelihood of favorable tariff bills progressing by 4 percentage points four years later. Finally, we analyse changes in corporate subsidies to foreign firms tied to US legislators, focusing on exogenous shocks to connections through Congressional redistricting. Firms redistricted into a legislator's district with ties to their government receive 20% higher subsidies post-redistricting.

Our second contribution is to document evidence regarding the information channel of lobbying. One key feature of the information channel is that it allows policymakers to make better decisions on behalf of their constituents. Contrary to this view, we find that subsidies awarded to foreign firms connected to US legislators

create fewer jobs compared to subsidies granted to unconnected firms. This undermines one of the core objectives of state and local subsidy programs: to enhance local economic conditions and employment. The result holds when comparing firms of the same size in the same industry and district.

At the same time, we find evidence that foreign lobbying improves the political prospects of incumbent legislators. In particular, we find that the parties of incumbent legislators that secure a subsidy deal for connected foreign firms receive a 1.2 percentage points higher vote share in the following election. Our results suggest that voters reward incumbent legislators for bringing subsidies into their districts and complement findings by Slattery (2024). Overall, our findings contribute to the broader discussion on whether lobbying activities benefit public policy and offer new insights into the scope and nature of foreign influence in US politics.

Related Literature. This paper contributes to three key strands of the literature. First, we build on the political economy literature that highlights the role of special interest groups in shaping trade policy, budget priorities, and economic growth (Grossman and Helpman, 1994, 2001; Persson and Tabellini, 2002; Rajan and Zingales, 2003). Empirically, prior work has linked domestic lobbying to changes in trade tariffs (Goldberg and Maggi, 1999; Nunn and Trefler, 2010; Bombardini and Trebbi, 2012; Kim, 2017) and government contracts or regulation (Fisman, 2001; Faccio, Masulis, and McConnell, 2006; Duchin and Sosyura, 2012; Goldman, Rocholl, and So, 2013; Tahoun, 2014; Adelino and Dinc, 2014; Gutiérrez and Philippon, 2018, 2019; Philippon, 2019). We provide novel large-scale evidence of foreign influence in US politics by showing that contacts between foreign representatives and US legislators shape resource allocation and public policy. By doing so, we document evidence regarding the *informational channel* of lobbying.

Second, our findings also contribute to the literature estimating the value of po-

litical connections to firms, linking political ties to abnormal returns, firm value, profitability, and investment decisions (Jayachandran, 2006; Claessens, Feijen, and Laeven, 2008; Ferguson and Voth, 2008; Goldman, Rocholl, and So, 2009; Cooper, Gulen, and Ovtchinnikov, 2010; Akey, 2015; Brown and Huang, 2020; Child, Massoud, Schabus, and Zhou, 2021; Faccio, 2006; Borisov, Goldman, and Gupta, 2016; Amore and Bennedsen, 2013; Cingano and Pinotti, 2013; Cohen, Coval, and Malloy, 2011; Akey and Lewellen, 2017; Grotteria, 2023; Biguri and Stahl, 2024). We add to the recent literature on foreign lobbying strategies (Hirsch, Kang, Montagnes, and You, 2023; You, 2023) by demonstrating direct benefits to foreign governments and indirect benefits to foreign firms.

Third, we contribute to the literature that relies on campaign contributions, donations, and past employment networks to proxy for connections. Unlike prior work relying on Lobbying Disclosure Act (LDA) data, which do not reveal the identities of contacted legislators, our dataset provides detailed information on contacts with individual legislators and executive branch members. This allows us to examine the intensity of these connections and their impact on policy outcomes for foreign governments. By directly observing contacts, we extend research on domestic lobbying (Bombardini and Trebbi, 2020; De Figueiredo and Richter, 2014), and at the same time we offer new insights into the effects of foreign lobbying on US public policy. To the best of our knowledge, our work and Espinosa, Ilango, and Zanarone (2023) are the only studies using a comprehensive dataset of FARA registries. While they focus on how reputational shocks to foreign governments affect connected legislators' political contributions and speech patterns, we study foreign lobbying's effects on US public policy and resource allocation. Further, we shed light on the mechanism underlying the influence of foreign lobbying documenting the importance of *informational* role of lobbyists.

2 Institutional details and data

This section describes the institutional details of foreign lobbying in the US and our main outcomes of interest—foreign aid, tariff legislation, and discretionary place-based corporate subsidies.

2.1 Foreign Agents Registration Act

FARA requires individuals and entities acting as "foreign agents" in the US to register with the DOJ and submit semi-annual disclosures if they engage in specific activities on behalf of "foreign principals." The term "agent" is interpreted broadly, encompassing those who work under the direction or control of a foreign entity, even without a formal contract.[2,3] According to 22 US Code § 611, "covered activities" under FARA include four key actions within the US: a) engaging in political activities;[4] b) acting as public relations counsel, publicity agent, or political consultant;[5] c) soliciting, collecting, or disbursing things of value, such as contributions or loans; and d) representing the foreign principal's interests before federal agencies or officials. Foreign principals can include governments, firms, political parties, individuals, or non-profit associations.

[2]Under FARA, a foreign agent includes anyone who acts as an agent, representative, employee, servant, or in any other capacity at the order, request, or under the direction or control of a foreign principal. This definition applies regardless of whether the agent is compensated, covering both paid and volunteer agents.

[3]Agency status hinges on whether a particular person has been asked to perform a specific action on behalf of a foreign principal, as demonstrated in Attorney General of the United States v. Irish Northern Aid Committee, 668 F.2d 159 (2d Cir. 1982), at 161-62.

[4]Political activities are defined as efforts to influence US government agencies, officials, or the public regarding US domestic or foreign policies, or the political or public interests of a foreign country or political party (22 U.S.C. § 611(o)).

[5]A public relations counsel represents a principal in public relations matters concerning political or public interests (22 U.S.C. § 611(g)). A publicity agent disseminates information through various media (22 U.S.C. § 611(h)). A political consultant advises on US policies or the political interests of foreign entities (22 U.S.C. § 611(p)).

Congress has introduced several exemptions to the FARA through amendments to the statute (22 US Code § 613). For example, officials, diplomatic officers, and certain staff of foreign governments are exempt if they act solely within their official capacities, as recognized by the US Department of State. This exemption means that FARA's reporting requirements specifically apply when diplomats or foreign government officials use external lobbyists or lobbying firms for covered activities. Another important exemption is for agents registered under the LDA. To qualify, the foreign principals cannot be foreign governments or political parties. Additionally, the agents must be registered under the LDA and engage in lobbying activities as defined by the statute.[6]

The LDA, enacted in December 1995, shifted foreign commercial lobbying from FARA to the LDA. There are at least two main reasons why foreign companies prefer registering under the LDA rather than FARA for disclosing their lobbying activities. First, LDA registration is less burdensome than FARA, as it does not require disclosing specific details like the date and identity of US legislators or officials met by the lobbyist. Additionally, LDA registration carries less public stigma. Second, while the penalties for non-compliance under both FARA and the LDA are similar as of June 2023, FARA enforcement is stricter.

Since the 2000s, the Department of Justice has initiated 13 criminal cases under FARA against 14 entities and individuals, resulting in 13 convictions and one case with charges dropped.[7] Notably, Donald Trump's former campaign manager Paul Manafort was sentenced to five years in prison for failing to register his 2017 lobbying activities. In contrast, only nine LDA cases have been settled, with civil penal-

[6]Under the LDA, lobbying contacts include virtually any written or oral communication with covered legislative or executive branch officials concerning the formulation, modification, or adoption of policy or legislation. This also includes communications related to the administration or execution of federal programs or policies, such as contracts, grants, loans, or permits, and the nomination or confirmation of individuals subject to Senate confirmation.

[7]Examples of cases prosecuted under FARA can be found here.

ties generally under $200,000, except for the case of Jack Abramoff, who faced criminal charges outside our sample. This disparity may be due to the difference in oversight, with the Clerk of the House and the Secretary of the Senate overseeing the LDA, lacking the enforcement power of the DOJ, which handles FARA cases (Thurber, Campbell, and Dulio, 2019).[8]

Lobbying contacts. We manually collect data from supplemental statements filed under FARA, which detail contacts between foreign government representatives and US government officials. The supplemental statements include data on contacts, particularly in response to Question 12, as well as in appended documents. Question 12, shown in Panel A of Figure 1, queries about activities conducted on behalf of foreign principals over the previous six months. Notably, the corresponding attachments require the foreign agents to disclose both the date and the identity of the US government officials they contacted, as illustrated in Panel B of Figure 1.

Our dataset, compiled from over 12,000 semi-annual lobbying disclosures, captures more than 200,000 contacts between representatives of 159 foreign governments and approximately 1,200 U.S. legislators, 40,000 contacts between representatives of 167 foreign governments and employees of 27 different U.S. government agencies, and nearly 8,000 contacts between representatives of 131 foreign governments and 157 state governors from 2000 to 2018.

Within our sample, we have identified 650 distinct registered lobbying firms engaging on behalf of foreign principals with various members of the legislature and employees of the executive branch. The majority of foreign principals are foreign governments and political parties (72.0%), with the remaining being either foreign

[8]Two recent cases highlight foreign influence in U.S. politics. U.S. Representative Henry Cuellar was indicted for allegedly accepting nearly $600,000 in bribes from Azerbaijan's state-run oil company, in exchange for influencing U.S. policy in its favor (source). Similarly, Sen. Bob Menendez is accused of accepting bribes, including gold bars, in exchange for taking official actions to benefit businessmen and the governments of Egypt and Qatar (source).

corporations (22.7%), with 57.5% of the corporations being privately owned and 42.5% being state-owned, or unknown (5.3%). The lower representation of foreign firms is expected, as U.S. subsidiaries of foreign companies can report under the LDA, as discussed in Section 2.1. We associate each foreign principal with its country of origin using DOJ records, assigning each meeting to a specific foreign country based on ISO three-letter country codes (ISO 3166-1).

To motivate our analysis of the relationship between foreign lobbying and resource allocation or public policy, we provide descriptive statistics on contacts between foreign agents and US legislators in Online Appendix Section C.[9] We find that foreign representatives contact more frequently the most effective legislators, as defined by Legislative Effectiveness Scores (LES) from Volden and Wiseman (2014, 2018). Contacts are also concentrated with sub-committee chairs (30%) and members of power committees (40%), as well as foreign affairs (25%), armed forces (17%), and security and intelligence (17.5%).

Furthermore, our analysis shows that foreign countries do not significantly reduce contacts with legislators after they leave key committees, particularly those related to foreign aid. This suggests that foreign governments may prioritize maintaining long-term relationships with legislators beyond specific committee assignments, as argued in Online Appendix Section C. Lastly, we observe that foreign agents contact more frequently legislators in years when they sponsor tariff bills relevant to their foreign principals as well as Congressional committee members when their committees are asked to take action on tariff bills relevant to the foreign principals.

[9]Summary statistics on legislators' personal and political characteristics are also available in Online Appendix C, with additional details on variable construction in Section A and an in-depth analysis of topics in Section B.

2.2 Foreign aid

Foreign aid is one of the two main outcomes of interest when examining the benefits that foreign countries may gain through lobbying activities in the US. There are three key reasons for focusing on foreign aid. First, it is a significant policy tool for the federal government, playing a crucial role in securing support in major international affairs, maintaining political regimes, and strengthening international alliances (Alesina and Dollar, 2000). Second, prior research suggests that international relationships play a key role in determining the allocation of aid and assistance (Sims, 1980; Kuziemko and Werker, 2006), highlighting the potential influence of political factors on aid distribution. Third, foreign aid allocation follows a two-step process: Congress first votes on the total funds, goods, and services to be provided, and then executive agencies distribute the aid according to mandates from both Congress and the executive branch.

In the US, foreign aid allocation and disbursement involve both the legislative and executive branches. Initially, Congress determines the types of aid the government can provide and the total amount of assistance through the budgeting process.[10] Once authorized, these funds are allocated to executive agencies, which may not necessarily be the same agencies responsible for disbursing the aid. For instance, in fiscal year 2019, USAID and the Department of State were responsible for approximately 45% and 15% of all foreign aid, respectively, while the Department of Defense focused on military assistance, disbursing around 30%. Given the roles of these agencies, it is likely that representatives of foreign countries seeking to influence US aid policy would prioritize meetings with officials from the Department of State, USAID, and the Department of Defense. As detailed in Section C, our data

[10]Foreign aid appropriations are a key part of the State, Foreign Operations, and Related Programs (SFOPS) spending bill. This bill significantly shapes US foreign aid policy, as SFOPS subcommittees hold considerable authority over appropriations.

confirms that foreign agents disproportionately engage with these key agencies.

Finally, oversight of foreign aid distribution is shared among several Congressional committees, each playing distinct roles. The majority of aid programs are under the jurisdiction of the House Committee on Foreign Affairs and the Senate Committee on Foreign Relations. However, specific aid programs are overseen by other committees as well. For example, the Agriculture Committees in both the House and Senate manage food aid programs, while the Senate Foreign Relations Committee and House Financial Services Committee oversee US contributions to multilateral development banks.

2.3 Tariff legislation

In the US, Congress holds the constitutional authority to establish tariffs and regulate international trade. This power is primarily exercised through legislation, where Congress enacts laws that set tariff rates or grant the President the ability to adjust them under specific conditions, such as trade agreements or national security concerns. The process of determining tariffs usually involves proposals from members of Congress, the President, or the executive branch. These proposals are then introduced as bills that move through the legislative process, requiring approval by both the House of Representatives and the Senate before being signed into law by the President.

Within Congress, committees play a crucial role in shaping tariff policy. The House Ways and Means Committee and the Senate Finance Committee, which oversee matters related to taxation and trade, are responsible for drafting, reviewing, and amending proposed tariff legislation. In our sample, they account for 52% of the observations of Congressional committee actions on tariff legislation. These committees hold hearings to gather input from experts, industry representatives, and

government officials. A bill may also be referred to multiple committees when its subject matter falls under the jurisdiction of more than one committee. This happens when the bill contains provisions that address different areas of policy, requiring expertise from multiple committees. In such cases, each committee reviews the relevant sections of the bill and makes recommendations or amendments before it can proceed to the full chamber for debate and voting. We collect information on all the actions taken by committees on tariff bills. Further details can be found in Online Appendix A.

2.4 Place-based corporate subsidies

Foreign aid allocation is unquestionably important for foreign governments lobbying in the US. However, its complexity—due to the involvement of multiple committees and agencies—often obscures the direct influence of any single legislator or executive branch official. To better link outcomes to individual legislators, we focus on discretionary place-based corporate subsidies that offer a more transparent link between them.

Prior research underscores the considerable influence individual policymakers have over subsidy allocations (Slattery, 2024; Jansa and Gray, 2014). Legislators are often involved in the subsidy allocation process supporting state governors, especially when substantial amounts and foreign governments are involved. For instance, Senators Cochran and Wicker played a key role in securing a $325 million subsidy for Yokohama in Mississippi (see *Clarion-Ledger*, April 28, 2013, p. 3B), while Hyundai's 2002 subsidy from Alabama resulted from a collaborative effort involving the governor, state senators, and congresspeople (Slattery, 2018, 2024).

States typically offer subsidies to stimulate local economic activity and create jobs, as exemplified by North Carolina's Job Development Investment Grant pro-

gram, which aims to "encourage business investment and job creation." However, predicting a firm's economic impact and determining whether it would locate elsewhere without the subsidy is challenging, which grants legislators even greater discretion. This lack of transparency makes the process vulnerable to political capture, as highlighted by a 2016 *New York Times* investigation revealing $260 million in inflated subsidy deals due to lobbying and corruption within New Jersey's Economic Development Agency (Corasaniti and Haag, 2019).

While subsidies may stimulate economic growth, those awarded to foreign firms may pose risks to national security and the competitiveness of domestic industries. For example, R&D tax credits granted to firms from countries like China or Russia have raised strategic concerns, particularly under the Biden administration. The CHIPS Act, which restricts recipients from expanding semiconductor manufacturing in countries deemed national security threats, underscores these risks. Additionally, subsidies to foreign firms have been criticized for distorting resource allocation and weakening the competitiveness of US companies. This aspect makes subsidies to foreign firms a particularly compelling outcome to examine in the context of lobbying efforts.

3 Benefits through connections with legislators

3.1 Benefits for foreign countries

Foreign aid. As described in Section 2.2, foreign aid provides a natural setting for exploring the impact of lobbying on the allocation of resources to foreign countries. We extract data on US foreign aid from `ForeignAssistance.gov`, a platform hosted by the US Department of State and USAID, which offers detailed information on US foreign assistance, including funding sources, implementing agencies,

and the purpose of the aid. For our analysis, we exclude observations with missing transaction dates and then aggregate the data at the country-year level, capturing the amount of aid each country received from the US since October 2001.

Since foreign aid and assistance cannot be directly attributed to specific legislators, we structure our analysis at the country-year level. For each year in which at least one legislator exits the House or Senate Foreign Affairs, Armed Services, or Agriculture Committees, we construct cohorts of treated and untreated countries using country-year observations from four years before to four years after the event. We work with a balanced panel of countries and pool the data across cohorts to estimate the following empirical specification:

$$\log(\text{Foreign Aid})_{ict} = \sum_{k \in \{-4,\ldots,4\} \setminus \{-1\}} \delta_k \times D_{ct}^k \times \text{Connected}_{ic} + \mu_{ic} + \lambda_{ct} + \varepsilon_{ict}, \quad (1)$$

where $\log(\text{Foreign Aid})_{ict}$ is the natural logarithm of total aid disbursed by the US to country i in year t, and $Connected_{ic}$ is a dummy variable equal to one if representatives of country i in cohort c lobbied at least one legislator on the House or Senate Foreign Affairs, Armed Services, or Agriculture Committees in the year prior to their departure. D_{ct}^k is an event-time dummy variable equal to 1 in year k and 0 otherwise. The coefficients δ_k are plotted relative to the year immediately preceding the departure ($k = -1$) from a given committee. The analysis controls for time-invariant country characteristics and macroeconomic conditions by including country-cohort (μ_{ic}) and cohort-year fixed effects (λ_{ct}), respectively. Standard errors are clustered at the country-cohort level.

Figure 2 presents the results. Prior to the departure of at least one legislator, there are no significant differences in changes to foreign aid between connected and unconnected countries. However, following the departure, we observe a persistent and significant decline starting in the year of departure. On average, a connected

foreign country receives approximately 20% less foreign aid in the four years following at least one legislator's departure compared to the pre-departure period and to unconnected countries. Relative to the average foreign aid value in our sample, this corresponds to a reduction of $15.8 million, and a reduction of $5.7 million relative to the median. While these results are informative, the key drawback with the analysis is the inability to link specific legislators to resource allocation. In the subsequent section, we make progress on this by examining tariff legislation and discretionary place-based corporate subsidies.

Tariff legislation. We next explore changes in committee actions in the context of tariff legislation when a legislator with connections to a country departs from a relevant committee. Our choice is motivated by the large literature in economics that proposes an important role for interest groups in the determination of trade policy (Grossman and Helpman, 1994). Much of this work has focused on domestic lobbying groups, with more recent work pointing to a disproportionate influence of foreign lobbying for trade policies (Hillman and Ursprung, 1988; Gawande, Krishna, and Robbins, 2006; Antràs and i Miquel, 2011). Hence, we focus our empirical analyses on tariff bills sponsored in the Congress during our sample period.

We extract data on trade policies relating to product tariffs from GovTrack. We obtained 469 bills over the period 2000-2018. A detailed description of the process used to search for bills and, more importantly, to classify bills as "favorable" or "unfavorable" to a country is provided in Online Appendix A. The final data contain information on the identities of the sponsoring legislators and all actions on bills, including the dates and decisions taken by committees and sub-committees. We study actions on bills starting from the date at which the bill is sponsored by a legislator and follow the bills through their evolution within committees and Congress.

A key feature of tariff bills is that they allow us to link specific committees to

actions affecting foreign countries, in contrast to foreign aid. Consequently, we structure our analysis at the committee-country-year level, allowing us to control for several confounding factors. For each year in which at least one legislator exits a House or Senate committee that was involved with a tariff bill during our sample period, we construct cohorts of treated and untreated countries using country-committee-year observations from four years before to four years after the event. We work with a balanced panel of country-committees and pool the data across cohorts to estimate the following empirical specification:

$$\mathbb{1}_{ijct} = \sum_{k \in \{-4,\ldots,4\} \setminus \{-1\}} \delta_k \times D^k_{jct} \times \text{Connected}_{ijc} + \mu_{ijc} + \lambda_{jct} + \varepsilon_{ijct}, \qquad (2)$$

where $\mathbb{1}_{ijct}$ represents the probability that a tariff bill favorable to country i advances, or an unfavorable bill does not advance, in the legislative process through committee j. The variable $Connected_{ijc}$ is a dummy equal to one if representatives of country i contacted a legislator on committee j in cohort c in the year before their departure.[11] D^k_{jct} is an event-time dummy variable equal to 1 in year k for committee j and 0 otherwise. All coefficients (δ_k) are plotted relative to the year immediately preceding the departure ($k = -1$) from the specific committee. The analysis controls for the relative importance of committees to countries and committees over time by including country-committee-cohort (μ_{ijc}) and committee-cohort-year fixed effects (λ_{jct}), respectively. Standard errors are clustered at the country-committee-cohort level.

Figure 3 presents the results. Before the departure, changes in the probability are

[11] We include all House and Senate committees to which a tariff bill was ever referred during our sample period: foreign affairs, appropriations, armed services, budget, energy and commerce, oversight and reform, transportation and infrastructure, homeland security, agriculture, banking and financial services, education and labor, judiciary, natural resources, rules, science space and technology, veterans' affairs, and ways and means.

no different between connected and unconnected countries, while after the departure, there is a persistent and significant decline that starts in the year of departure. Four years after the legislator's departure, a connected country faces a 4 percentage points lower probability of favorable actions relative to the immediate year before. On average, in the 4 years after the legislator's departure, we observe a drop of 67% relative to the pre-period and unconnected.

3.2 Benefits for foreign firms

To identify changes in the allocation of corporate subsidies to foreign firms following plausibly exogenous shifts in political connections, we analyze changes in corporate subsidies to foreign establishments following changes in Congressional districts. The US House of Representatives has 435 members, with district boundaries redrawn after each Census in a process known as redistricting. Sometimes, redistricting occurs more frequently, even before elections.[12] Based on the discussion in Section 2.4 about the role of local legislators in allocating place-based subsidies, we hypothesize that foreign firms' establishments redistricted into a Congressional district of a legislator with ties to the firm's country will receive larger subsidies.

Let i represent a firm-congressional district, we aggregate the subsidy amounts at the firm-district level. Unlike foreign aid, which is generally positive and persistent, firms often receive zero subsidies in a given year, complicating the computation of percentage changes around events. To address challenges associated with logarithmic transformations of such an outcome (Roth, Sant'Anna, Bilinski, and Poe, 2023), we cumulate the subsidies awarded to a firm-district up to time t and then take the logarithm (Y_{it}). This approach ensures that our findings reflect both the extensive and intensive margins of corporate subsidy allocation.

[12] Redistricting is driven by changes in population and, in some cases, political influence from those responsible for drawing the boundaries.

For all establishments operating in the US that have ever received place-based subsidies, we merge the latitude and longitude of each establishment with Congressional district shapefiles from https://cdmaps.polisci.ucla.edu. To account for false positives in redistricting (e.g., when a district is split but a candidate remains the same), we compare candidate identities across consecutive elections. If no candidate name coincides and the district number changes, we define this as a redistricting event. We include only firms affected by redistricting, distinguishing between those with connections to legislators and those without.

We estimate the following specification:

$$Y_{it} = \beta_0 + \sum_{k=-4}^{4} \alpha_k \times D_{it}^k + \sum_{k=-4}^{4} \delta_k \times D_{it}^k \times \text{Connected}_i + \gamma X_{it} + \mu_i + \lambda_t + \varepsilon_{it}, \quad (3)$$

where $Connected_i$ is a dummy variable equal to one if the foreign government representatives met with the legislator in the year before the event. Additionally, we also control for establishment size by including employment ventiles (X_{it}) and macroeconomic trends (λ_t). The standard errors are clustered at the firm-district level.

Figure 4 illustrates the results from our empirical specification. Before the redistricting year (t), connected firms exhibit no significant difference in the growth of subsidies relative to unconnected firms. However, in the two years following the redistricting event (t and $t+1$), there is a pronounced and permanent increase in subsidies. The economic significance of this increase is substantial, with estimates indicating that connected firms receive, on average, 20% higher subsidies per year. Interestingly, this pattern is consistent with resource reallocation during political cycles as it coincides with the duration of the Congress.

4 The information channel of lobbying

In this section, we explore the *informational channel* in foreign lobbying, focusing on two forms of beneficial information lobbyists may provide. First, if the information conveyed through lobbying were primarily technical, we would expect connections between foreign governments and US legislators to help reduce information asymmetries, leading to more informed policymaking. Under this channel, we should observe more efficient allocation of resources, which would translate into better economic outcomes. In our context, we test this by comparing the efficacy of subsidies provided to firms connected to foreign governments with those awarded to unconnected firms.

Second, if lobbying conveys political information, it would likely aim to shape policymakers' understanding of how their decisions affect their constituencies or electoral prospects. For example, politicians may be influenced by information about how the ways they allocate subsidies could enhance their chances of re-election. If foreign lobbying primarily delivers political information, we would expect to see a positive impact on the vote share of incumbent legislators who grant subsidies to foreign firms. We test both of these hypotheses in this section.

4.1 Changes in employment around subsidy awards

The success of state and local subsidies often boils down to one key metric: the number of jobs created.[13] Thus, a useful test of whether lobbying benefits constituents is to assess the job creation associated with subsidies given to connected versus unconnected firms. To address this question, we compare employment changes

[13]For instance, New York's Empire State Development, one of the state's primary subsidy programs, explicitly states its mission as promoting economic growth, encouraging business investment and job creation, and supporting diverse, prosperous local economies through the efficient use of loans, grants, tax credits, and other forms of assistance.

following the receipt of corporate subsidies for firms connected to legislators in the subsidy-giving congressional district against unconnected foreign firms and domestic firms within the same congressional district.[14] Specifically, we estimate a local projection model over a four-year window surrounding the subsidy receipt. Let i refer to the firm-congressional-district pair, d to the congressional district and $t+h$ to the year of observation where h goes from -4 to +4, we estimate the following specification:

$$\begin{aligned}\log \text{Emp}_{i,t+h} - \log \text{Emp}_{i,t-1} = \alpha_d + \alpha_t + \beta_1 \log \text{Subsidy Amount}_{i,t} + \\ \beta_2 \text{Foreign}_i + \beta_3 \text{Connected}_{i,t} + \beta_4 \log \text{Subsidy Amount}_{i,t} \times \text{Foreign}_i + \\ \beta_5 \log \text{Subsidy Amount}_{i,t} \times \text{Foreign}_i \times \text{Connected}_{i,t} + \\ \gamma X_{i,t+h} + \varepsilon_{i,t+h}, \quad (4)\end{aligned}$$

where β_5 is the coefficient of interest. The specification allows us to assess the job creation by connected foreign firms relative to unconnected foreign firms and US domestic firms relative to the year before a subsidy is awarded. Since we use the log of subsidy amounts, these linear models are estimated only for firm-years in which a subsidy is received.

Employment data come from the National Establishment Time Series (NETS) and are aggregated at the firm level for each subsidy-giving state and congressional district during the fiscal year. A firm is classified as "connected" if the country where its parent company is headquartered reports at least one in-person contact with a House member from that state and district, or with a senator or governor from that state, in the current or prior fiscal year. Employment changes are normalized to the year preceding the receipt of the subsidy. Since larger firms generally receive

[14] By construction, in FARA data we do not observe connections to domestic firms and hence in the estimation we pool all domestic firms.

larger subsidies, we control for the subsidy amount and address any remaining non-linearities by including employment ventile dummies, computed annually for each congressional district. Standard errors are clustered at the company-state level, and all specifications include congressional district and year fixed effects to account for time-invariant regional characteristics and broader macroeconomic conditions that may influence employment changes.

Figure 5 presents the coefficient estimates and their corresponding 95% confidence intervals, both with and without NAICS3 fixed effects. The results indicate that in the five years preceding the subsidy award, there is no economically or statistically significant difference in employment changes between connected and unconnected firms. However, in the years following the subsidy, we observe a significant and persistent relative decline in employment for connected firms. These findings suggest that subsidies awarded to connected foreign firms result in substantially fewer jobs compared to unconnected foreign firms of similar size, operating in the same industry and district.

Table 1 provides a more detailed breakdown of the 4-year employment changes for domestic, unconnected foreign, and connected foreign firms receiving subsidies, across various specifications. To contextualize the magnitudes, a doubling of subsidies to unconnected foreign firms is associated with an average 2.3% increase in employment over the following four years when industry fixed effects are included. In contrast, the estimated effect on employment for connected foreign firms suggests that employment is 2.9% lower relative to unconnected firms. This suggests that subsidies to connected foreign firms may, on average, result in no job creation within the constituencies from which they receive subsidies providing evidence against the hypothesis that lobbyists provide technical relevant information to policymakers.

4.2 Change in incumbent party vote shares

To understand whether politically useful information results from foreign lobbying, we estimate the impact of subsidy-giving to connected foreign firms on voter support for incumbent legislators. To do this, we employ a difference-in-differences estimation strategy. This approach allows us to compare districts in which a connected foreign firm received subsidy deals with a district in which this did not occur within the same congressional period (two years). The analysis is conducted at the congressional district-congress level, focusing on changes in vote share for the incumbent party as a function of subsidy awards to connected foreign firms. Specifically, for an incumbent party in congressional district c, and election year t, we use the following equation:

$$\Delta \text{vote}_{ct} = \alpha_t + \alpha_c + \beta \cdot \text{subsidy}_{c[t-1,t]} + \epsilon_{ct} \tag{5}$$

Here, $\text{subsidy}_{c[t-1,t]}$ equals 1 if the incumbent party secured a subsidy deal for connected foreign firms' establishments in district c since the previous election (year $t-1$). This specification allows us to compare changes in vote share within a district while holding the election year constant through fixed effects.

The results from our difference-in-differences estimation are presented in Table 2. In column (1), we find that securing a subsidy deal for connected foreign firms' establishments within a congressional district is associated with a statistically significant increase of 1.2 percentage points in the incumbent party's vote share between consecutive elections. The positive coefficient is consistent with the hypothesis that voters reward incumbents for bringing economic resources, in the form of subsidies, into their districts.

In column (2), we use the inverse hyperbolic sine (asinh) transformation of the subsidy amount to account for the non-linearity in subsidy distribution across dis-

tricts. The coefficient of 0.09 remains statistically significant, indicating that larger subsidies are also associated with increased electoral support for incumbents. This further supports the interpretation that securing subsidies benefits legislators politically. Our findings complement evidence on the role of subsidies in aiding governors in their re-election prospects (Slattery, 2024).

5 Concluding remarks

We introduce a comprehensive dataset that enables the study of foreign lobbying and its influence on US politics. The dataset captures approximately 250,000 date-stamped contacts between representatives of foreign countries and US legislators, state governors, or agency employees. Using exogenous shocks to these connections, we quantify the benefits foreign countries and US legislators derive from these interactions. Specifically, we find that increased contact between foreign representatives and US policymakers is linked to (a) increased foreign aid and financial assistance, (b) more favorable tariff outcomes, and (c) greater corporate subsidies to firms headquartered in countries whose representatives maintain contact with US legislators. However, these subsidies to foreign firms are associated with lower local employment in subsequent years.

This finding is particularly striking given that states explicitly justify subsidies as tools for economic growth and job creation. Our study directly challenges the hypothesis that lobbyist-policymaker interactions lead to more efficient spending and better outcomes by helping overcome informational asymmetries. In contrast, our results indicate that these connections may skew resource allocation in ways that are less beneficial to US constituents, particularly in terms of job creation.

From a broader perspective, our work provides new insights into how foreign lobbying shapes public policy and economic outcomes in the US. On a positive level, it

highlights the mechanisms through which foreign influence impacts resource allocation. On a normative level, our findings can inform the design of more transparent and effective political institutions by clarifying the ways foreign governments gain access to policymakers and the economic consequences of those connections. In conclusion, our findings offer a deeper understanding of how lobbying influences US policy, particularly through the lens of foreign influence. The novel dataset and empirical results contribute to ongoing debates about the role of lobbying in public policy, providing a valuable resource for scholars and policymakers.

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A. Example of question 12

12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity[5] as defined below?
Yes ☑ No ☐

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates and places of delivery, names of speakers and subject matter.

See Attachment D

B. Corresponding attachment

Attachment D - Section III, # 12 **Reporting period – July 1 – December 31, 2007**

The Embassy of the People's Republic of China

Date	Office of	Met with	Issues Discussed
07-27-2007	The Speaker of the House	Jon Stivers	Chairman Wu visit
08-06-2007	The Speaker of the House	Jon Stivers	Chairman Wu visit
08-30-2007	The Speaker of the House	Jon Stivers	Chairman Wu visit
09-27-2007	The Speaker of the House	Nancy Pelosi	Chairman Wu visit
10-31-2007	House Ways & Means Committee	Jason Kearns	China-related legislation
11-29-2007	The Speaker of the House	Jon Stivers	China Bilateral relationship
12-07-2007	Senate Majority Leader	Michael Castellano	China-related legislation

Figure 1: *Notes*: Panel A reproduces the text of question 12 as it is in the official FARA supplemental statement. Panel B shows part of the attached document D, which details meetings with US legislators. These screenshots were taken from the following supplemental statement.

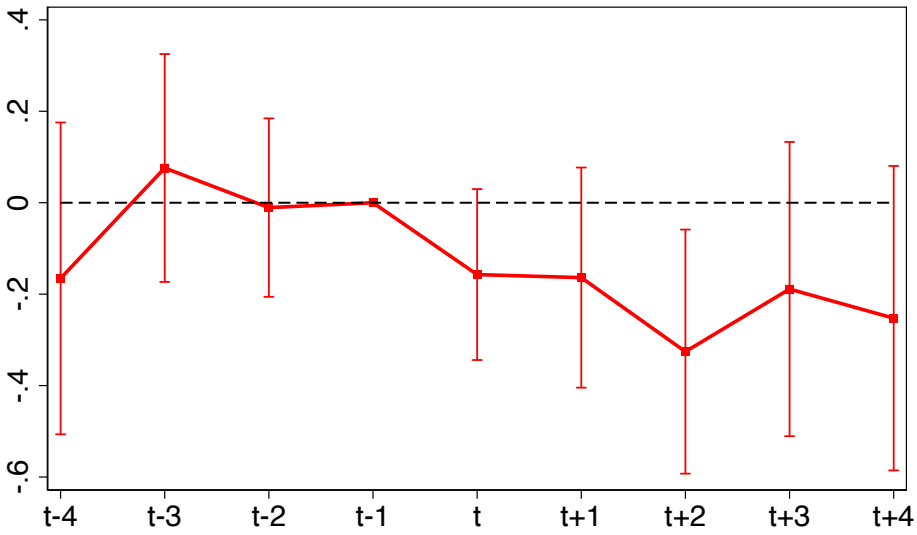


Figure 2: Impact of Legislator Departure from a Committee on US Foreign Aid Disbursements. *Notes*: This figure presents the estimated coefficients and corresponding 95% confidence intervals for changes in the amount of US foreign aid disbursed to countries connected to a legislator. A country is considered connected if its representatives contacted the legislator in the year prior to their departure from the following House and Senate Committees: foreign affairs, armed services, and agriculture. The analysis focuses on a four-year event window centered around the year of the departure of at least one legislator from a committee and includes controls for country and year fixed effects. Standard errors are clustered at the country level.

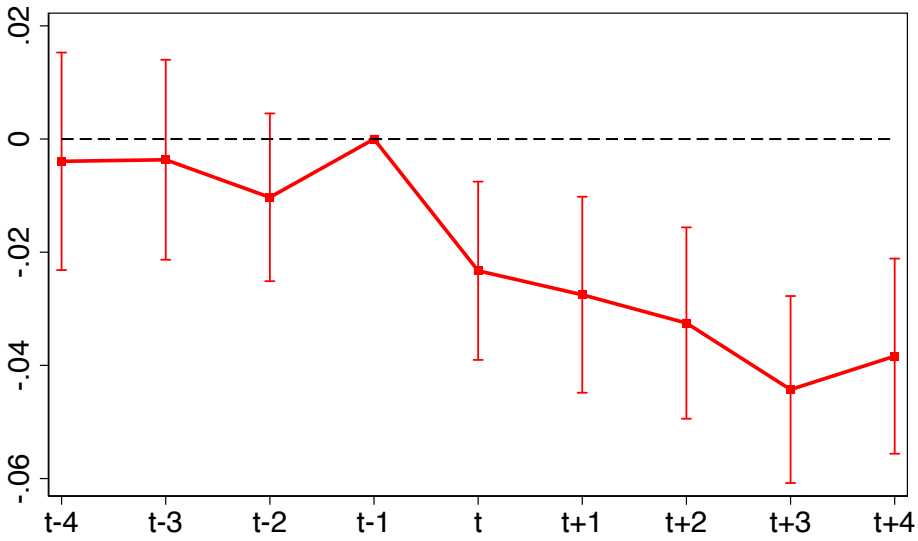


Figure 3: Impact of Legislator Departure from Committees on Outcomes – Tariff Bill. *Notes*: This figure displays the estimated coefficients and corresponding 95% confidence intervals for the changes in the probability that a favorable tariff bill advances in the legislative process, or an unfavorable tariff bill does not, in committees where a member previously connected to a foreign country has left. A country is considered connected if its representatives contacted the legislator in the year prior to their departure from all the House and Senate Committees that have ever sponsored a tariff bill during our sample period: foreign affairs, appropriations, armed services, budget, energy and commerce, oversight and reform, transportation and infrastructure, homeland security, agriculture, banking and financial services, education and labour, judiciary, natural resources, rules, science space and technology, veterans' affairs, and ways and means. The analysis focuses on a four-year event window around the year of the departure of at least one legislator from a committee, controlling for country-committee and committee-year fixed effects. Standard errors are clustered at the country-committee level.

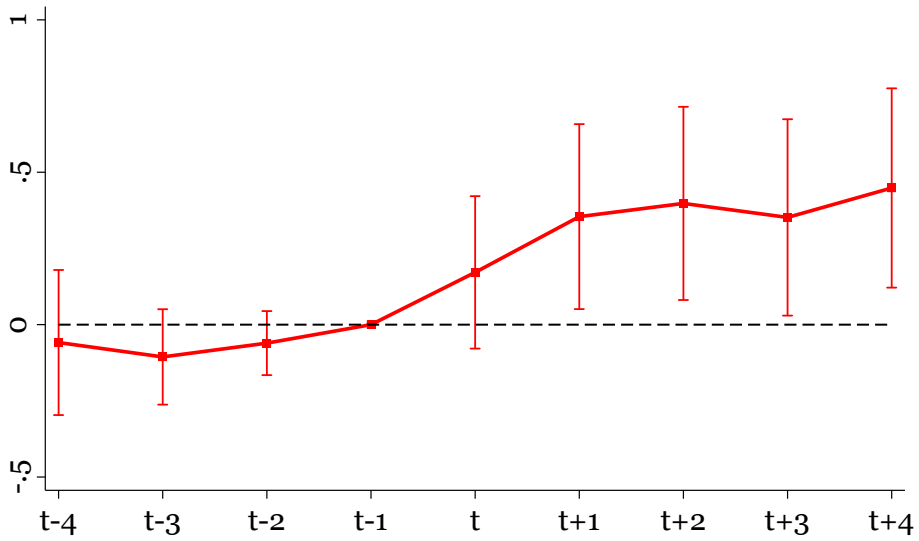
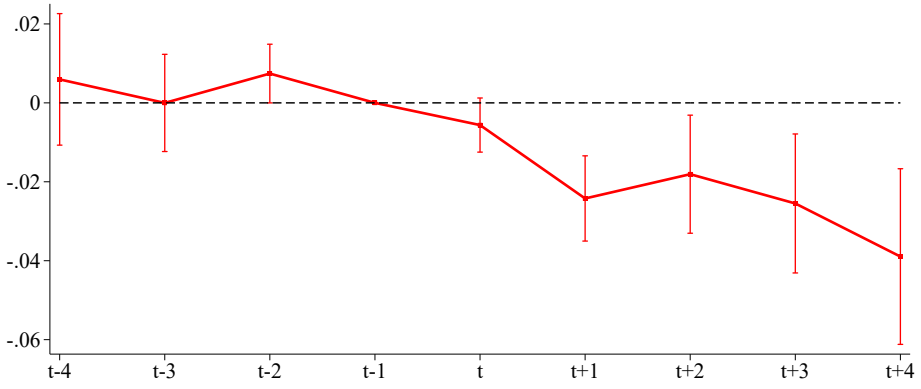


Figure 4: Effect of Redistricting on Corporate Subsidies for Connected Firms. *Notes*: This figure presents the estimated coefficients and corresponding 95% confidence intervals for changes in place-based corporate subsidies awarded to firms headquartered in countries with at least one connection to legislators from a given congressional district, as recorded in the FARA database in the year preceding the redistricting event. The analysis focuses on a four-year event window around the redistricting of the congressional district. It includes controls for firm, year, establishment-employment-ventile, and NAICS3 fixed effects. Standard errors are clustered at the firm-district level.

A. Employment after subsidies for connected foreign firms



B. Employment after subsidies for connected foreign firms – Adding NAICS fixed effects

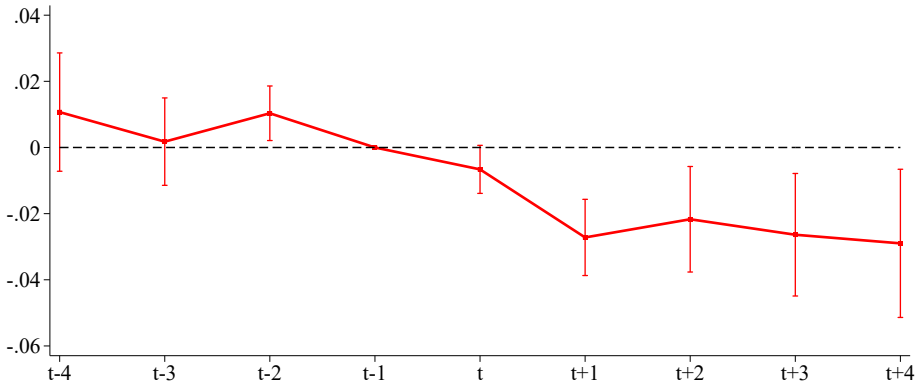


Figure 5: *Notes*: The figure shows the relative response in log employment after receiving corporate subsidies for firms connected to legislators in the subsidy-giving state and unconnected foreign firms and domestic firms using a local projection. The nine β_5 coefficients from the linear model from Equation (4) are plotted. Subsidies are transformed by taking the log of the subsidy amount. Only firms with greater than 5 employees are included. Standard errors are clustered at the company-state level, and employment size and state-year fixed effects are added.

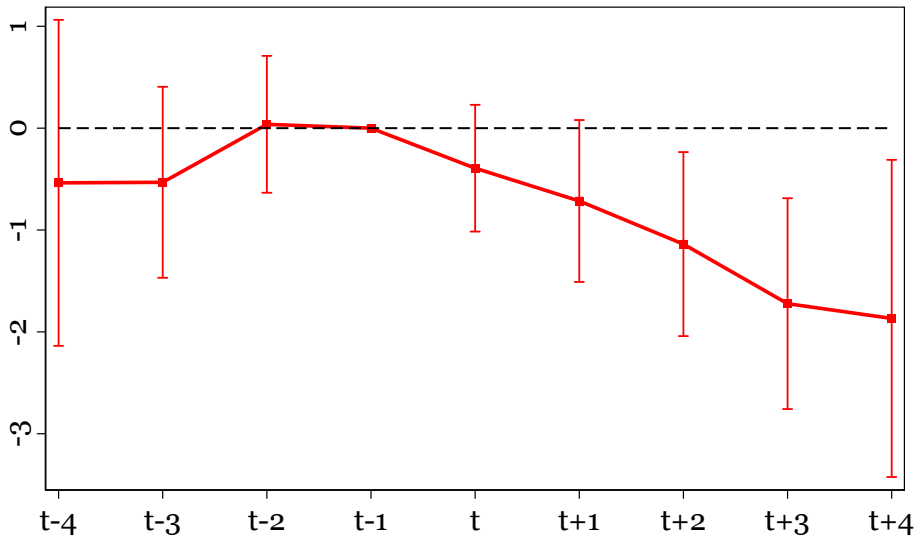


Figure 6: Effect of Legislator Departure from Committees on the Number of Gift Trips. *Notes*: This figure presents the estimated coefficients and corresponding 95% confidence intervals for changes in the number of gift trips undertaken by all House Members connected to a foreign country around the departures from relevant committees. A country is considered connected if its representatives contacted the legislator in the year prior to their departure from all the House and Senate Committees that have ever sponsored a tariff bill during our sample period: foreign affairs, appropriations, armed services, budget, energy and commerce, oversight and reform, transportation and infrastructure, homeland security, agriculture, banking and financial services, education and labour, judiciary, natural resources, rules, science space and technology, veterans' affairs, and ways and means. The analysis focuses on a four-year event window around the year of the departure of at least one legislator from a committee, controlling for country and year fixed effects. The gift trip disclosures are only available starting 2007. Standard errors are clustered at the country level.

Table 1: Employment Response to Corporate Subsidies: Connected vs. Unconnected Firms

This table presents the relative change in log employment for firms following the receipt of corporate subsidies. The analysis compares firms connected to legislators in the subsidy-giving state with unconnected foreign and domestic firms. The subsidy amounts are transformed by taking the natural logarithm. Only firms with greater than 5 employees are included. Standard errors are clustered at the company-state level. ***, **, * denote significance at the 1%, 5%, and 10% levels, respectively.

Dependent variable:	$\text{Log}(\text{Employment}_{t+5})$ - $\text{Log}(\text{Employment}_{t})$				
	(1)	(2)	(3)	(4)	(5)
$\text{Log}(\text{Subsidies}_t)$	1.85***	1.79***	1.91***	2.30***	1.92***
	(0.19)	(0.20)	(0.20)	(0.21)	(0.20)
$\text{Log}(\text{Subsidies}_t) \times \text{Foreign}_t$	0.88	0.95	0.86	-0.16	0.80
	(0.74)	(0.73)	(0.74)	(0.77)	(0.75)
$\text{Log}(\text{Subsidies}_t) \times \text{Foreign}_t \times \text{Connected}_t$	-4.15***	-4.07***	-3.89***	-2.90**	-4.29***
	(1.20)	(1.18)	(1.14)	(1.14)	(1.17)
Year FE	Yes	Yes	Yes	Yes	Yes
State FE	No	Yes	No	No	No
State × District FE	No	No	Yes	Yes	Yes
Industry FE	No	No	No	Yes	No
Country FE	No	No	No	No	Yes
Employment Controls	Yes	Yes	Yes	Yes	Yes
R^2	0.03	0.03	0.04	0.06	0.05
Observations	81,904	81,904	81,898	75,125	81,893

Table 2: Foreign Subsidies and Change in Incumbent Party Vote Share

This table presents the change in incumbent party's vote share between two consecutive congresses around the award of subsidies to firms headquartered outside of the US. In column 1, we examine the extensive margin relationship i.e., whether any subsidy awarded in the previous congress and in column 2, we examine the intensive margin relationship i.e., whether larger subsidy amounts are related to changes in incumbent party vote share. Subsidy amounts are transformed by taking the inverse hyperbolic sine. Standard errors are clustered at the congressional district-level. ***, **, * denote significance at the 1%, 5%, and 10% levels, respectively.

Dependent variable	Δ Incumbent Vote Share	
	(1)	(2)
˙Subsidy	1.243**	
	(0.564)	
Subsidy (asinh)		0.085**
		(0.039)
District f.e.	Yes	Yes
Congress f.e.	Yes	Yes
R^2	0.05	0.05
Observations	3,822	3,822

ONLINE APPENDIX (NOT FOR PUBLICATION)

A Data sources and construction of variables

A.1 Country characteristics

We collect data on GDP and population from the World Bank. Bilateral trade flows data come from CEPII (Gaulier and Zignago, 2010; Bailey, Gupta, Hillenbrand, Kuchler, Richmond, and Stroebel, 2021). Data relating to conflicts include total number of unrest episodes gathered from the Cline Center Historical Phoenix Event Data. We separate the number of times a foreign country was a source or a target.

Data on the use of physical force to achieve political objectives by non-state actors and the number of coups d'état during a given year come from the Varieties of Democracy Database (V-Dem). Political corruption index, which combines six distinct types of corruption and measures the level of corruption in a given year, political polarization capturing the extent to which political differences affect social relationships beyond political discussions, as well as the electoral democracy index (EDI) of a country all come from V-Dem.

Democratization events come from the Episodes of Regime Transformation (ERT) data. These data use changes in EDI to determine the start and end years of democratizations. V-Dem produces these data from 1900–2018.Finally, we rely on a time-varying measure of each country's political preferences based on how they vote relative to the US on resolutions in the UNGA as estimated by Bailey, Strezhnev, and Voeten (2017) and the US presidential diplomatic visits as measured by Malis and Smith (2021).

A.2 Legislator characteristics

Personal characteristics. Legislators' personal characteristics come from the Center for Effective Lawmaking, which identifies the gender of the legislator, whether he/she comes from an underrepresented minority group, or whether he/she is african-american. The dataset also includes information on the age of the legislator, the vote margin, and the seniority within his/her own party.

Ideology and lawmaker effectiveness. A congressperson effectiveness and ideology scores come from the Center for Effective Lawmaking. The lawmaker effectiveness scores were developed

by Volden and Wiseman (2014, 2018), and capture the level of success that each Representative or Senator has in advancing their legislative agenda items through the lawmaking process. The lawmaker effectiveness score is calculated by first grouping their sponsored bills into three different categories capturing whether they are commemorative, substantive, or substantive and significant, and, second, assessing how far the bill progressed through the process of becoming a law. Therefore, higher LES scores are given to members with large portfolios, those who tackle significant issues (not just commemorative measures), and those whose bills advance further in the lawmaking process. The LES is normalized to an average value of one in each Congress. These data are then matched to the legislators found the in FARA data representing one of the fifty U.S states using a fuzzy matching algorithm.

To examine ideology, we use the dynamic weighted NOMINATE (DW-NOMINATE) ideology scores for members of Congress, which are the seminal measures of legislator ideology based on Congressional roll-call votes created by Poole and Rosenthal (1985) and later refined by Poole and Rosenthal (2011). DW-NOMINATE 1 captures the economic and governmental aspects of the ideological left-right spectrum. A second dimension of the score, DW-NOMINATE 2, captures differences within the major political parties on currency, nativism, civil rights, and lifestyle issues. A value close to 1 represents a more conservative congressperson, while a value close to -1 a more liberal congressperson.

Elections. For election data we rely on information from the MIT election lab which compile biennial documents from the Clerk of the US House of Representatives. In particular, we use state-level returns for elections to the US Senate and the US House of Representative until 2018. The data includes the election year, state, electoral stage (distinguishing between a general election, a runoff election, or a primary election), whether it was a special election, name of the candidates, their parties, details on votes, and the winner. These data give us a comprehensive dataset of all legislators seeking election to legislative office from 2000–2018.

Congressional committee assignment. Data on Congressional committees come from Stewart (2017) who provide detailed information on committee membership for each legislator serving in Congress from 1993 to 2019 and calculate the first and last time they were on a committee. We make some corrections to the data. For example, six congresspeople in the House of Representatives and for seven Senators are assigned the wrong state, which we manually adjust. Moreover,

we adjust the incorrect Homeland Security and Governmental Affairs committee identifiers for Sen. Jeffrey Chiesa. These data are then matched to the legislators found the in FARA data representing one of the fifty U.S states using a fuzzy matching algorithm. All matches that are not perfect are manually assigned the correct legislator.

A.3 Main outcomes of interest

Foreign aid. Data on foreign aid comes from ForeignAssistance.gov which is a website hosted by the US Department of State and the US Agency for International Development (USAID). It provides a comprehensive overview about US foreign assistance on multiple dimensions. Detailed information on the funding and implementing agencies are provided, as is the purpose of the appropriated aid. In particular, aid is differentiated by purpose into several categories: Agriculture, Commodity Assistance, Economics Growth, Education, Governance, Health and Population, Humanitarian, Infrastructure, and Other, whereas the latter differentiates Peace and Security, Democracy, Human Rights and Governance, Health, Education and Social Services, Economic Growth, Humanitarian Assistance, and Program Development and Oversight. For each entry the name agency to which funds were appropriated is provided. From the data we have dropped all observations where a transaction date was unavailable. Subsequently, we have collapsed the data on the country-executive department-year-month level, that is, for each country we obtain the amount of aid received from each US government agency for every month starting from October 2001. We also calculate the total aid for each year given to a country split by executive department. Note that some of the values we obtain from that process are negative. This is because aid is occasionally provided in the form of loans and for a given month or year a foreign country could be repaying more than it receives.

Tariffs bills. Data on tariff bills are taken from GovTrack.us by searching the bill text and bill subject line for the word "tariff." We then searched each bill for mentions of specific trade agreements using the list of terms shown at the bottom of the paragraph. This list of terms was then matched to all countries affected by these trade agreements. This search yielded 469 bills over the period 2000–2018. We then went through the text of each bill to determine whether it increased or decreased tariffs or duties on products entering the United States. All bills that reduce tariffs or duties were categorized as "favorable"; all those that increase tariffs or duties were categorized as "unfavorable." Of the 469 bills, 244 were labeled favorable and 81 were labeled unfavorable, with the remainder being unclear on the direction they would alter tariffs. The 244 favorable bills yielded

2,969 unique country-bill observations, whereas the unfavorable bills yielded 298 unique country-bill observations, when matching countries to the trade agreements. Data were then collected on the sponsors and co-sponsors of these bills, the committees that oversaw them post-introduction, and the various actions that took place over the life-cycle of the bill. Data for sponsors and cosponsors were matched to the FARA meeting data by country, legislator and the year and month of bill introduction. Data for committees were matched to all senior legislators, where a senior legislator is defined as being in the top quartile of seniority within each party-committee pair. These data are then matched to the FARA meeting data by country, legislator and the year and month of all bill actions that took place in those committees. Committee bill actions are then categorized as "favorable" if the bill progresses through the legislative process or "unfavorable" if the bill does not pass that committee.

Trade agreement phrase list: free trade agreement implementation act; (cafta-dr); africa growth and opportunity act; (agoa); generalized system of preferences; (gsp); automotive products trade act; (apta); agreement on trade in civil aircraft; north american free trade agreement; nafta; caribbean basin initiative; (cbi); andean trade preference act; (atpa); andean trade promotion and drug eradication act; (atpdea); agreement on trade in pharmaceutical products; uruguay round concessions on intermediate chemicals for dyes; caribbean basin trade partnership act; (cbtpa); harmonized tariff schedule; caribbean basin economic recovery act; (cbera); united states-caribbean basin trade partnership act; united states-mexico-canada agreement implementation act; (usmca); trade agreement; trade act; trade partnership act.

Subsidies. Data on government subsidies come from Good Jobs Subsidy Tracker who provide data at the state and federal levels. Good Jobs provides data on the state and city issuing corporate subsidies along with the company name, ticker, and country of incorporation, where applicable. Good Jobs collects data from a variety of local, state, and federal sources, detailed here. To obtain data at the foreign principal level, we sum subsidies across the country of incorporation, state, and year.

A.4 Other data

Official foreign trips. We obtain data on all official foreign travel undertaken by members of the House of representatives. These data are available in accordance with the Mutual Security Act of 1954 (Title 22 US Code, Chapter 24, Section 1754) and the International Security Assistance Act of 1978. The disclosures contain detailed information on the arrival and departure dates, foreign

country visited, and the expenditures incurred during the trip.

Privately-sponsored trips. We obtain data on privately-sponsored trips taken by members of the House of representatives from 2008 onwards. These data are available in compliance with the House ethics rules which mandates disclosure of all privately-sponsored trips and their sponsors to the Clerk of the House (Rosenson, 2009; McGee and Moniz, 2021). The disclosures contain detailed information on the arrival and departure dates, foreign country visited, and the private agency sponsoring the travel.

B Summary of semi-annual reports

Our new comprehensive dataset of meetings between US legislators and lobbyists working on behalf of foreign countries separates us from the previous empirical literature on foreign lobbying. In fact, given that the DOJ, in addition to the detailed FARA filings, also publishes summary reports semi-annually, which are easily accessible, prior work trying to understand broad trends in foreign lobbying has mostly used those reports. Each report describes information on the lobbyist including their activities, nature of services, and money received for their political activities undertaken on behalf of foreign clients as reported in question 12. Importantly, these reports do not have information on the meetings lobbyists have with US legislators on behalf of their clients. Therefore, these summary reports are only suited to study broad trends in foreign lobbying in the US, and cannot be used to shed light on the scope and nature of foreign influence.

Following Lee (2020), we use the information from these reports to classify lobbying activities into 12 broad topics. To identify frequently lobbied topics, we selected key words relevant to each topic and coded the topic of lobbying incidents according to whether the key words were used to describe the incidents. The exact key words are below:

- **Trade:** trade; export; import; fta; nafta; cafta; drcafta; ftaa; naftas; kfta; caftas; korus-fta; tpp; transpacific partnership; gsp; mcool; tariff; custom; agoa; african growth and opportunity act, tpl; tariff preferential level; wto; gatt; mfn; antidump; dump; caribbean & basin; traders; exporters; imports; importers; sanction; commerc; food and drug administration; fda; food label

- **Economy:** financi; financ; fdi; tax; taxat; busi; econom; economi; debt; invest; investment; monetari; imf; bank; antitrust; scal; internat & monetari & fund; world & bank; exchang & rate; government & bond; securities & tax; securities & taxat; securities & exchang; securities &exchanges; securities & regulation; securities & regulations; securities & financial; secur & finance; oil; energy; appropriation

- **Security:** defence;defens; militari; nato; disarm; terror; counterterror; terrorist; antiterror; extremism; troop; peacemak; peacekeep; international & security; national & security; regional & security; security & relations; security & relationship; peace & process; peace & treaty; arms & sales

- **Diplomacy:** government relations; government relationship; government relationships; bi-

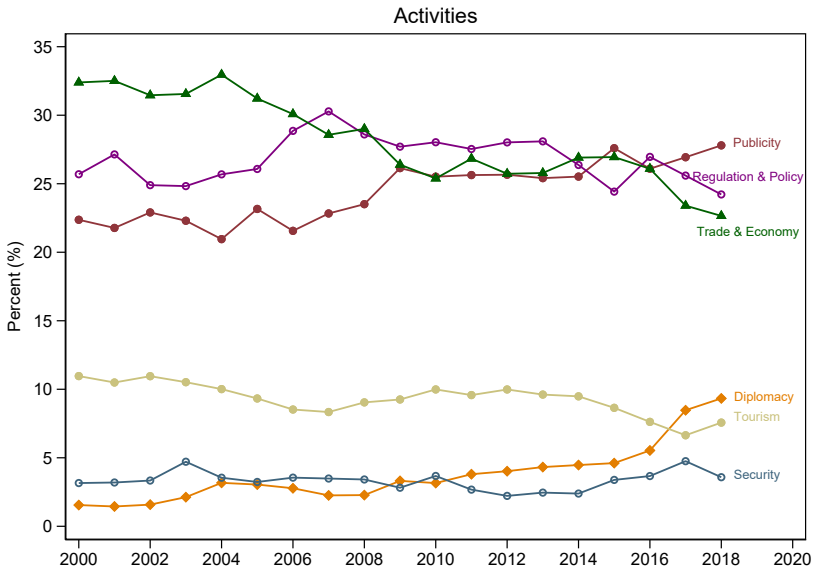
lateral relations; bilateral relationship; bilateral relationships; diplomatic relations; diplomatic relationship; diplomatic relationships

- **Policy legal issues:** polici & consult; polici & counsel; polici & servic; polici & advic; polici & analysi; legal & consult; legal & counsel; legal & servic; legal & advic; legal & analysi; legal; law; political; act; legislation; s.[0-9]1,4; hr.[0-9]1,5; s-[0-9]1,4; hr-[0-9]1,5; public policy; foreign policy; US policy; us policy; resolution; settlement; regulat
- **Publicity:** media; news; newspaper; newspapers; newsletter; newsletters; enewslett; press; public & relations
- **Tourism:** tourism; tourist; tour; travel
- **Nuclear:** nuclear; atom; uranium
- **Visa:** visa; immigr; immigrat; immigrant
- **Foreign aid:** aid; usaid; economi & assistanc; militari & assistanc
- **Human rights:** human & rights; education; women; food assistance
- **Secession:** selfdetermin; self determin; self-determin

Panel A of Figure B.1 presents the evolution of the 6 most frequently listed topics over the sample period. We find that approximately one in four activities each year relate to publicity while one in ten activities relate to security. Over the sample period, lobbyists increased their engagement in diplomacy, while their engagement in economy and trade trended downwards. In addition to lobbying topics, we also classify the description of services into 5 broad topics which are presented in Panel B of Figure B.1. Lobbying services saw a significant uptick in 2010 and surpassed services related to promoting investment, trade, and tourism. By the end of 2018, more than half of the foreign agents report lobbying as their only service. Interestingly, there is a concomitant decrease in the promotion of investment, trade, and tourism around the same time as the uptick noted above. Further, we do not find any changes in consulting or fundraising activities over the sample period. These results reveal substantial heterogeneity in the role of lobbyists.

A next natural question is whether lobbyists specialize in providing issue-specific information to legislators, as indicated by prior work in the context of domestic lobbying (Bertrand, Bombardini, and Trebbi, 2014). To this end, Figure B.2 shows that the majority of lobbyists engage with legislators on fewer than three topics, suggesting that most lobbyists concentrate on a small number of topics in the foreign lobbying space.

A. Activities provided by the lobbying firm



B. Nature of services provided by the lobbying firm

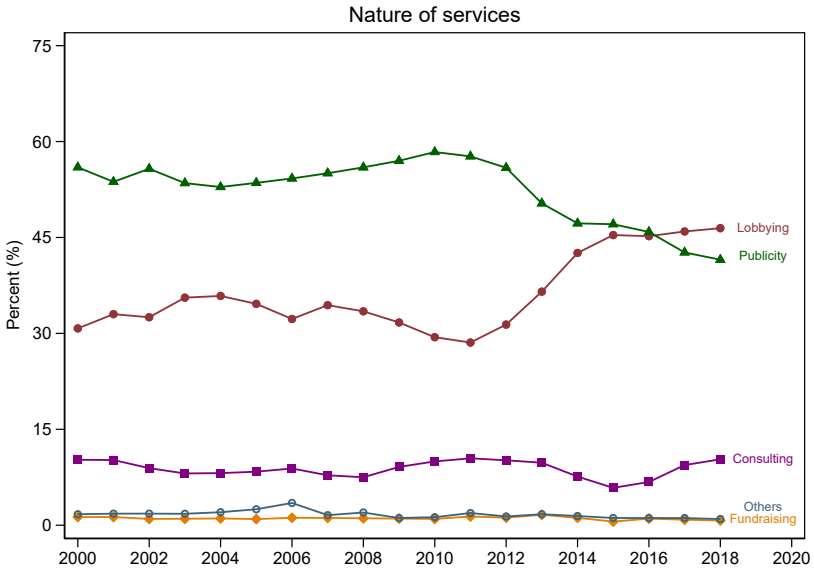


Figure B.1: *Notes*: The figure shows the fraction of activities belonging to each specific topic (Panel A) and each type of services (Panel B). The twelve lobbying topics are identified following the procedure outlined in Appendix B.

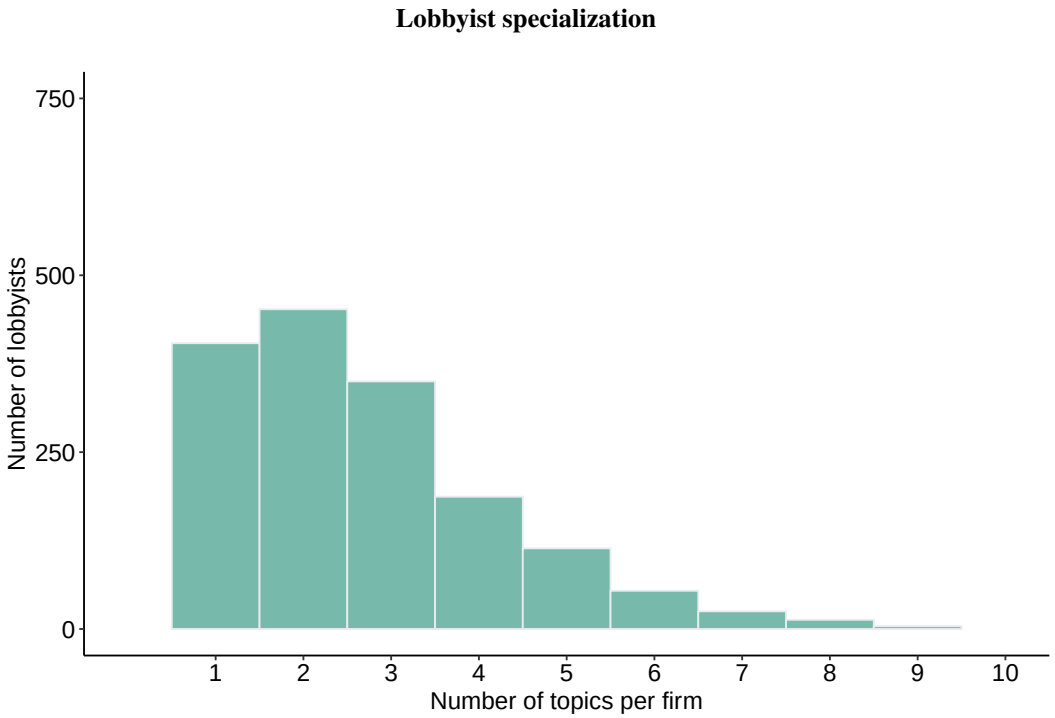


Figure B.2: *Notes*: The histogram shows the number of different topics each lobbying firm has worked on from 2000 to 2018 (horizontal axis), and the corresponding number of lobbying firms that have worked on a given number of topics (vertical axis). The twelve lobbying topics are identified following the procedure outlined in Appendix B.

C Descriptive Statistics

Figure C.1 presents an annual summary of the number of foreign countries that were in contact with each congressperson (Panel A) as well as of the number of congresspeople who were in contact with each foreign country (Panel B). Between 2000 and 2018, both the annual average and median number of contacts increased for both series.

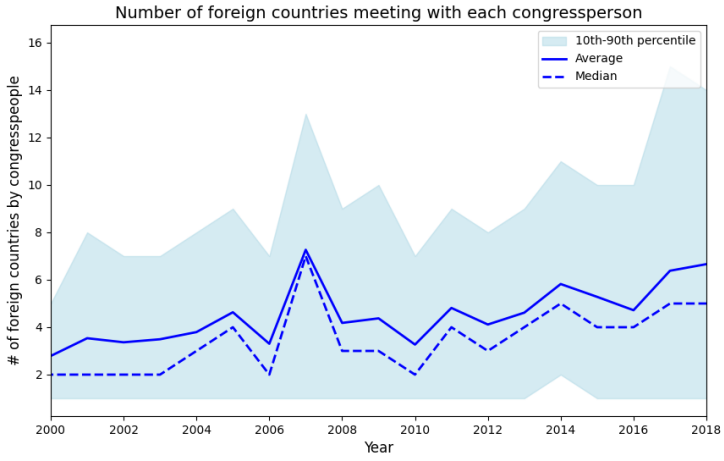
Figure C.2 presents the same annual summary for the number of foreign countries that were in contact with each US agency (Panel A) as well as the number of agencies that were in contact with each foreign country (Panel B). In contrast to legislators, between 2000 and 2018, the annual average and median number of connections are stable. The median agency, however, contacts fewer foreign countries than the median legislator.

Ideology of legislators. Prior literature in political science and political economics has linked legislators' ideology with public spending priorities, the allocation of government resources (Gerber and Jackson, 1993; Green and Shapiro, 1994; Persson, Roland, and Tabellini, 2000) and legislative activity (Mian, Sufi, and Trebbi, 2010). To examine ideology, we use the dynamic weighted (DW) - nominate ideology scores for the members of Congress. These measures of legislator ideology are based on Congressional roll-call votes and were created by Poole and Rosenthal (1985) and later refined by Poole and Rosenthal (2011). DW-NOMINATE 1 captures the economic and governmental aspects of the ideological left-right spectrum. In contrast, DW-NOMINATE 2 captures differences within the major political parties on currency, nativism, civil rights, and lifestyle issues. For each score, a value close to 1 represents a more conservative congressperson, while a value close to -1 a more liberal congressperson.

Foreign countries contact equally legislators across the ideological spectrum—both conservatives and liberals. This holds true regardless of the specific definition of political ideology used. Figure C.3 illustrates this pattern with a specific example: contacts by the foreign representatives of the Turkish government. Every dot represents a year-month in which at least one contact between a foreign representative and a legislator took place. The graph's horizontal axis indicates the contact date, while the vertical axis reflects the legislator's DW-NOMINATE 1 score. As shown, Turkey engages with legislators from both parties, across the ideological spectrum. This trend, however, is not limited to Turkey—it is the norm. Our data show that foreign countries consistently engage with legislators from various political ideologies and party affiliations over time.

Importance of legislators and agencies for resource allocation. Next, we assess the relationship between meetings and various characteristics that proxy for a legislator's importance within the resource allocation process. To start, we use the Legislative Effectiveness Scores

A. Number of foreign countries meeting with each congressperson



B. Number of congresspeople meeting with each foreign country

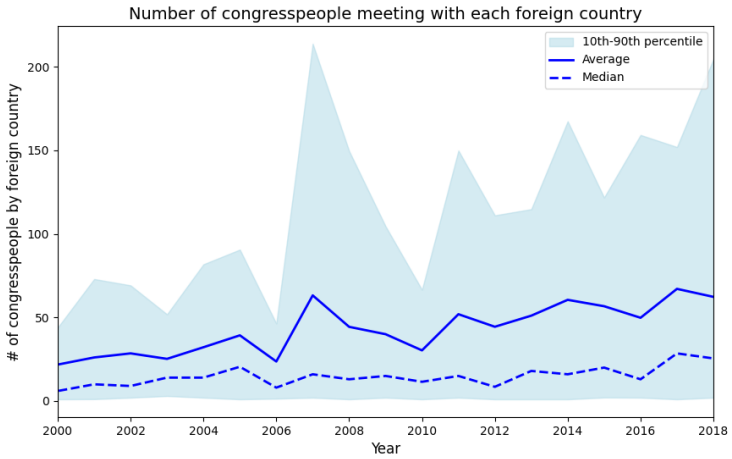
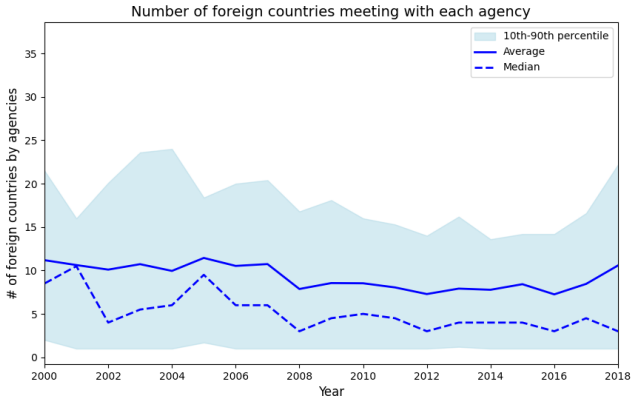


Figure C.1: *Notes*: The figure presents an annual summary of the number of foreign principals whose representatives met with each congressperson (Panel A) and the number of congresspeople who have met with each foreign principal's representative (Panel B). The solid line represents the average, the dashed line the median, and the extremes of the shaded area are the 10^{th} and 90^{th} percentile in each year.

(LES) developed by Volden and Wiseman (2014, 2018), that capture the level of success that each Representative or Senator has in advancing items on their legislative agenda through the lawmaking process. More details are provided in Online Appendix A.

Table C.1 shows that foreign countries contact legislators with an average legislative effectiveness score of 1.08. This score is approximately the cutoff for effectiveness in the top tercile among all legislators, suggesting that countries meet with legislators who most effectively sponsor and ad-

A. Number of foreign countries meeting with each agency



B. Number of agencies meeting with each foreign country

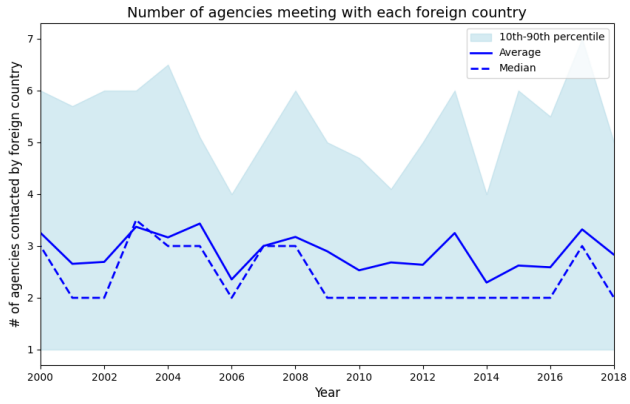


Figure C.2: *Notes*: The figure presents an annual summary of the number of foreign principals whose representatives met with each executive agency (Panel A) and the number of executive agencies who have met with each foreign principal's representative (Panel B). The solid line represents the average, the dashed line the median, and the extremes of the shaded area are the 10^{th} and 90^{th} percentile in each year.

Contacts with congresspeople by party affiliation, Turkey

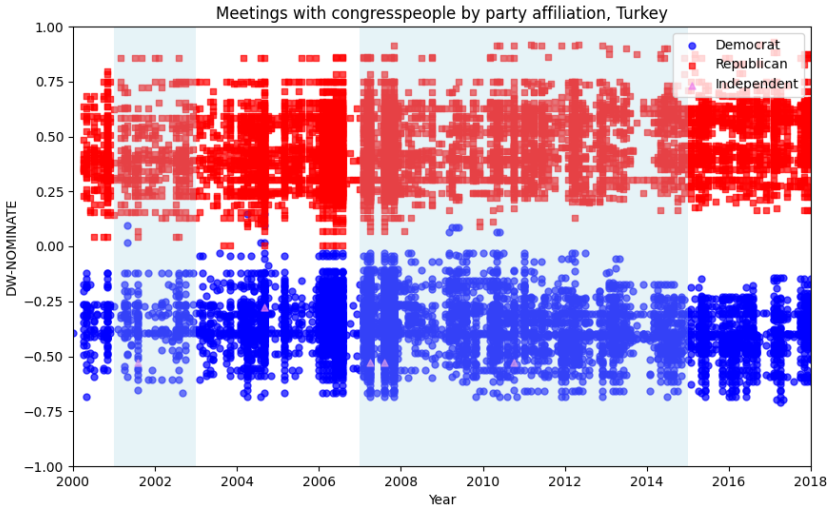


Figure C.3: *Notes*: The figure shows the contact pattern over time for the government of Turkey. Each dot represents a year-month with at least one meeting between a foreign country and a representative. Republican legislators are shown as red squares, democrats as blue circles, and independents as violet triangles. The shaded area in the background is blue if democrats had the majority in the Senate. The vertical axis indicates the DW-NOMINATE 1 score from Poole and Rosenthal (2011).

vance bills through the legislative process. Figure C.4 plots the evolution of meetings with effective lawmakers. The horizontal axis indicates the meeting year, since legislative effectiveness scores are available at the annual frequency. The vertical axis plots the fraction of meetings with the most effective lawmakers relative to all the legislators a foreign country meets in a year. We consider three definitions of "most effective lawmakers"—top 5%, top 10%, and top 20% of legislators by LES score. Though not entirely unexpected, foreign countries meet relatively more often with the most effective legislators. For example, the fraction of meetings attributable to the most effective 20% of legislators is almost always larger than 20%. This result, that on average foreign countries meet more frequently with the most effective legislators, holds across definitions of effectiveness.

Relatedly, Table C.1 shows a foreign country has, on average, nearly 30% of their meetings with sub-committee chairs and 40% of their meetings with members of "power" committees, which groups together the rules, ways and means, and appropriations committees (Volden and Wiseman, 2014). More importantly, 25% of the meetings are with members of the foreign affairs committee alone. Members of the armed forces (security and intelligence) committee account for 17% (17.5%)

Table C.1: Descriptive statistics on legislator ideology and characteristics important for resource allocation

The table presents the descriptive statistics for the sample of individual meetings at the legislator-country-year level. We include the following ideological characteristics: *DW-NOMINATE 1* and *DW-NOMINATE 2*. Lastly, we also consider characteristics that are important for influence and resource allocation. *Majority* captures whether the legislator is a member of the party in control of the Senate, *Legislative Effectiveness Score* is the lawmaking effectiveness of the legislator, *Committee chair* and *Sub-committee chair* capture whether the legislator is the chair of either a senate or house committee or a sub-committee. We also capture whether the legislator is a member of, either a senate or house committee, the following committees: (i) the rules, ways and means, and appropriations, (ii) foreign affairs, (iii) Security & Intelligence, (iv) Armed Services, and (v) Energy & Commerce.

	Panel A: Legislator characteristics			
	N	**Mean**	**Median**	**Std. dev**
	(1)	(2)	(3)	(4)
Meetings	55,478	3.786	2.000	5.344
Personal				
Woman	55,478	0.167	0.000	0.373
Underrepresented minority	55,478	0.141	0.000	0.348
Age	55,478	59.180	60.000	10.687
Political				
House member	55,478	0.718	1.000	0.450
Vote share	55,478	65.866	63.000	12.823
Democrat	55,478	0.500	1.000	0.500
Seniority	55,478	6.237	5.000	4.681

Panel B: Legislator ideology and characteristics important for resource allocation				
	N	**Mean**	**Median**	**Std. dev**
	(1)	(2)	(3)	(4)
Ideological				
DW-NOMINATE 1	55,478	0.040	-0.045	0.431
DW-NOMINATE 2	55,478	-0.040	-0.051	0.294
Importance/influence				
Majority	55,478	0.543	1.000	0.498
Legislative Effectiveness Score	55,478	1.079	0.681	1.304
Committee chair	55,478	0.096	0.000	0.295
Sub-committee chair	55,478	0.289	0.000	0.454
Power committee membership	55,478	0.400	0.000	0.490
Foreign affairs membership	55,478	0.255	0.000	0.436
Security & Intelligence membership	55,478	0.175	0.000	0.380
Armed services membership	55,478	0.170	0.000	0.375
Energy & Commerce membership	55,478	0.131	0.000	0.337

of meetings with foreign agents. Meetings with members of the energy and commerce committee are fewer at 13%.

Meetings with effective lawmakers

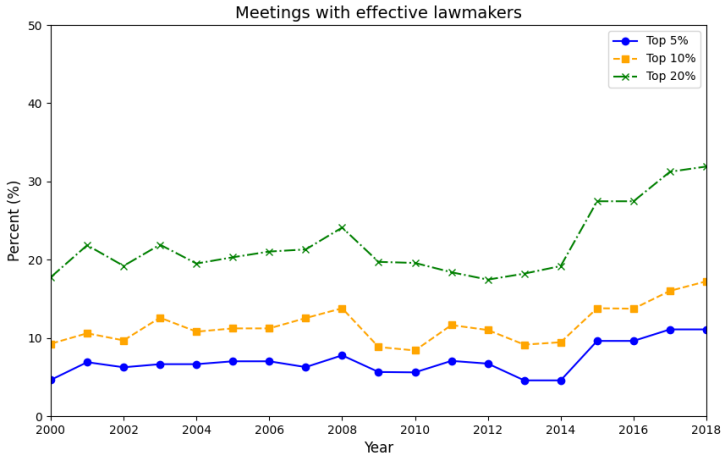
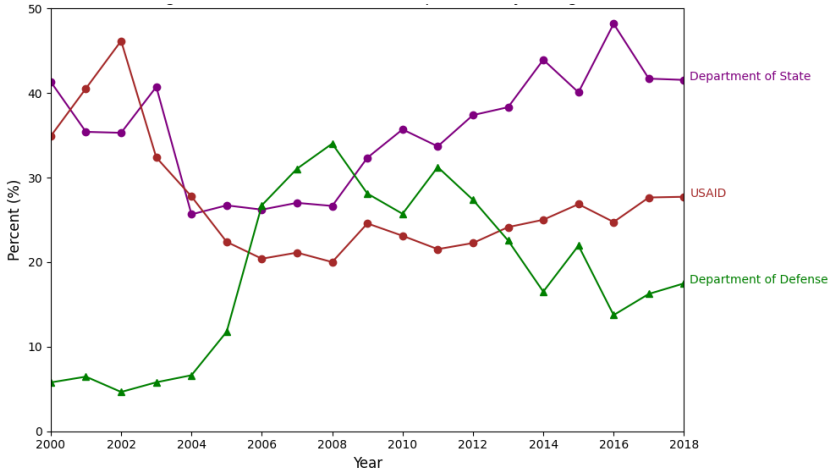


Figure C.4: *Notes*: The figure shows the meetings with effective lawmakers over time for all foreign countries. We rank each legislator by their lawmaker effectiveness score (LES) from the Centre of Effective Lawmaking. We then compute the fraction of meetings with top 5% of legislators (blue circles), top 10% of legislators (orange squares), and top 20% of legislators (green crosses) relative to all the legislators a foreign country meets in a year.

Representatives of foreign countries also meet disproportionately with the executive agencies that are most responsible for foreign policy and the allocation of resources to foreign countries. Figure C.5 presents an annual summary of the number of foreign countries met by members from the top three agencies in terms of funding foreign aid: the Department of State, USAID, and the Department of Defense. Panel A of Figure C.5 presents the time-series of foreign aid and financial assistance funded by each of these agencies. At the beginning of our sample, around 40% of aid was allocated by the Department of State which increased to 45% by the end of the sample period. Similarly, aid provided by the Department of Defense rose by approximately four times over the same period. To shed light on the importance of meetings for aid allocation, in panel B of Figure C.5 we present the time-series variation in the fraction of countries that meet with a specific US agency and receive aid from the same US agency in the same year. In general, we see that a large fraction of countries whose representatives meet with USAID, the Department of State and the Department of Defense officials, receive aid from those government agencies in the same year.

The role of committee assignments Next, we investigate whether committee assignments can explain the frequency of contacts between foreign countries and US legislators. Building on the

A. Foreign aid and financial assistance provided by US Agencies



B. Fraction of countries that meet with a specific US Agency and receive aid in the same year

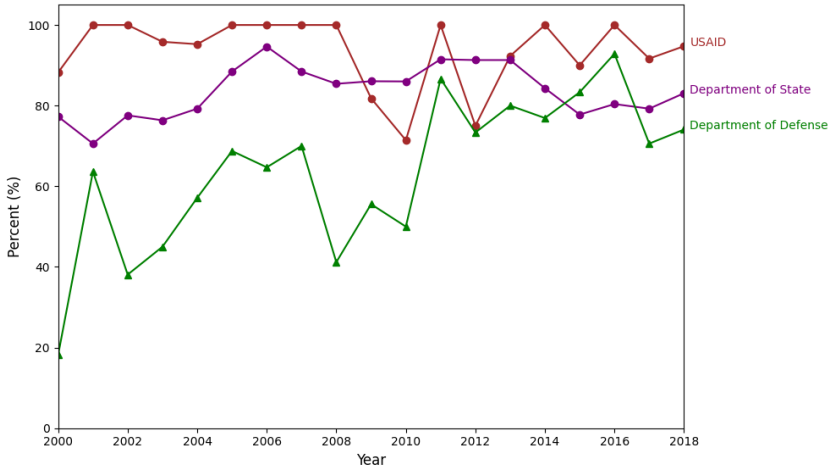


Figure C.5: *Notes*: Panel A shows the percentage of foreign aid allocated by top three US agencies over the sample period. Panel B shows the fraction of countries that meet with a specific US agency and receive aid in the same year.

observations discussed in the main text, we focus on the same committees relevant to foreign aid and tariff legislation. Specifically, we test whether foreign agents meet *less frequently* with legislators after they leave important committees. Legislator committee assignments are available on a monthly basis, but we aggregate them at the yearly level, using the June observation for each year to maintain consistency across the data.

We conduct our analyses at the legislator-foreign country-year level, leveraging the granular-

Table C.2: Contacts Around Politicians Leaving Important Committees

This table presents Poisson regression estimates of the relationship between contacts with politicians and their departure from important committee positions. The unit of analysis is legislator-foreign country-year. The dependent variable is $Contacts_t$, which represents the number of contacts between representatives of a foreign country and US legislators. The key independent variable is *Post*, an indicator equal to one if the US Representative or Senator has left a relevant committee. We focus on a five-year window around the legislators' departure (from 2 years before to 2 years after the event year). The definition of relevant committees is detailed in the main text, with results shown for committees involved in foreign aid allocation (Column 1) and those that have discussed at least one tariff bill in our sample (Column 2). All regressions include *Foreign Country* × *Year* fixed effects to account for local economic shocks, and *Country* × *Legislator* fixed effects to control for time-invariant country-legislator relationships. Standard errors are clustered at the country level and are robust to heteroscedasticity. ***, **, * denote significance at the 1%, 5%, and 10% levels, respectively.

	Dependent variable: # Contacts	
	(1)	(2)
	Foreign Aid Committees	**Tariff Committees**
Post	-0.064	0.041
	(0.049)	(0.037)
Legislator × Country f.e.	Yes	Yes
Country × Year f.e.	Yes	Yes
Pseudo-R^2	0.536	0.540
Observations	10,352	32,309

ity of our dataset to control for several confounding factors. Specifically, we account for foreign country-specific economic confounds by including foreign-country-by-year fixed effects, and we hold constant the relative importance of legislators to foreign countries by incorporating legislator-by-country fixed effects. The results in Table C.2 show that foreign countries, at least when using committees relevant for foreign aid allocation only, indeed reduce their contacts with legislators once those legislators depart from those committees, but estimates are not statistically different from zero.

These findings contradict the short-term "quid-pro-quo" hypothesis, which suggests that foreign countries primarily contact politicians who currently serve on key committees. Instead, they are consistent with two alternative hypotheses: (1) the "information channel," which predicts that foreign country representatives continue meeting with legislators even after their committee departures, as they still exchange valuable information; and (2) a longer-term quid-pro-quo mechanism, whereby foreign representatives maintain relationships with legislators who may still influence their colleagues or might ascend to higher positions in the future. Overall, these findings highlight the importance of connections with legislators for foreign countries, extending beyond the specific committees to which legislators are assigned at any given time.

Trade policy. A large literature in economics emphasizes the significant role of interest groups in shaping trade policy (Grossman and Helpman, 1994). While much of this research has focused on domestic lobbying groups, more recent studies highlight the disproportionate influence of foreign lobbying on trade policies (Hillman and Ursprung, 1988; Gawande, Krishna, and Robbins, 2006; Antràs and i Miquel, 2011). In light of this, we focus on tariff bills that were sponsored in Congress during our sample period. Specifically, we examine the actions on these bills, starting from the date they are sponsored by a legislator, and track their progress as they move through committees and Congress.

In our empirical specification, we examine two key outcomes. First, we analyze whether contacts between representatives of foreign countries and US legislators increase in the year when a legislator sponsors a bill related to that foreign country. Second, we investigate whether contacts between foreign representatives and US legislators serving on a given committee increase in the year when the committee takes action on a tariff bill relevant to that foreign country.

For our first test, we organize the analysis at the legislator-foreign country-year level, allowing us to account for several confounding factors. In the empirical specifications, we control for the relative importance of a legislator to a foreign country by including legislator-by-foreign country fixed effects. Additionally, we include foreign country-by-year fixed effects to account for time-varying conditions within the foreign country.

For our second test, we organize the analysis at the committee-foreign country-year level, aggregating all contacts that legislators sitting on a given committee in a given year have with representatives of a foreign country. In these specifications, we control for the relative importance of Congressional committees to foreign countries by including committee-by-foreign country fixed effects. As before, we also include foreign country-by-year fixed effects to account for time-varying conditions within the foreign country.

Table C.3 presents the results. In columns 1 and 2, we report the findings for the intensive and extensive margins of contacts between representatives of foreign countries and US legislators serving on relevant committees. In both cases, we find that in the year when these legislators sponsor a tariff bill relevant to the foreign country, the foreign country representatives increase their contacts with the legislators. At the intensive margin, the number of contacts increases by 0.63 per year, while at the extensive margin, foreign representatives are 7% more likely to contact the legislators.

In columns 3 and 4, we extend the analysis to the committee level, examining contacts with all legislators serving on a given committee during periods when the committee takes action on a bill

relevant to a foreign country. Overall, these estimates suggest an increase in both the number of contacts and the likelihood of contacts between foreign country representatives and US legislators on committees. However, the intensive margin results are not statistically significant.

Table C.3: Meetings with legislators around tariff bill outcomes

This table presents Poisson regression estimates of the relationship between contacts with politicians and their departure from important committee positions. The unit of analysis is legislator-foreign country-year. The dependent variable is *Contacts*$_t$, which represents the number of contacts between representatives of a foreign country and US legislators. The key independent variable is *Post*, an indicator equal to one if the US Representative or Senator has left a relevant committee. We focus on a five-year window around the legislators' departure (from 2 years before to 2 years after the event year). The definition of relevant committees is detailed in the main text, with results shown for committees involved in foreign aid allocation (Column 1) and those that have discussed at least one tariff bill in our sample (Column 2). All regressions include *Foreign Country* $\times$ *Year* fixed effects to account for local economic shocks, and *Country* $\times$ *Legislator* fixed effects to control for time-invariant country-legislator relationships. Standard errors are clustered at the country level and are robust to heteroscedasticity. ***, **, * denote significance at the 1%, 5%, and 10% levels, respectively.

Dependent variable	# Contacts	$Contacts > 0$	# Contacts	$Contacts > 0$
	(1)	(2)	(3)	(4)
$Sponsor$	0.630***	0.078***		
	(0.095)	(0.007)		
$Action$			0.087	0.026***
			(0.054)	(0.009)
Country $\times$ year f.e.	Yes	Yes	Yes	Yes
Legislator $\times$ country f.e.	Yes	Yes	No	No
Country $\times$ committee f.e.	No	No	Yes	Yes
R^2		0.33		0.70
Pseudo-R^2	0.47		0.85	
Observations	284,371	470,442	28,385	68,481

D Changes in privately-sponsored trips to foreign countries

We draw on recent literature emphasizing the role of privately-sponsored trips in strengthening ties between special interest groups and elected officials (Rosenson, 2009). Our analysis examines whether legislators with connections to foreign countries see a decline in privately-sponsored trips to those countries after leaving key committees. Such trips have been argued to influence reelection prospects by serving as an important informational channel (McGee and Moniz, 2021). However, they may also signal a reduction in favor exchanges, given their nature as gifts. Our test does not fully disentangle the two hypotheses, so it is presented in the Online Appendix.

We obtain data on privately-sponsored trips taken by members of the House of representatives from 2008 onwards. These data are available in compliance with the House ethics rules which mandates disclosure of all privately-sponsored trips and their sponsors to the Clerk of the House. The disclosures contain detailed information on the arrival and departure dates, foreign country visited, and the private agency sponsoring the travel. Note that these are privately-sponsored trips outside of the official office responsibilities of the specific legislators.

As with tariff bills, we structure our analysis at the committee-country-year level, allowing us to control for several confounding factors. We stack cohorts of treated and untreated countries using country-committee-year observations from four years before to four years after the event and estimate the following empirical specification:

$$\mathrm{N}_{ijct}^{trips} = \exp\Big(\sum_{k\in\{-4,\ldots,4\}\setminus\{-1\}} \delta_k \times D_{jct}^{k} \times \text{Connected}_{ijc} + \mu_{ijc} + \lambda_{jct}\Big) + \varepsilon_{ijct}, \tag{D.1}$$

where N_{ijct}^{trips} represents the number of trips to country i for legislators sitting in committee j at time t. The variable $Connected_{ijc}$ is a dummy equal to one if representatives of country i contacted a legislator on committee j in cohort c in the year before their departure. D_{jct}^{k} is an event-time dummy variable that equals 1 in year k in committee j and 0 otherwise. All coefficients (δ_k) are plotted relative to the year immediately preceding the departure ($k = -1$) from the specific committee. The analysis controls for the relative importance of committees to countries and committees over time by including country-committee-cohort (μ_{ijc}) and committee-cohort-year fixed effects (λ_{jct}), respectively. Given that our outcome variable, N_{ijct}^{trips} is a count variable and hence likely follows a

Poisson distribution, we estimate a Poisson empirical specification (Silva and Tenreyro, 2006; Ryan, Evers, and Moore, 2021). Further, as before, standard errors are clustered at the country-committee-cohort level.

Figure 6 presents the results. We see that before the departure, changes in the number of trips are no different between connected and unconnected countries, while after the departure, there is a persistent and significant decline that starts in the year of departure. On average, in the 4 years after the legislator's departure, we observe a drop of 57% relative to the pre-period and unconnected, suggesting that the legislators halve their 1.2 trips to 0.54 privately-sponsored trips by the end of the four years. To the extent that privately-sponsored trips to foreign countries serve as a valuable perk for legislators, our results underscore the personal benefits that Congressional committee assignments provide to lawmakers.