

**Congress of the United States**  
**Washington, DC 20515**

July 28, 2022

The Honorable Antony Blinken  
Secretary of State  
U.S. Department of State  
2201 C Street N.W.  
Washington, D.C. 20520

Dear Secretary Blinken:

We write to express our strong support for sustained U.S. military, economic, and political support to Ukraine in the face of Russia's unprovoked invasion, as well as to emphasize the critical importance of rigorous oversight and accountability of U.S. assistance. We believe firmly that the United States must provide the decisive and timely security assistance Ukraine needs to ensure victory on the battlefield. We also support macroeconomic and financial support to Ukraine to counter Russian economic coercion and stave off economic collapse and the resulting strategic and humanitarian consequences. However, this assistance will neither be effective nor politically sustainable without strong oversight and accountability mechanisms, including those contained in the Ukraine Supplemental Appropriations Act (P.L. 117-103, Div. N) and the Additional Ukraine Supplemental Appropriations Act (P.L. 117-128).

The Ukraine Supplemental Appropriations Act includes a regular reporting requirement on U.S. assistance being provided to Ukraine's security forces by the United States and our allies and partners. Other key oversight provisions in the second Ukraine supplemental include: additional funding and resources for the Inspectors-General of the Department of State, United States Agency for International Development (USAID), and Department of Defense; enhanced reporting requirements for security assistance; and, perhaps most importantly, a requirement that all monies designated as direct support to the Ukrainian government be kept in a separate, auditable account and be subject to a bilateral agreement on the use of those funds. These are statutory requirements, not suggestions. We thus were troubled to learn that the State Department and USAID had opted to circumvent the intent of the strict transparency and accountability requirements written into law for direct budgetary support.

To date, we understand there has been no attempt to negotiate a bilateral Memorandum of Understanding with the Ukrainian government that law requires, aside from a one-time use of a single-donor trust fund at the World Bank. There does not seem to be any overarching bilateral agreement covering all planned aid disbursements, which could provide sorely needed detail and transparency regarding how direct U.S. financial support will be used. Instead, USAID appears inclined to provide this support to Ukraine via an existing World Bank mechanism. We are concerned that routing U.S. assistance funds to Ukraine through multilateral institutions like the

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World Bank – where U.S. donations will merge with funding streams from other international donors – will be less transparent and less accountable to effective congressional oversight.

We may be willing to consider flexible funding arrangements, including those run by the World Bank, but only if the proposal is consistent with congressional intent on auditability and a bilateral agreement with Ukraine, as set out in section 506(b) of the Additional Ukraine Supplemental Appropriations Act. As an immediate first step to explaining how the administration is complying with both the letter and intent of the law, we would appreciate information on the World Bank proposal currently under consideration, including:

- Copies of the agreements between the United States and the World Bank to set up and participate in the World Bank mechanisms;
- The terms of reference (setting out intended use of funds, government of Ukraine recipients/managers, oversight expectations/mechanisms, etc.);
- Detailed descriptions of standard World Bank safeguards;
- Detailed descriptions of the “enhanced safeguards” that U.S. officials are reportedly negotiating to be included in the World Bank mechanism, or any other mechanism;
- The planned audit schedule and, when available, copies of actual audit reports;
- A detailed description of the scope of work for Deloitte to engage in third party monitoring of U.S. direct budgetary support;
- A detailed description of partner contributions to direct budgetary support for the government of Ukraine, as well as the administration’s efforts to encourage allies and partners, particularly in Europe, to contribute more; and
- Copies of any one-time bilateral agreements covering specific aid tranches and an update on the status of negotiations with Ukraine on a more comprehensive bilateral Memorandum of Understanding on the use of U.S. assistance, as envisioned in the Additional Ukraine Supplemental Appropriations Act.

Finally, we are concerned that low levels of staffing at the U.S. embassy in Kyiv are hindering efforts to improve the oversight and effectiveness of U.S. assistance to Ukraine. Specifically, excessive diplomatic security requirements, which are inconsistent with the current threat environment in Kyiv and are far more onerous than the requirements many of our allies also in Kyiv have placed on their diplomatic staff, are making it difficult for U.S. diplomats to conduct their mission. This hinders their ability to conduct oversight of the over \$7 billion in U.S. security assistance provided to Ukraine since Russia’s unprovoked invasion in February.

Overall, the more American embassy personnel engaging day-to-day with their Ukrainian counterparts, the better the information the administration and Congress will have. Therefore, we encourage the administration to imbed U.S. liaisons at relevant government of Ukraine ministries, especially the Ministry of Defense as Kyiv has offered. As such, in response to this letter, we would also appreciate more information on the administration’s plans for embassy staffing in Kyiv, including a detailed justification for diplomatic security requirements, explanation of current

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procedures, any requests from the U.S. ambassador to Ukraine or interagency to increase embassy staffing in Kyiv, and status of embedding U.S. liaisons in government of Ukraine ministries.

As strong supporters of Ukraine, we understand how important long-term U.S. and European assistance is to ensuring Ukraine's victory over Russian aggression. We hope the Biden Administration shares this goal and appreciates the important role Congress has played in providing the resources and political support to sustain meaningful U.S. support to Ukraine over the years, including more military assistance in both Ukraine supplementals than the Biden Administration actually requested.

The best way to maintain congressional support for Ukraine assistance, and to ensure this assistance is effective, transparent, and accountable to U.S. taxpayers, is by rigorous adherence to the statutory oversight standards and requirements. As such, we ask that you commit to sharing with Congress reporting from the World Bank and Deloitte on how the government of Ukraine is utilizing U.S. direct budgetary support to ensure transparency and accountability.

Congress overwhelmingly voted in support of Ukraine assistance in May. Congress also voted overwhelmingly in support of the strong oversight provisions that we insisted be included in this legislation. We look forward to working with you in fulfilling congressional intent.

Sincerely,



JAMES E. RISCH  
Ranking Member  
Senate Foreign Relations Committee



MICHAEL T. McCAUL  
Ranking Member  
House Foreign Affairs Committee