

Testimony Submitted for the Record
U.S. House of Representatives Committee on Foreign Affairs
Subcommittee on Oversight and Intelligence
Hearing On: “Waste, Fraud, and Abuse in Foreign Assistance: Lessons Learned and Charting a Path Forward”

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Chairman Mills, Ranking Member Moskowitz and members of the Subcommittee, thank you for the opportunity to submit this statement on waste, fraud and abuse in foreign assistance.

My name is Donald Sherman, and I am the President and CEO of Citizens for Responsibility and Ethics in Washington (CREW), a nonpartisan nonprofit organization dedicated to fighting corruption and promoting an accountable, transparent and ethical government. I have spent the majority of my career investigating waste, fraud and abuse throughout the federal government, from my work as Chief Oversight Counsel for the House Committee on Oversight and Government Reform, to my work as an Executive Branch attorney at the Department of Housing and Urban Development responding to Inspector General (IG) investigations, continuing through my work as an attorney with the Senate Homeland Security and Governmental Affairs Committee (HSGAC) overseeing IG nominations, and finally to my work today at CREW drafting IG complaints based on information obtained by our organization. I submit this statement today to highlight how corruption harms our national security and why the Trump administration's actions have both enabled corruption and limited the government's ability to prevent and detect waste, fraud and abuse.

The Trump administration has opened the door for unprecedented levels of waste, fraud and abuse

National security experts have warned about the risks associated with Trump's business relationships with foreign nations. Richard Painter, former chief ethics lawyer for President George W. Bush, warned that most of Trump's business appears to be in countries with “authoritarian governments or democratic governments gravitating toward authoritarianism . . . present[ing] serious national security challenges to the United States” when their diplomatic aims differ from our own.¹ Former National Security Agency official Susan Hennessey wrote that “[f]undamentally, ethics policies governing the Executive and his cabinet are national security protections.”² She added that our nation's “founders viewed

¹ Richard Painter, *Good Governance Paper No. 15: Enforcing the Emoluments Clauses*, Just Sec. (Oct. 30, 2020), <https://www.justsecurity.org/73148/good-governance-paper-no-15-enforcing-the-emoluments-clauses/>.

² Susan Hennessey, *Ethics Rules Are National Security Rules*, Lawfare (Jan. 10, 2017), <https://www.lawfaremedia.org/article/ethics-rules-are-national-security-rules>.

financial relationships between foreign nations and officials in offices of public trust as a threat to the existence of the Republic itself.”³

Since the beginning of the president’s second term, the Trump administration has systematically disrupted, weakened or outright eliminated the guardrails meant to protect against waste, fraud and abuse.⁴ Most notably, President Trump unlawfully fired 17 inspectors general (IGs) en masse, including State Department IG Cardell Richardson Sr., during his first week returning to office.⁵ As a result of both the administration’s action and inaction, at the end of 2025, over half—55 percent—of the 38 presidentially appointed federal IG positions remained vacant, and of the total 72 federal IG positions, there were 29 vacancies across the federal government.⁶ The National Security Agency has been without an IG for over three years.⁷ The Office of Inspector General (OIG) for the State Department, along with the IG post at the U.S. Agency for International Development (USAID), have both now been without a Senate-confirmed leader for more than a year.⁸ Since those vacancies began, the administration started a war with Iran without congressional authorization,⁹ ordered a military raid to abduct another head of state,¹⁰ conducted legally questionable military strikes in the Caribbean,¹¹ accepted a Boeing 747-8 luxury jetliner ostensibly as a gift for use as Air Force One from a middle eastern nation,¹² imposed unlawful across-the-board tariffs on U.S. trading partners¹³ and, perhaps most notably to the subject of this hearing, unilaterally shuttered a congressionally established department—USAID—and attempted to move those few functions which still remain to the State Department.¹⁴

³ *Id.*; see also *The intensifying threat of Donald Trump’s emoluments*, CREW (Aug. 28, 2024), <https://www.citizensforethics.org/reports-investigations/crew-reports/the-intensifying-threat-of-donald-trump-s-emoluments/>.

⁴ Dani Schulkin et al., *The Anti-Corruption Tracker: Mapping the Erosion of Oversight and Accountability*, Just Security (Mar. 5, 2026), <https://www.justsecurity.org/117267/anti-corruption-tracker/>.

⁵ Danielle Caputo, *The Significance of Firing Inspectors General: Explained*, Campaign Leg. Ctr. (Jan. 31, 2025), <https://campaignlegal.org/update/significance-firing-inspectors-general-explained>; *Storch v. Hegseth*, 804 F. Supp. 3d 216, 221, 225 (D.D.C. 2025) (finding it certain that plaintiffs, including Mr. Richardson, “will succeed in arguing that their terminations violate the IGA”).

⁶ Isabel Rogers, *By leaving over 55% of presidentially appointed IG posts vacant, Trump is opening the door for waste, fraud and abuse*, CREW (Feb. 4, 2026), <https://www.citizensforethics.org/news/analysis/by-leaving-over-55-of-presidentially-appointed-ig-posts-vacant-trump-is-opening-the-door-for-waste-fraud-and-abuse/>.

⁷ *Inspector General Vacancies*, Oversight.gov (last visited Mar. 12, 2026), <https://www.oversight.gov/about/inspectors-general-vacancies>.

⁸ *Id.*

⁹ Sam Gringlas, *Iran strikes were launched without approval from Congress, deeply dividing lawmakers*, NPR (Feb. 28, 2026), <https://www.npr.org/2026/02/28/nx-s1-5730203/iran-israel-trump-congress-strikes-reaction>.

¹⁰ Dan Lamothe, John Hudson & Hannah Natanson, *Maduro raid killed about 75 in Venezuela, U.S. officials assess*, Wash. Post (Jan. 6, 2026), <https://www.washingtonpost.com/national-security/2026/01/06/maduro-raid-death-toll/>.

¹¹ Allison McManus & Dawn Le, *How Trump’s Unilateral Foreign Policy Has Eroded American Power*, Ctr. Am. Progress (Feb. 19, 2026), <https://www.americanprogress.org/article/how-trumps-unilateral-foreign-policy-has-eroded-american-power>.

¹² Deepa Shivaram, *Standing by in San Antonio: the luxury plane from Qatar intended to replace Air Force One*, NPR (May 19, 2025), <https://www.npr.org/2025/05/19/nx-s1-5398103/trump-qatar-gift-plane>.

¹³ Andrew Chung & John Kruzel, *US Supreme Court strikes down Trump’s global tariffs*, Reuters (Feb. 20, 2026), <https://www.reuters.com/legal/government/us-supreme-court-rejects-trumps-global-tariffs-2026-02-20/>.

¹⁴ Kat Lay, *Obama and Bush call Trump’s USAID closure a ‘travesty’ as report warns of 14 million extra deaths*, The Guardian (July 1, 2025), <https://www.theguardian.com/global-development/2025/jul/01/obama-bush-trump-usaid-closure-lancet-report-warns-extra-deaths>.

It was first announced in February 2025 that President Trump would “shut...down” USAID.¹⁵ Following that announcement, the administration took immediate steps to cut USAID programs and gut the agency’s staff, laying off countless nonpartisan experts and professionals who carried out our nation’s foreign policy work.¹⁶ USAID’s then-Senate-confirmed Inspector General Paul K. Martin issued a [report](#) explaining that the Trump administration’s cuts were preventing oversight of \$8.2 billion in humanitarian aid, leaving taxpayer dollars susceptible to loss through waste, fraud or even theft by terrorist groups in conflict zones around the world.¹⁷ What did President Trump do in response to Mr. Martin trying to protect American taxpayer dollars from waste, fraud and abuse in foreign assistance programs? He fired him the very next day.¹⁸

As Hannibal Ware, the then-Chairperson of the Council of the Inspectors General on Integrity and Efficiency, publicly acknowledged the day after President Trump fired him from his role as IG for the Small Business Administration, “IGs are not immune from removal. However, the law must be followed to protect independent government oversight for America.”¹⁹ Within the last 20 years, Congress has passed two laws with bipartisan support to prevent the precise type of action President Trump took.²⁰ The bipartisan Inspector General Reform Act of 2008 established a requirement that Congress be notified in writing no later than 30 days before removal or transfer of an IG,²¹ and the Securing Inspector General Independence Act of 2022, provisions of which became law as part of the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, added a requirement that Congress be given a detailed account of the justification for the removal of an inspector general and the inspector general remain in place for 30 days while Congress considers that justification.²² To the best of our knowledge, none of those legal requirements were followed in any of these firings.

Now, a little more than a year into his second term, the clear signal that President Trump has sent to the IG community is that efforts to conduct oversight to root out waste, fraud and abuse will be resisted by this administration, and that attempts to sound the alarm on issues of concern or improper conduct by the administration could subject IGs and their staffs to Mr. Martin’s fate—being fired or reassigned for simply doing their duty. For example, last

¹⁵ Ellen Knickmeyer, *Elon Musk says President Donald Trump has ‘agreed’ USAID should be shut down*, AP (Feb. 3, 2025), <https://apnews.com/article/doge-musk-trump-classified-information-usaid-security-35101dee28a766e0d9705e0d47958611>.

¹⁶ Ellen Knickmeyer, Farnoush Amiri & Adriana Gomez Licon, *Trump and Musk move to dismantle USAID, igniting battle with Democratic lawmakers*, AP (Feb. 3, 2025), <https://apnews.com/article/trump-musk-usaid-c0c7799be0b2fa7cad4c806565985fe2>.

¹⁷ USAID OIG, *Oversight of USAID-Funded Humanitarian Assistance Programming Impacted by Staffing Reductions and Pause on Foreign Assistance* (Feb. 10, 2025), <https://oig.usaid.gov/sites/default/files/2025-02/USAID%20OIG%20-%20Oversight%20of%20USAID-Funded%20Humanitarian%20Assistance%20Programming%20021025.pdf>.

¹⁸ Jennifer Hansler, *USAID IG fired day after report critical of impacts of Trump administration’s dismantling of the agency*, CNN (Feb. 11, 2025), <https://www.cnn.com/2025/02/11/politics/usaid-inspector-general-fired-trump>.

¹⁹ Council of the Inspectors General on Integrity and Efficiency (CIGIE), *Statement from the Honorable Hannibal Ware, Chairperson of the Council of the Inspectors General on Integrity and Efficiency* (Jan. 25, 2025) https://www.ignet.gov/sites/default/files/files/CIGIE%20Statement%20--%201_25_2025.pdf.

²⁰ Roll Call 661 for Bill Number: H. R. 928 Inspector General Reform Act of 2008 (Sept. 27, 2008) <https://clerk.house.gov/Votes/2008661>; Cosponsors Securing Inspector General Independence Act of 2021 <https://www.congress.gov/bill/117th-congress/senate-bill/587>.

²¹ Public Law No: 110-409 (Oct. 14, 2008).

²² Public Law No: 117-263 (Dec. 23, 2022).

June, the president demoted Department of Education (DOE) Acting IG René Rocque two weeks after she sent a letter to Congress reporting that her office “experienced unreasonable denials and repeated delays” in being provided “access to documents, staff, and information,” preventing the OIG from conducting its “statutory mission to oversee the Department’s programs and operations under the Inspector General Act.”²³ In November, Federal Housing Finance Agency (FHFA) IG Joe Allen was fired after reportedly preparing a notification to Congress that the administration was not cooperating with the OIG’s oversight efforts.²⁴ And, just two weeks ago, the Department of Homeland Security (DHS) IG sent a letter to Congress saying that DHS has been “systematically obstructing” investigations by withholding records,²⁵ just days before DHS secretary Kristi Noem was fired amidst a myriad of allegations of improper or wasteful government spending, including the questionable purchase of two luxury Gulfstream jets.²⁶

Removing IGs is not a new tactic for the Trump administration. During President Trump’s first term, the State Department’s OIG went through four acting heads in a four month period in 2020.²⁷ The then-Senate-confirmed IG Steve Linick was fired after opening investigations into potential misuse of emergency authority to bypass Congress and sell \$8 billion worth of arms to Saudi Arabia and the United Arab Emirates and into then-Secretary of State Mike Pompeo and his wife using State Department personnel to run personal errands.²⁸

It is beyond clear that the Trump administration's efforts are intended to have a chilling effect on investigations and oversight—an effect that will lead to more government waste. With all due respect to those public servants now serving in an acting capacity, especially those in critical State Department and USAID oversight posts, the Trump administration’s hostility toward IGs has called into question whether anyone filling OIG positions will be fully willing and empowered to conduct robust oversight, or whether they will be intimidated or blocked from effectively performing their duties. How can government waste, fraud and abuse be detected and prevented without a commitment to fully empower federal oversight entities? These are important questions that I urge Congress to address.

Preventing conflicts and corruption is important to national security

Corruption and conflicts of interests threaten our national security. Although foreign policy decisions should always be made in the interests of the safety and security of the American

²³ Letter from René L. Rocque, Acting DOE IG, to House Committees (May 23, 2025), https://democrats-edworkforce.house.gov/imo/media/doc/ed_oig_letter_to_house_committees.pdf; Luke Broadwater, *In the Trump Administration, Watchdogs Are Watching Their Backs*, N.Y. Times (July 17, 2025), <https://www.nytimes.com/2025/07/17/us/politics/inspectors-general-trump.html>.

²⁴ Douglas S. Pasternak, *Undoing Accountability: An Update on Trump’s Attacks on Inspectors General*, Pub. Citizen (Mar. 11, 2026), <https://www.citizen.org/article/undoing-accountability/>.

²⁵ Eric Bazail-Eimil, *Internal DHS watchdog: Noem is obstructing our work*, Politico (Mar. 4, 2026), <https://www.politico.com/news/2026/03/03/dhs-noem-obstruction-00810919>.

²⁶ Marc Caputo & Brittany Gibson, *How the ice finally broke under Kristi Noem*, Axios (Mar. 5, 2026), <https://www.axios.com/2026/03/06/kristi-noem-dhs-trump-inside-firing>.

²⁷ Conor Finnegan, *State Department announces 4th inspector general in 4 months*, ABC News (Sept. 3, 2020), <https://abcnews.com/Politics/state-department-announces-4th-inspector-general-months/story?id=72802843>.

²⁸ *Id.*; Conor Finnegan, *In another shake-up, State Dept.’s acting inspector general resigns amid Pompeo probes*, (Aug. 5, 2020), <https://abcnews.com/Politics/shake-state-depts-acting-inspector-general-resigns-amid/story?id=72188978>.

public, the Trump administration's widespread conflicts of interest have raised the question of whether these decisions are, instead, being made for the self interests or personal financial gain of the president, his family or his allies, or for other improper reasons.²⁹

Throughout Donald Trump's first term in the White House, foreign governments made paying Trump's businesses part of their lobbying strategies.³⁰ There is no indication that has changed. Instead, since returning to office, the president has expanded the ways that foreign governments can funnel money into the President's business. Perhaps most notably, an Abu Dhabi investment vehicle called Aryam Investment 1, owned by Deputy Ruler of Abu Dhabi and UAE National Security Adviser Sheikh Tahnoun bin Zayed Al Nahyan, sometimes referred to as the "Spy Sheikh" because he oversees the UAE's vast spying operation, purchased a 49% stake in Donald Trump's crypto venture, World Liberty Financial, for \$500 million, making Aryam the largest outside stakeholder in the firm.³¹ Within months of that transaction, the UAE gained access to around 500,000 tightly guarded, highly advanced American AI chips. Previous attempts by the UAE to access these chips had been blocked over fears the UAE would share the technology with China.³² Foreign governments' continued investments in his crypto and other businesses potentially violate the Constitution's Foreign Emoluments Clause and threaten to undermine American national security interests in the exact ways contemplated by the framers.

In addition to potential violations of the Emoluments Clauses, there has also been overwhelming evidence of conflicts of interest related to Trump's foreign business entanglements, including large foreign purchases of the \$TRUMP memecoin.³³ President Trump has racked up an astonishing number of conflicts of interest from the businesses that he owns and profits from as president.³⁴ According to our research, 55 officials from 21 countries made 60 visits to Trump properties in Trump's first year back in office.³⁵ Eight foreign governments hosted or sponsored five events at Trump properties.³⁶ Moreover,

²⁹ Rebecca Jacobs, *Trump's properties remain an epicenter of his conflicts and corruption in second term*, CREW (Feb. 24, 2026), <https://www.citizensforethics.org/reports-investigations/crew-reports/trumps-properties-remain-an-epicenter-of-his-conflicts-and-corruption-in-second-term/>.

³⁰ Jonathan O'Connell & Mary Jordan, *For foreign diplomats, Trump hotel is place to be*, Wash. Post (Nov. 18, 2016), https://www.washingtonpost.com/business/capitalbusiness/2016/11/18/9da9c572-ad18-11e6-977a-1030f822fc35_story.html.

³¹ Sam Kessler et al., *'Spy Sheikh' Bought Secret Stake in Trump Company*, Wall St. J. (Jan. 31, 2026), <https://www.wsj.com/politics/policy/spy-sheikh-secret-stake-trump-crypto-tahnoun-ea4d97e8>; Eliot Brown & Berber Jin, *The 'Spy Sheikh' Taking the AI World by Storm*, Wall St. J. (Feb. 26, 2025), <https://www.wsj.com/tech/ai/abu-dhabi-spy-sheikh-ai-c4a9d48c>.

³² Sam Kessler et al., *'Spy Sheikh' Bought Secret Stake in Trump Company*, Wall St. J. (Jan. 31, 2026), <https://www.wsj.com/politics/policy/spy-sheikh-secret-stake-trump-crypto-tahnoun-ea4d97e8>.

³³ Rebecca Jacobs, *CREW is tracking Trump's unprecedented corruption (again)*, CREW (Feb. 3, 2025), <https://www.citizensforethics.org/reports-investigations/crew-investigations/crew-is-tracking-trumps-unprecedented-corruption-again/>; CREW, *50 Trump crypto dinner invitees hold tokens linked to alt-right symbols and racist language*, (May 22, 2025), <https://www.citizensforethics.org/reports-investigations/crew-investigations/50-trump-crypto-dinner-invitees-hold-tokens-linked-to-alt-right-symbols-and-racist-language/>.

³⁴ Rebecca Jacobs, *Trump's properties remain an epicenter of his conflicts and corruption in second term*, CREW (Feb. 24, 2026), <https://www.citizensforethics.org/reports-investigations/crew-reports/trumps-properties-remain-an-epicenter-of-his-conflicts-and-corruption-in-second-term/>.

³⁵ *Id.*

³⁶ *Id.*

President Trump is set to see enormous, unprecedented income from his overseas real estate developments in his second term, estimated to exceed \$400 million and likely over \$430 million, according to a CREW analysis of his financial disclosure data dating back to 2014.³⁷ Trump currently has ten open overseas developments, with at least 22 in development—at least five of which have been announced since his second inauguration.³⁸ Some—such as those in Qatar³⁹ and Saudi Arabia⁴⁰—stretch or break his voluntary ethics pledge not to enter into business with foreign governments.⁴¹

And these are only the conflicts of the president himself. When you add in his family members, the picture becomes even more complicated. For instance, the president's son-in-law, Jared Kushner, was recently appointed Special Envoy for Peace.⁴² Mr. Kushner has been involved in the most serious foreign policy and national security issues of the day at the same time that his private investment firm is engaged in significant businesses with some of the same foreign partners he is working with in his governmental role.⁴³ The potential for conflicts of interest is staggering. Moreover, to public knowledge, he has not been vetted through the standard security clearance processes designed to ensure that applicants: “[a]re free from conflicting allegiances to other countries ... [a]re not a potential risk for blackmail ... and [w]ill abide by regulations governing the use, handling and protection of sensitive information.”⁴⁴

This is a perilous time for our country, made more so by the Trump administration's attempt to dismantle offices designed to prevent corruption and root out waste, fraud and abuse. I

³⁷ Honora Overby, *Trump foreign property income is set to explode in his second term*, CREW (Feb. 19, 2026), <https://www.citizensforethics.org/reports-investigations/crew-reports/trump-foreign-property-income-is-set-to-explode-in-his-second-term/>.

³⁸ Rebecca Jacobs, *Trump's properties remain an epicenter of his conflicts and corruption in second term*, CREW (Feb. 24, 2026), <https://www.citizensforethics.org/reports-investigations/crew-reports/trumps-properties-remain-an-epicenter-of-his-conflicts-and-corruption-in-second-term/>; Walker Davis, *Twenty-two Trump-branded real estate projects will be developed in foreign countries during Trump's presidency*, CREW (Nov. 21, 2025), <https://www.citizensforethics.org/reports-investigations/crew-reports/trump-foreign-development-tracker/>.

³⁹ Vivian Nereim & Eric Lipton, *New Mideast Project Is Latest Trump Company Deal Tied to a Foreign Government*, N.Y. Times (Apr. 30, 2025), <https://www.nytimes.com/2025/04/30/world/middleeast/trump-family-qatar-dubai.html>.

⁴⁰ DarGlobal, *Dar Al Arkan, in Collaboration with DarGlobal and The Trump Organization, to Develop Trump International Golf Club, Wadi Safar - The First of Two Landmark Projects in Riyadh* (Jan. 10, 2026), <https://darglobal.co.uk/press/dar-al-arkan-dar-global-trump-organization-trump-international-golf-club-wadi-safar-riyadh>.

⁴¹ Honora Overby, *Trump foreign property income is set to explode in his second term*, CREW (Feb. 19, 2026), <https://www.citizensforethics.org/reports-investigations/crew-reports/trump-foreign-property-income-is-set-to-explode-in-his-second-term/>.

⁴² Laura Kelly, *Trump Says Son-In-Law Kushner Promoted to “Peace Envoy”*, The Hill (Feb. 19, 2026), <https://thehill.com/policy/international/5745129-trump-kushner-peace-envoy/>.

⁴³ Andrew Roth, *The “Enormous Conflict of Interest” at Centre of Jared Kushner's Gaza Ceasefire Deal*, The Guardian (Oct. 19, 2025), <https://www.theguardian.com/news/ng-interactive/2025/oct/19/the-enormous-conflict-of-interest-at-centre-of-jared-kushners-gaza-ceasefire-deal>; Reuters, *Kushner's Affinity's Assets Jump to \$4.8 Billion After Gulf Cash Injection* (Mar. 28, 2025),

<https://www.reuters.com/business/finance/kushners-affinitys-assets-jump-48-billion-after-gulf-cash-injection-2025-03-28/>; Mohamad Bazzi, *Jared Kushner Is Back - and So Are Big Questions About His Financial Ties*, The Guardian (Oct. 29, 2025),

<https://www.theguardian.com/commentisfree/2025/oct/29/jared-kushner-financial-ties-trump>.

⁴⁴ US Intelligence Careers, *Security Clearance Process* (last visited Mar. 12, 2026), <https://www.intelligencecareers.gov/security-clearance-process>.

urge Congress to closely examine this administration's conflicts and corruption and take steps to conduct robust oversight and empower the IG community to closely monitor and respond to these issues that are vital to national security and American safety.