

United States Senate
WASHINGTON, DC 20510

June 18, 2024

VIA ELECTRONIC TRANSMISSION

The Honorable Antony J. Blinken
Secretary
Department of the State

Dear Secretary Blinken:

In February 2022, Russia launched the largest war in Europe since World War II. Since then, I've voiced my support for Ukraine and additional aid needed to defeat the Russians to stop World War III.¹ I also have raised concerns regarding oversight of Ukraine aid to ensure the proper and efficient use of taxpayer dollars.² Since the start of the war in Ukraine, Congress has appropriated \$174.2 billion in funding for Ukraine and other countries affected by the war.³ Ukraine funding falls within two types of assistance—foreign assistance and defense and security assistance.⁴ Foreign assistance generally falls into six categories:

1. Economic Growth, such as financial support for the Ukrainian private sector;
2. Humanitarian Assistance, such as food and shelter for internally displaced persons and refugees;
3. Peace and Security, such as equipment for border police;
4. Democracy, Human Rights, and Governance, such as strengthening public financial management practices;
5. Health, such as addressing infectious disease outbreaks; and
6. Education and Social Services, such as mental health programs for people affected by the war.⁵

¹ Senator Grassley, *Grassley Leads Efforts To Support Ukraine Punish Russia*, <https://www.grassley.senate.gov/grassley-leads-efforts-to-support-ukraine-punish-russia>.

² Letter from Sen. Charles E. Grassley, Ranking Member, Senate Judiciary Committee, to Sean O'Donnell, Acting Inspector General, Department of Defense - Office of Inspector General (May 26, 2022), https://www.grassley.senate.gov/imo/media/doc/grassley_to_defense_deptinspectorgeneralukraineaid.pdf; see also Letter from Sen. Charles E. Grassley, Ranking Member, Senate Budget Committee, to the Honorable Lloyd Austin, Secretary, Department of Defense (October 17, 2023), https://www.grassley.senate.gov/imo/media/doc/grassley_to_dod_-lost-weapony.pdf.

³ Jonathan Masters and Will Merrow, Council on Foreign Relations, *How Much U.S. Aid Is Going to Ukraine?* (May 9, 2024), <https://www.cfr.org/article/how-much-us-aid-going-ukraine>.

⁴ GAO, *What's the Status of U.S. Assistance to Ukraine? Our First Reports on Oversight Efforts* (Mar. 28, 2024), <https://www.gao.gov/blog/whats-status-u.s.-assistance-ukraine-our-first-reports-oversight-efforts>.

⁵ GAO, GAO-24-106884, *Ukraine: Status of Foreign Assistance* (Mar. 28, 2022) at 2, <https://www.gao.gov/assets/gao-24-106884.pdf>, see also <https://www.gao.gov/products/gao-24-106884> (Updates on the status of the GAO recommendations).

On March 28, 2024, the Government Accountability Office (GAO) published a report regarding the oversight of funding provided to Ukraine entitled, “*Ukraine: Status of Foreign Assistance*.⁶ GAO outlined the need for a “systematic, comprehensive approach” to tracking Ukraine funding, and noted that, “State [should] better track funding related to the Ukraine crisis.”⁷

According to GAO, “State is tracking the status of supplemental appropriations, but not separately tracking the \$44.1 billion of foreign assistance allocated specifically in response to the Ukraine crisis.”⁸ Specifically, the report notes, “[GAO] found that [State’s Office of Foreign Assistance] does not have a systematic process for tracking the status of foreign assistance funding.”⁹ This resulted in State having challenges in identifying and reliably reporting the funding data to GAO.¹⁰ Further, if State provided “more precise and readily available data, agency officials and policy makers would be better positioned to ensure accountability of U.S. funding and make informed decisions about future resource needs.”¹¹

As a result of the March 2024 report, GAO made one open priority recommendation, which states,

[t]he Secretary of State should ensure that the Director of the Office of Foreign Assistance and the Comptroller implement improvements to financial systems of record to separately, more systematically, and comprehensively track the allocation, obligation, and disbursement of foreign assistance funding provided in response to the crisis in Ukraine, to include base funds allocated to areas outside of Ukraine and exclude supplemental funds that were not allocated in response to the Ukraine crisis.¹²

⁶ GAO, GAO-24-106884, *Ukraine: Status of Foreign Assistance* (Mar. 28, 2022) at 1, <https://www.gao.gov/assets/gao-24-106884.pdf>.

⁷ *Supra* note 4 (Updates as to the status of the GAO recommendations).

⁸ *Supra* note 5 at 3 (GAO Report).

⁹ *Id.*

¹⁰ *Id.* “[GAO] identified three reasons for the challenges experienced by State: **1) Allocation of supplemental funds for Ukraine and other purposes.** The four Ukraine acts generally made appropriations for assistance for the situation in Ukraine, but also included appropriations for other purposes. State is tracking these supplemental funds, but the current limitations of State’s financial systems of record necessitated a substantial amount of manual effort to extract and align data, according to State officials. State’s financial systems do not identify between what supplemental funds were allocated specifically in response to the Ukraine crisis and those allocated for other purposes. **2) Allocation of funds outside Ukraine.** State allocated supplemental and other funds to efforts associated with countries outside Ukraine to address needs that were exacerbated by the Ukraine crisis, such as food assistance. However, State does not have a mechanism in place for categorizing and comprehensively tracking and reporting these funds as part of U.S. assistance specifically provided in response to the Ukraine crisis. **3) Tracking the status of allocations.** State’s financial system does not identify and categorize funds that were obligated or disbursed specifically in response to the Ukraine crisis. For example, obligations can fall into multiple assistance categories; however, State’s financial system can only reflect one category per obligation. The agencies had to manually assemble this information. This resulted in the agencies introducing calculation errors that [GAO] identified. [GAO] then had to compile the data and independently align allocations with obligation and disbursement data.”

¹¹ *Id.*

¹² *Id.* at 15-16.

Simply put, the State Department has an obligation to the taxpayer to properly oversee taxpayer funds. Additionally, to effectively track Ukraine funding, it's vitally important for the State Department to implement strong oversight measures, and the fact it failed to do so is cause for serious concern.

Accordingly, please answer the following questions no later than July 2, 2024:

1. What steps has State taken to close the open priority recommendation from the March 28, 2024 report? Provide all records.^[1]
2. What specific oversight mechanisms and processes does State currently employ to ensure proper accounting and use of Ukraine funding? Provide all financial reports related to foreign assistance funding for Ukraine, including allocation, obligation, and expenditure data.
3. Given the passage of additional funding to Ukraine in April 2024, provide an updated, as well as full and complete, accounting of all obligated and disbursed foreign assistance funding for Ukraine.
4. What is State's process to identify and recoup any improper payments or use of Ukraine funding? Provide all records.
5. How much U.S. foreign assistance funding for Ukraine has been provided to other countries? Provide a breakdown by each country and provide all records.

Thank you for your prompt review and responses. If you have any questions, please contact Tucker Akin on my Committee staff at (202) 224-0642.

Sincerely,



Charles E. Grassley
Ranking Member
Committee on the Budget

^[1] "Records" include any written, recorded, or graphic material of any kind, including letters, memoranda, reports, notes, electronic data (emails, email attachments, and any other electronically created or stored information), calendar entries, inter-office communications, meeting minutes, phone/voice mail or recordings/records of verbal communications, and drafts (whether they resulted in final documents).