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DEFENSE
FOR A HEARING ON

**“Oversight, Transparency, and
Accountability of Ukraine Assistance”**

BEFORE THE
HOUSE FOREIGN AFFAIRS COMMITTEE

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Good morning, Chairman McCaul, Ranking Member Meeks, and distinguished members of the Committee. Thank you for inviting me to appear before you to discuss the Department of Defense (DoD) Office of Inspector General's (OIG) ongoing oversight of U.S. security assistance to Ukraine, in which we are actively engaged as part of a coordinated, whole-of-government approach with our oversight colleagues from the Department of State (State) OIG, the U.S. Agency for International Development (USAID) OIG, and many others. Through these coordinated efforts, we are partnering to ensure comprehensive, robust, and transparent oversight across all aspects of U.S. military, economic, humanitarian, and other assistance to Ukraine. Since Russia's invasion in February 2022, the DoD OIG has completed five Ukraine-related oversight projects, with 21 ongoing and planned audits and evaluations that are designed to cover the full range of U.S. security assistance to Ukraine and to ensure the proper use of U.S. taxpayer dollars in those efforts. In addition to these programmatic reviews, the DoD OIG's Defense Criminal Investigative Service (DCIS) is conducting extensive fraud prevention and investigative activities to ensure the integrity of U.S. security assistance to Ukraine and to detect and deter any wrongdoing with regard to same. Furthermore, we are working with our oversight partners to establish a persistent presence at the Embassy in Kyiv to further enhance our efforts going forward.

Over the past year, Congress has appropriated approximately \$113.4 billion for efforts across the federal government in support of the Ukraine response. The \$62.3 billion that has been appropriated in DoD funding supports security assistance requirements in Ukraine and operational mission requirements within the U.S. European Command area of responsibility; replenishment of DoD stocks provided to Ukraine through Presidential Drawdown and Excess Defense Article Authorities; and reimbursement for defense services, education, and training provided to Ukraine.

My testimony today will provide details on the Ukraine Oversight Interagency Working Group's coordinated approach to ensure comprehensive oversight of U.S. assistance to Ukraine and a summary of the DoD OIG's past, present, and future oversight of all aspects of U.S. security assistance in this dynamic and evolving area of operations. As the processes we follow in our oversight ensure the accuracy and authoritativeness of our work, I am not able to share the results of ongoing work, we are leveraging every opportunity to explore agile reporting options in order to maximize the timeliness and transparency with which we report on the results of our oversight efforts.

Ukraine Oversight Interagency Working Group

Along with our federal oversight partners, we established the Ukraine Oversight Interagency Working Group (the Working Group) to ensure an integrated and comprehensive whole-of-government approach to oversight of the U.S. Government's response to the Russian invasion of Ukraine. In partnership with the State and USAID OIGs, we proactively established the Working Group in June 2022 – fewer than 4 months after Russia's invasion on February 24, 2022 – because we identified the need for an integrated, professional community-wide approach to oversight of the U.S. Government's complex, rapid, and resource-intensive response to Russia's invasion of Ukraine.

Today, many staff members from 20 U.S. Government oversight organizations, including auditors, evaluators, investigators, and inspectors, participate in the Working Group. The Working Group communicates regularly and meets monthly, with participants including representatives from the Offices of Inspector General for the DoD, State, USAID, Intelligence Community, Department of Agriculture, Department of Commerce, Department of Justice, Department of the Treasury, Department of Health and Human Services, Department of Homeland Security, Export-Import Bank of the United States, International Development Finance Corporation, Defense Logistics Agency, U.S. European Command, and U.S. Army Europe and Africa, as well as the Government Accountability Office, the Defense Contract Audit Agency, and the Air Force, Army, and Naval Service Audit Agencies.

While not all of these agencies are actively conducting oversight related to Ukraine assistance at all times, each has equities related to the broader national effort. The working group ensures open lines of communication and situational awareness across department and agency boundaries. This breadth of collaboration facilitates comprehensive oversight that avoids potential gaps in coverage, prevents duplicative oversight projects, and strengthens the oversight community's outreach and real-time information sharing on Ukraine oversight matters.

As of today, agencies that participate in the Ukraine Oversight Interagency Working Group have issued at least 17 products related to security assistance and coordination, non-security assistance, and management and operations. The Working Group's participating agencies have 71 ongoing and planned projects related to Ukraine assistance, a number that continues to grow as the nature and scope of the assistance changes and our oversight efforts evolve to address them.

Joint Oversight of the Ukraine Response

In January 2023, the DoD, State, and USAID OIGs, in coordination with the larger Working Group, published a Joint Strategic Oversight Plan (JSOP) for Ukraine Oversight, laying out our vision for coordinated and comprehensive oversight and our completed, planned, and pending work in this area. This week, we issued "Joint Oversight of the Ukraine Response," which builds on the JSOP and fulfills the DoD OIG's reporting requirement under Section 1247 of the James M. Inhofe National Defense Authorization Act (NDAA) for FY 2023, as well as the State and USAID OIGs' reporting requirement under Section 1707 of the Consolidated Appropriations Act, 2023.

The DoD, State, and USAID OIGs, in partnership with other U.S. Government oversight organizations, have adopted a coordinated, whole-of-government collaborative approach to ensure that oversight efforts regarding all aspects of U.S. assistance to Ukraine are comprehensive, relevant, timely, and transparent. Our recently released report describes that joint approach, details how we and our partners have responded to the challenge of overseeing the response in a dynamic operating environment, and outlines completed, ongoing, and planned oversight work related to U.S. Ukraine response efforts.

Our offices have made oversight of the \$113.4 billion appropriated for the Ukraine response a top priority. As detailed in our latest report, the DoD, State, and USAID OIGs and their partner

oversight agencies are using the oversight model that the three OIGs have successfully employed, and continue to employ, for overseas contingency operations across the globe. This proven model ensures regular collaboration and facilitates coordinated oversight of our individual agencies' programs and operations. By relying on a tested interagency construct, we were able to initiate agile whole-of-government oversight as soon as the conflict began and we will continue to do so as long as the conflict and need for oversight continue.

Effectively and transparently communicating our plans and the results of our work to Congress and the public is essential to our oversight mission. As we complete our oversight projects and adapt to changing circumstances, we will periodically update our joint plan, consistent with our shared commitment to comprehensive, relevant, and timely oversight that promotes transparency and ensures the accountability of U.S. assistance to Ukraine. And, as referenced earlier, we will continue to explore every opportunity to use agile reporting projects to convey our findings as timely and transparently as possible.

Leading from the Front: IGs Meet with U.S. and Allied Personnel Downrange

In late January 2023, I traveled to Germany, Poland, and Ukraine with the leaders of the State and USAID OIGs. The purposes of this trip were to obtain the latest on-the-ground perspective of the evolving security and non-security assistance provided to Ukraine; to build on our coordinated, whole-of-government approach to oversight of the United States' significant investment in this effort; and to deliver an unambiguous message to both American and Ukrainian stakeholders about the expectations for accountability for such assistance. In Kyiv, my colleagues, testifying with me here today, and I personally and forcefully delivered this message in meetings with the Ukrainian Prime Minister, the Minister of Defense, the Minister of Finance, the Prosecutor General, and other key Ukrainian leaders and counterparts.

The following are among the key takeaways from the three IG trip.

- The evolution of the nature of U.S. security assistance to Ukraine has created a constantly-changing situation on the ground that requires continuous, agile, and robust oversight.
- Materiel sustainment and restock issues must be closely monitored.
- Persistent oversight over DoD efforts to ensure appropriate visibility of and accountability for defense items once they cross the Ukrainian border and into the battle zone will be of ongoing importance.
- Accountability and anticorruption efforts are essential for Ukraine's future. We were consistently told by Ukrainian leaders that they understood the criticality of these efforts and we will continue to hold them accountable for meeting U.S. expectations in this area.
- Building on established partnerships to ensure U.S. and international oversight coordination to prevent waste, fraud, and abuse of assistance from all NATO members and other donors to Ukraine is essential.

Any active armed conflict necessarily presents certain challenges to conducting oversight, and those observed in Ukraine are not entirely unique. Building on our past experience collaborating with our partners on whole-of-government oversight in Iraq and Afghanistan, we are adapting to

meet the needs presented by this dynamic environment. In doing this work, we also recognize and account for important differences between providing oversight in Iraq and Afghanistan and the oversight of U.S. assistance to Ukraine. One major difference is that U.S. troops are not actively engaged in Ukraine, where the DoD has only a very limited footprint. Most of the training and other activities in which the U.S. military is engaged in support of Ukraine are conducted in other parts of Europe and the United States. Because of the nature of the train and supply mission and the resulting distribution of much of the DoD's activity outside of Ukraine, we are able to leverage our regional and domestic staff to perform agile and comprehensive oversight in real time, and we continue to evaluate our posture and make changes as appropriate to ensure that we are optimally postured to conduct agile, comprehensive, and impactful independent oversight in a fluid situation. In that regard, as noted above, we currently are working with our counterparts to establish a persistent presence at the U.S. Embassy in Kyiv to enhance our future oversight work.

The U.S. bilateral relationship with the Ukrainian Armed Forces far predates the current conflict, enabling the DoD to build on that existing familiarity. Unlike in Iraq and Afghanistan, the U.S. military is supplying and supporting an existing military force rather than building a new one from the ground up. The DoD OIG has substantial experience in conducting oversight of a mission such as that currently underway in support of Ukraine, and we are bringing it to bear to ensure comprehensive oversight that leverages our prior work and the experience and talent of our staff to conduct our work in a timely and impactful manner.

Oversight Results to Date

The DoD OIG has been conducting oversight of assistance to Ukraine since before the Russian invasion. As with all of our work around the world, our audits, evaluations, and reviews ensure DoD compliance with applicable laws, rules, and regulations, and promote the economy, efficiency, and effectiveness of DoD programs and operations. Through our reports of audits and evaluations and other agile products, we make findings and recommendations that get to the root causes of the problems we find and drive positive change.

Going back well before the current invasion, the DoD OIG has been focused on end-use monitoring (EUM) and enhanced end-use monitoring (EEUM)—the means whereby the DoD tracks how countries across the world employ U.S. military assistance and sensitive equipment after these assets are transferred to them by the DoD. This critical task is made even more difficult for the DoD under the conflict conditions in Ukraine. However, EUM and, particularly, EEUM are vitally important to ensure that the lethal and non-lethal tools the U.S. supplies to its partners are accounted for appropriately and being used for their intended purpose.

As early as 2020, the DoD OIG issued a report on how the DoD was conducting EEUM of military assistance to Ukraine, including Javelin missiles, Javelin command launch units, and night vision devices. We found that EEUM was being conducted largely in accordance with the law and DoD guidance, and that Ukraine's storage of Javelin missiles and launch units met physical security requirements. However, we found that information in the DoD's database about the quantity, location, and condition of night vision devices was inaccurate because the Armed Forces of Ukraine did not always report the loss, theft, or destruction of these devices, as

required. Additionally, serial number stickers on some U.S.-supplied night vision devices became illegible or fell off, especially during operational deployments or combat, making it difficult to conduct serialized inventories of these articles. The evaluation included recommendations for how the Defense Security Cooperation Agency could improve Ukrainian reporting practices and come into compliance with DoD EEUM requirements.¹ The DoD agreed to all of these recommendations, and most of them have since been closed.

More recently, in October 2022, we issued a classified report that determined the DoD was unable to provide EUM in accordance with DoD policy because of the limited U.S. presence in Ukraine. The report identified the challenges faced by DoD personnel responsible for conducting EUM and EEUM in Ukraine and outlined the actions the DoD was taking to account for the U.S. equipment provided to Ukraine when there are limited U.S. personnel present.² We recently initiated our third evaluation on this important topic, which will address unresolved recommendations from our previous reports and assess the current state of EUM and EEUM in Ukraine. We will continue to focus on this issue to ensure appropriate accountability for U.S. security assistance as the situation on the ground evolves.

Additionally, on February 27, 2023, we issued a report on the Army Pre-Positioned Equipment Issued in Response to Ukraine and the NATO Defense Forces. After Russia invaded Ukraine in February 2022, the Army used equipment it had pre-positioned in Europe as part of the DoD's response to support NATO. This was the first time the Army issued pre-positioned stock to an entire armored brigade combat team in Europe. Our evaluators found that the Army issued the equipment quickly; however, some equipment was not fully mission capable so as to support the brigade's rapid deployment. The report included 6 recommendations to the Army for improving its maintenance of pre-positioned equipment and coordination processes to ensure mission readiness. The Army agreed to implement all of the recommendations.³

The DoD OIG also has issued two management advisories that informed DoD leadership and Congress of several areas of concern that directly impact the DoD's ability to transparently track and report the supplemental appropriations for Ukraine. Findings included that the systems used did not feed directly into Advana, the official reporting system for Ukraine supplemental appropriations, and the DoD lacked standard operating procedures for reporting the information.

In addition to these and other reports and advisories, DCIS—the criminal investigative component of the DoD OIG—has focused on potential criminal exploitation of Ukraine security assistance. DCIS leadership recently deployed two special agents to supplement the DoD OIG's presence in Eastern Europe and, in particular, to work with counterpart agencies and establish a presence in the area where equipment is transferred for shipment into Ukraine. Additionally, DCIS has established a Ukraine Program Manager within its National Security Division to coordinate relevant activities. While we cannot comment on the substance of any particular

¹ Report No. DODIG-2020-121, "Evaluation of Department of Defense Enhanced End-Use Monitoring for Equipment Transferred to the Government of Ukraine," August 27, 2020.

² Report No. DODIG-2023-002, "Evaluation of the DoD's Accountability of Equipment Provided to Ukraine," October 7, 2022.

³ Report No. DODIG-2023-053, "Evaluation of Army Pre-Positioned Equipment Issued in Response to Ukraine and the NATO Defense Forces," February 27, 2023.

investigation, DCIS currently has well over a dozen open matters related to allegations involving assistance to Ukraine. Our experienced law enforcement agents also routinely work with U.S. Government agencies and international partners on Ukraine-related issues. Of particular note, at the request of the Security Assistance Group – Ukraine, DCIS appointed a Liaison Officer to de-conflict allegations of substandard parts and materials, non-conforming materials, and other fraud concerns, and we have drawn on our extensive background investigating contracting and other types of fraud in war zones to provide dozens of fraud awareness briefings throughout the region. We build on this expertise and our established relationships in the region, regularly communicating with the Legal Attaché and others in Ukraine and elsewhere in support of our comprehensive investigative efforts.

We have heard and heeded the calls from both chambers of Congress for robust oversight of the extensive ongoing U.S. assistance flowing to Ukraine. We are conducting oversight at the speed of war, emphasizing agility in producing reports that are both authoritative and timely. Our reports identify issues and make recommendations that policymakers can implement to address problems promptly and in a lasting manner. We have completed some work, and more is planned and ongoing, and we will continue to avail ourselves of every opportunity to be agile and transparent in our reporting while our independent oversight work is ongoing.

More than 90 DoD OIG staff members across all of our components are currently hard at work in this endeavor. In the coming months, we will produce reports of audits and evaluations on critical issues like the replenishment of U.S. weapons stockpiles, intelligence sharing in support of Ukraine, maintenance and sustainment of sophisticated weaponry and equipment being provided to Ukraine, awards of noncompetitive contracts for assistance to Ukraine, and the training of Ukrainian Armed Forces.

Priorities and Commitments

The DoD OIG has one of the largest oversight mandates in the federal government, responsible for overseeing more than \$800 billion in annual defense spending. Ukraine assistance is very much “Job One” as my office plans our internal and interagency projects, and we are very grateful for the support of Congress that has enabled us to prioritize this work while continuing to address our many other priorities in overseeing DoD programs, operations, and personnel across the globe.

In conducting our oversight over U.S. support for Ukraine, we will continue to work hand in glove with my colleagues here from State and USAID OIGs, and our partners across the oversight community, to monitor, detect, and address any instances of fraud, waste, or abuse, to ensure that taxpayer dollars are spent as intended, and that there is appropriate accountability for U.S. assistance. Consistent with our emphasis on transparency, we will strive to the greatest extent possible to make our oversight work releasable to the public, and as I previously stated, we are using agile products and otherwise working to report on our efforts as soon as possible. We also are working with our partner agencies to expand and apply our substantial data analytics capabilities to sift through voluminous information to track assistance spending, both to identify issues for audit, evaluations, and investigations and to inform the results of our oversight work. To facilitate reporting of fraud, waste, or abuse, the DoD, State, and USAID OIGs have

produced a joint Hotline poster in both English and Ukrainian for distribution in the region to better facilitate whistleblower reporting. Our three offices have received 189 Ukraine response-related hotline contacts from this potentially important source of information.

As we look to the future, the DoD OIG is committed to working with State and USAID OIGs, and all of our oversight partners, to adapt and employ our existing oversight frameworks to share real-time knowledge, avoid duplication of effort, and ensure impactful oversight through a robust whole-of-government enterprise that provides full coverage of all aspects of U.S. assistance to Ukraine. Oversight teams are building on their experience and relationships developed in similar interagency efforts, such as those related to Iraq, Afghanistan, and the coronavirus disease–2019 (COVID-19) pandemic, to plan and conduct comprehensive oversight of Ukraine assistance. Furthermore, as previously noted, we are expanding our oversight presence in Europe and working to establish a persistent presence at the Embassy in Kyiv that will position us well to conduct robust oversight for as long as it may be necessary. Throughout all these efforts, I will continue to work closely with my State and USAID OIG partners, and our counterparts through the working group, to keep the Congress and the public fully apprised of our ongoing efforts.

Thank you for the opportunity to testify and to share the work of the DoD OIG and the broader oversight community regarding U.S. assistance to Ukraine. I look forward to answering your questions.