Key Points on USAID February 12, 2025

Important Events/Hearings this week:

- The court hearing on the case against the funding freeze and firing of USAID workers has been moved from today to <u>11am on Thursday</u>, February 13th, due to the snow. People are encouraged to attend but to do so silently, wearing black, and not carrying any signs. The goal is to show support without causing disruption to an important hearing.
 - <u>One document filed in this case</u> details the horrific ordeal endured by one USAID staff member evacuated from the Democratic Republic of Congo.
- A Senate Foreign Relations Committee Roundtable, <u>National Security Implications of</u> <u>Halting U.S. Foreign Assistance</u>, will be held **today at 4 PM** and will host a number of speakers including former Assistant to the Administrator for USAID's Bureau for Humanitarian Assistance, Ms. Sarah Charles, and former Director of U.S. Foreign Disaster Assistance at USAID, Mr. Jeremy Konyndyk, to discuss USAID's work in supporting national security through its programs and expertise.
- A House Foreign Affairs Committee hearing, <u>The USAID Betrayal</u>, is slated for tomorrow at 8:30 AM. This hearing will feature former Administrator of USAID, <u>Andrew Natsios</u>, Representative <u>Ted Yoho</u>, and Heritage Foundation Senior Research Fellow, <u>Max</u> <u>Primorac</u>. Hearing statements from all three have been released and indicate that Primorac will promote unfounded claims and accusations about the work of USAID.
- The Senate Committee on Homeland Security and Government Affairs (HSGAC) hearing, <u>Eliminating Waste by the Foreign Aid Bureaucracy</u>, will be held **tomorrow at 10 AM**.

Today's Key Messages

USAID seems to be the playbook for President Trump and Elon Musk's plan for a rapid and potentially illegal overhaul of the U.S. government. This is being done without the Congressional approval and oversight required for those agencies codified by statute. No one is against reform, but what DOGE is doing isn't reform, it's taking a sledgehammer to a vital tool of U.S. national security.

ASK: In accordance with its constitutional obligations, Congress needs to act now on the dismantling of USAID and unfreeze foreign assistance to signal that these actions will not stand. Congress has power of the purse and oversight on reform of agencies codified in statute, not DOGE.

- USAID has evolved and reformed at the behest of administrations and Congress numerous times over its 65 year history to more effectively serve America's interests at any given time, and bold reform now is both necessary and feasible.
 - Instead of undertaking a reform effort, working closely with Congress as is required by law, DOGE has taken a "burn it all down" approach.

- This may work for tech firms, but it is a dangerous approach for government institutions that must be accountable to taxpayers, that enforce laws, and that deliver public goods, not accountable to profit.
- Rep. Bacon (R-NE) underscored this in his comments to the <u>Wall Street Journal</u>: "[USAID was] funding a lot of stupid stuff - that's a fact. But they're also doing a lot of good stuff too. So you don't want to throw the baby out with the bathwater. Instead of taking a sledgehammer, let's get out the scalpel."
- If the current DOGE approach being executed by Pete Marocco continues, the United States will lose the expertise and operational systems that are essential to responsibly oversee foreign assistance, along with many valuable programs.
 - This will make it extremely costly if not impossible for the United States to continue to wield foreign assistance as an effective soft power tool in the future and only China and U.S. adversaries will benefit.
- DOGE has repeatedly presented false or inaccurate information to back up its claims of fraud and waste. Standing in the Oval Office next to the President of the United States when speaking about USAID, Elon Musk <u>said</u> "we are moving so fast so we will make mistakes." Musk also <u>said</u> "some of the things that I say will be incorrect."
 - If DOGE was committed to government efficiency, they would not be spreading misinformation and trying to illegally shut down USAID in a matter of days, DOGE would be promoting a proper independent audit of USAID operations and programs.

New EO as a cover for DOGE's attacks on USAID's workforce

- On February 10th, the Trump administration issued an executive order <u>Implementing</u> <u>The President's Department of Government Efficiency Workforce Optimization Initiative</u>, that seems to be reverse-engineering a cover story for the mass layoffs and firings initiated by DOGE that started at USAID and other agencies.
- The EO instructs Agency Heads to initiate large-scale layoffs (reductions in force) and inserts a "DOGE Team Lead" at every agency as the overseer of any new hiring. Agency Heads may exempt any position necessary for national security.

USAID Inspector General report and subsequent firing

- The Trump administration <u>terminated USAID's inspector general</u> the day after his office reported that administration actions had hamstrung USAID's ability to track and respond to potential misuse of humanitarian assistance. This has now become seemingly common practice with IGs being fired across the U.S. government despite their roles as independent watchdogs investigating waste or fraud being critical to the current mission DOGE claims to be undertaking.
 - The Trump administration's kneejerk retaliation may also be illegal for failing to provide 30 days' notice to Congress with justification for the dismissal.
- On February 10th, the <u>USAID Office of the Inspector General (OIG) published a report</u> concluding that \$8.2bn in obligated but undisbursed humanitarian assistance is at risk of diversion, spoilage, or other misconduct as a result of the assistance pause, other directives and unclear instructions, and staff reductions.

- Key findings include:
 - USAID's partner-vetting unit, responsible for ensuring aid does not fund terrorist organizations, has been shut down. This increases the risk of aid being diverted to groups like Hamas, Hezbollah, and ISIS. USAID can no longer effectively vet new or existing aid contracts, creating major security concerns.
 - Food aid worth **\$489 million** is sitting at ports, in transit, or in warehouses, at risk of spoilage, theft, or diversion.
 - Over **500,000 metric tons of food** sourced from U.S. farmers remains stuck due to unclear funding policies.
 - Third-party monitoring (TPM) contracts were suspended, leaving USAID unable to verify if aid is being delivered properly.
 - Staff reductions have severely **limited USAID's ability to investigate fraud, waste, or abuse** in humanitarian programs.
 - Reports suggest that humanitarian aid in high-risk areas like Gaza, Syria, and Ukraine is vulnerable to theft and mismanagement.

Current Impact

Fatalities

- A 71 year old woman, Pe Kha Lau, a refugee from Myanmar living in a displacement camp in neighbouring Thailand, died four days after she was discharged from a USAID-funded healthcare facility operated by the International Rescue Committee following the stop work order. (Telegraph UK)
- In Umpiem Mai camp in Thailand, which is home to more than 10,000 people who fled the brutal civil war in neighbouring Myanmar, a resident and a health worker told ABC that multiple patients who were reliant on oxygen have now died. (Telegraph UK)

American Economy and Jobs

- In just three weeks, 11,322 Americans across 43 states have lost their jobs, with the estimated potential job loss to come likely to be over 52,000. Globally, 51,848 have been confirmed lost so far with the total likely to be over 100,000.
- From farmers in Kansas to NGO workers in North Carolina, the Foreign Assistance Stop Work order is hurting American workers and the U.S. economy. The loss of USAID means U.S. states will lose an estimated \$3.34b in direct economic benefit.
- On February 10, the <u>National Democratic Institute</u> furloughed 60% of its staff due to the foreign assistance freeze. This is just one instance of a critical USAID partner having to take such a drastic step after just three weeks after the stop work orders were issued.
- American farmers supply over 40% of the food aid USAID delivers, and on average, the U.S. government purchases \$2.1 billion in crops from American farmers each year. This is now completely in jeopardy.

Humanitarian Assistance

• On January 29 Secretary Rubio notified USAID that the stop work order would be waived for lifesaving programs. Despite this notice, implementation of the waiver has been

stymied by inconsistent communication, lack of access to systems for staff managing those programs, and lack of clarity on how to request a waiver.

- In addition, the measures USAID has for ensuring responsible use of taxpayer funding have been dramatically weakened by the actions of the Musk/Trump administration. Due to building closures, staff do not have access to the systems for vetting organizations to prevent funding to terrorist groups. Staff whose responsibility it is to vet, monitor and oversee programs have been put on leave or otherwise denied access to their email. The USAID Inspector General, who issued a report on such damage to the oversight of taxpayer dollars, has been fired.
- When programs are told to abruptly stop working, they do not restart easily. Stop work orders force organizations to make decisions like firing staff, breaking leases, and turning away people who rely on them for medicine or food. In many cases, starting again means finding new expert staff and rebuilding trust with communities.
- Sudan's Emergency Response Rooms (ERRs) is a civilian-led, grassroots network providing lifesaving food, medicine and other basic supplies to people in Sudan. As famine already rages in parts of Sudan, ERR has had to immediately stop most kitchen operations due to a lack of funding, about 75% of which came from USAID. It costs approximately \$10,000 for a single ERR kitchen in Darfur to feed 250 families for two weeks. Without this aid, ERR estimates civilians in Darfur will start dying in 10 to 20 days. (NBC)

National Security

- In the absence of USAID leadership and influence, vulnerable people around the world will turn to others for help, not only China and Russia, but potentially violent extremist organizations.
- With the foreign assistance freeze, in just two weeks, <u>U.S. adversaries like China have</u> stepped in to fill the void of USAID, this is often done through exploitative and dangerous loans versus grants that can lead to increased instability and economic collapse in the longer term:
 - In Nepal, Chinese officials have reportedly signaled to the Nepalese government that Beijing is willing to step in to replace USAID's void with development funding of its own
 - Despite its strategic importance to the United States in the Indo-Pacific, Officials in the Cook Islands have said they expect the withdrawal of USAID from the region to provide an opening for China.
 - In Colombia, which received around \$385 million in USAID funding in 2024, non-governmental organizations that received USAID funding say the Chinese government is interested in putting up money to help fill the void.
- USAID has worked with Ukraine to bolster the country's digital defenses. USAID's Cybersecurity for Critical Infrastructure in Ukraine Activity was designed to help secure the Ukrainian Ministry of Foreign Affairs' global diplomatic communications networks in October. As reported by <u>Forbes on February 11th</u>, this activity has been paused as a

result of the administration's attempt to shut down USAID. Thus, impacting essential Ukrainian government functions such as diplomacy which is vital while the country continues its war against Russia.

<u>Health</u>

- Confirmed cases of Ebola in Uganda have now increased to seven from the initial two
 and are no longer being contained by American foreign aid and technical expertise. All
 10 confirmed cases of Marburg virus (similar to Ebola) in Tanzania have died. Ebola and
 other related viruses can quickly spread to become another pandemic if USAID is not
 present. USAID was responsible for containing the 2013-2015 Ebola outbreak,
 preventing a global pandemic from occurring, and saving millions of lives.
- HIV/AIDS (PEPFAR):
 - Based on FY2024 dispensing data, 222,333 people pick up new supplies of ARVs every single day, 365 days per year. So, 222,233 people lose access to treatment every day that the stop work order is in effect. Of these, 7,445 are children under the age of 15 losing access to treatment for each day. (amfAR)
 - For each day pregnant women with HIV go without treatment due to the stop work order, there will be 1,471 new HIV infections among infants. They will likely go undiagnosed because infant HIV testing services are suspended. (<u>amfAR</u>)
- Malaria:
 - The abrupt suspension of USAID funding has immediate implications for life-saving programs worldwide. The "stop work" order affects approximately 1,400 activities across 133 countries and regions, including those under the President's Malaria Initiative. In 2023, this initiative delivered 37 million insecticide-treated bed nets, a critical tool in malaria prevention. The cessation of such programs threatens to reverse progress made in malaria control (<u>Source</u>).
 - One implementing partner that receives USAID funding has more than one million insecticide-treated bed nets in a warehouse in Ethiopia that, along with antimalarial drugs and diagnostics, are going to waste because they are not allowed to deploy them anymore. (<u>Nature</u>)
- After one week of the freeze, 912,720 women and girls have been denied care, and after one month, the figure will reach about four million. Over the course of the full 90-day review period, 11.7 million women and girls will be denied essential care <u>(Source:</u> <u>Guttmacher)</u>.