~~Sensitive But Unclassified~~

OFFICE OF INSPECTOR GENERAL
U.S. Agency for International Development

(U) Ukraine Response: USAID Did Not Fully Mitigate the Risk of Misuse of the Starlink Satellite Terminals It Delivered to Ukraine

Final Report E-121-25-003-M
August 11, 2025

Inspection

Office of Audits, Inspections, and Evaluations

OFFICE OF INSPECTOR GENERAL
U.S. Agency for International Development

DATE: August 11, 2025

TO: Jeremy P. Lewin
Deputy Administrator for Policy and Programming & Chief Operating Officer
USAID

FROM: Gabriele Tonsil
Acting Assistant Inspector General for Audits, Inspections, and Evaluations /s/

SUBJECT: USAID Did Not Fully Mitigate the Risk of Misuse of the Starlink Satellite Terminals It Delivered to Ukraine

(U) This memorandum transmits the final report on our inspection of the USAID-provided Starlink satellite terminals to Ukraine. Our objective was to determine the extent to which USAID mitigated the risk of misuse of Starlink satellite terminals it delivered to the government of Ukraine. In finalizing the report, we considered the Agency's technical comments on the draft and made adjustments where appropriate. The Agency's response to the draft is included in its entirety in Appendix B. We redacted portions of the response based on those redactions made in the body of the report.

(U) The report contains one recommendation. After reviewing the information the Agency provided in response to the draft report, we consider the recommendation open and unresolved.

(U) We appreciate the assistance you and your staff provided to us during this engagement.

(U) Contents

Office of Inspector General
U.S. Agency for International Development

Report No. E-121-25-003-M
August 11, 2025

(U) Report in Brief

(U) Why We Did This Inspection

(U) On February 24, 2022, Russia launched a full-scale invasion of Ukraine and targeted critical infrastructure, including internet and telecommunications networks. In response, USAID partnered with Space Exploration Technologies Corporation (SpaceX) to provide 5,175 Starlink satellite terminals to the government of Ukraine's State Service of Special Communications and Information Protection (SSSCIP) to support critical civilian services and internet connectivity. The U.S. Department of Defense and other donors, including foreign governments, have also delivered Starlink terminals to Ukraine.

(U) Starlink, a dual-use technology with both civilian and military applications, has played an important role in Ukraine's resilience and defense. Ukraine has relied on Starlink to restore civilian internet access and maintain communications between government officials and emergency services providers. The country has also used terminals to pilot drones, target artillery fire, and communicate on the battlefield.

(U) We initiated this inspection to assess USAID's oversight of the 5,175 Starlink satellite terminals it delivered to Ukraine. USAID procured 1,508 terminals while SpaceX donated 3,667. Our objective was to determine the extent to which USAID mitigated the risk of misuse of those terminals. We reviewed USAID's activities related to the acquisition, donation, delivery, transfer, and oversight of the terminals between March 2022 and July 2024.

(U) What We Recommend

(U) We recommended that USAID/Ukraine request that SSSCIP assess which USAID-delivered Starlink terminals are at high risk of misuse or theft and coordinate with SpaceX to suspend service for those terminals. The Agency partially agreed with the recommendation.

(U) What We Found

(U) USAID did not fully mitigate the risk of misuse of the Starlink terminals it delivered to Ukraine, with nearly half of active terminals present in territories that Russia fully or partially occupied. USAID did not fully define clear expectations and conditions for Ukraine's use of the Starlink terminals it delivered. The Agency initially drafted conditions that restricted the terminals to civilian use and required SSSCIP to establish safeguards for proper use and ensure secondary recipients agreed to conditions of use in writing. However, it never exercised this agreement. Ultimately, USAID's implementer, DAI, and SSSCIP signed a transfer agreement on April 11, 2022, stating that SSSCIP would bear full financial and legal responsibility for the safety and use of Starlink terminals.

(U) However, SSSCIP's letter and USAID/Ukraine's final transfer agreement did not include conditions from USAID's original draft, such as safeguards to prevent misuse or written assurances from secondary recipients, including regional governments and cities, to ensure proper use. In addition, it excluded location restrictions from SpaceX's terms of service for the Donetsk and Luhansk regions of eastern Ukraine.

(U) As a result, SSSCIP transferred terminals to high-risk locations in eastern Ukraine—areas occupied by Russia since the invasion began—increasing the risk of misuse for military or intelligence operations or theft by Russian forces.

(U) We also found USAID did not monitor the Starlink terminals after delivery because it accepted more risk in the challenging wartime environment and transferred responsibility for the terminals to the government of Ukraine upon delivery. As a result, USAID did not know where the terminals were or how they were used.

(U) Introduction

~~(SBU)~~ On February 24, 2022, Russia launched a full-scale invasion of Ukraine that disrupted critical infrastructure, including internet and telecommunications networks. In response, USAID partnered with Space Exploration Technologies Corporation (SpaceX) to provide the government of Ukraine with 5,175 Starlink satellite terminals—portable devices that connect to low-orbit satellites and provide high-speed internet. Of the 5,175 terminals, USAID purchased 1,508 and SpaceX donated 3,677. [redacted] Starlink terminals to Ukraine, in addition to the USAID-provided terminals.

(U) Starlink, a dual-use technology with both civilian and military applications, has played an important role in Ukraine's resilience and defense. Since the war began, Ukraine has relied on Starlink to restore civilian internet access and maintain communications between government officials and emergency services providers. In addition, Ukraine has used Starlink terminals to pilot drones, target artillery fire, and communicate on the battlefield.

(U) We initiated this inspection to assess USAID's oversight of the 5,175 Starlink satellite terminals it delivered to Ukraine. Our objective was to determine the extent to which USAID mitigated the risk of misuse of these terminals. We reviewed USAID's activities related to the donation, acquisition, delivery, transfer, and oversight of the terminals between March 2022 and July 2024.

(U) To achieve our objective, we interviewed personnel from USAID, SpaceX, DAI Global LLC (DAI), and the government of Ukraine's State Service of Special Communications and Information Protection of Ukraine (SSSCIP).[1] We reviewed and analyzed documentation and data from USAID/Ukraine, DAI, SSSCIP, and SpaceX to assess where, when, and how the Starlink terminals were used. We also reviewed relevant award documentation, receipts, and memoranda related to the purchase, donation, and transfer of the Starlink terminals. We conducted our inspection from May 2024 through April 2025, in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

(U) Background

(U) Before Russia's invasion, USAID/Ukraine anticipated disruptions to Ukraine's internet and communication infrastructure and developed contingency plans to maintain these critical services. USAID/Ukraine coordinated with the government of Ukraine to prepare for potential disruptions by providing backup technology, such as satellite phones and Wi-Fi routers. On March 1, 2022, USAID started the process of provisioning Starlink terminals for Ukraine. USAID's implementer, DAI, identified SpaceX as the only vendor worldwide that could provide

[1] SSSCIP is Ukraine's technical security and intelligence service responsible for protecting state information resources in data networks, among other things.

low-Earth, orbit-based satellite connectivity in Ukraine. According to DAI, the Starlink terminals would help maintain critical lines of communication in Ukraine in the event of disruptions.

(U) In March 2022, USAID delivered 5,175 Starlink terminals to Ukraine through a series of procurements and a donation from SpaceX.[2] Specifically, the Agency:

- (U) Purchased 175 Starlink terminals from SpaceX on March 2, 2022.
- (U) Purchased 1,333 additional terminals on March 17, 2022.
- (U) Agreed to transport and transfer to the government of Ukraine 3,667 SpaceX-donated terminals SpaceX that were funded through private means.

~~(SBU)~~ Through its Critical Infrastructure Digitalization and Resilience award with DAI, USAID purchased 1,508 terminals (175 and 1,333), [redacted] Each terminal included 3 months of unlimited satellite internet service.[3]

(U) USAID shipped the initial 175 terminals directly to Ukraine and delivered them to various government and civilian organizations, such as courts, journalist groups, electricity operators, and nongovernmental organizations. Recipients signed agreements with USAID that stipulated they would only use the terminals for civilian purposes and not to support military, intelligence, security, or law enforcement activities.

(U) USAID used funding from another award with DAI—the Cybersecurity for Critical Infrastructure in Ukraine activity—to transport the 1,333 terminals USAID procured from SpaceX and the 3,667 donated terminals (5,000 total) to Ukraine. DAI transferred these terminals to SSSCIP, which would be responsible for distributing them to other private and public sector entities responsible for delivering essential citizen services, including medical communications, energy, and medical services.[4]

(U) Both USAID awards with DAI restricted the procurement and use of equipment and services that support militaries, police, or other law enforcement organizations. Additionally, SpaceX's terms of service for the Agency-purchased Starlink terminals prohibited USAID from using the terminals in the Donetsk and Luhansk regions of eastern Ukraine.

(U) Starlink's Impact in Ukraine

(U) According to SSSCIP, Starlink terminals, including those delivered by USAID, contributed to Ukraine's resilience during Russia's full-scale invasion. For example, an SSSCIP official stated that the terminals:

[2] (U) USAID awarded DAI the Critical Infrastructure Digitalization and Resilience cooperative agreement on August 31, 2021. The $30 million agreement supported a 5-year program for USAID's Bureau for Europe and Eurasia to work with partner governments to assess cybersecurity gaps and improve critical infrastructure.

[3] (U) SpaceX officials stated that the company continued to provide unlimited service for all USAID-delivered terminals beyond the initial 3 months.

[4] (U) On May 14, 2020, USAID/Ukraine awarded DAI the $38 million Cybersecurity for Critical Infrastructure in Ukraine contract to reduce or eliminate cybersecurity vulnerabilities in Ukraine's critical infrastructure sectors.

- (U) Provided a lifeline after Russian missiles caused widespread blackouts in Ukraine.
- (U) Helped schools in Kharkiv continue children's curriculum during the war.
- (U) Supported centers that provided heating, lighting, communication, and internet services for civilians when critical infrastructure was destroyed.

(U) Additionally, in March 2023, the Ukrainian Health Ministry reported that 590 Ukrainian hospitals and clinics used Starlink terminals to maintain internet access during periods of intense fighting.

(U) Figure 1. Ukrainians in Kharkiv Use a Starlink Terminal to Connect to the Internet

(U) "Kupyansk Liberated From Occupation - How The City Lives Today," Photo Report | RBC-Ukraine. Cropped for size. Image licensed under Creative Commons.

(U) In addition to civilian use, according to media reports, Ukraine has used Starlink to maintain communications within its military; target artillery strikes; and pilot drones that destroyed Russian tanks, military vehicles, and mobile command centers.[5] After learning about this usage, in early 2023, SpaceX restricted Ukraine from using Starlink to pilot drones. According to SpaceX's president, Starlink terminals were intended for humanitarian purposes, such as

[5] Vivek Wadhwa and Alex Salkever, "How Elon Musk's Starlink Got Battle-Tested in Ukraine," *Foreign Policy*, May 4, 2022. "Elon Musk's Starlink Helping Ukraine Win the Drone War," *Telegraph*, March 18, 2022.

providing broadband internet to hospitals, banks, and families affected by Russia's invasion, not for offensive or military purposes.[6]

(U) USAID Did Not Fully Mitigate the Risk of Misuse of the Starlink Terminals It Delivered to Ukraine, With Nearly Half of Active Terminals Present in Territories That Russia Fully or Partially Occupied

(U) USAID did not fully define clear expectations and conditions for SSSCIP's use of the Starlink terminals. This included alignment with the SpaceX terms of service outlined in USAID's purchase orders, which prohibited the use of the terminals in the Donetsk and Luhansk regions. Additionally, the Agency did not establish a monitoring system for the Starlink terminals after delivery to Ukraine due to the challenging wartime environment and because it transferred responsibility for the terminals to the government of Ukraine upon delivery. As a result, USAID did not know how or where the terminals were used.

(U) USAID Did Not Fully Define Clear Expectations and Conditions for Ukraine's Use of the Starlink Terminals

(U) USAID's initial batch of 175 terminals delivered directly to Ukraine included signed end-use agreements prohibiting military use. Before delivering the additional 5,000 Starlink terminals to Ukraine, USAID officials drafted a transfer agreement with usage requirements for SSSCIP. This draft stated that SSSCIP could not use the Starlink terminals to benefit, subsidize, or enhance any Ukrainian military, intelligence, security, or law enforcement entities. The terminals could only be used for the "support of civilian-led priorities" and "capacities that are defensive and preventative." The draft transfer agreement required SSSCIP to establish "adequate safeguards" to ensure the terminals were not misused and that any secondary recipients, such as regional governments and cities, agreed to the usage conditions in writing.

(U) However, the transfer documents that DAI and SSSCIP ultimately signed did not include conditions from USAID's draft agreement, such as identifying safeguards to ensure the terminals were not misused and acquiring written assurance from secondary recipients that they would use the terminals appropriately. Consequently, SSSCIP transferred 4,738 of the 5,000 terminals (95 percent) to other recipients throughout Ukraine who may not have been aware that the terminals were restricted to civilian use.[7]

(U) USAID/Ukraine officials did not know why the draft transfer agreement with SSSCIP was never finalized and executed. Instead, in its April 9, 2022, letter requesting 5,000 Starlink terminals from USAID/Ukraine, SSSCIP incorporated language from USAID's draft transfer

[6] (U) Joey Roulette, "SpaceX curbed Ukraine's use of Starlink internet for drones -company president," Reuters, February 9, 2023.

[7] (U) According to SSSCIP data, between April 2022 and January 2024, SSSCIP distributed 262 terminals and transferred 221 to Ukrainian regional administrations, 1,227 to government ministries, and 3,290 to "other institutions," which SSSCIP's records did not identify. Ministries included, for example, those for Health, Digital Transformation, Education and Science, and Infrastructure.

agreement, specifically that (1) it would not use the terminals for offensive, operational, retaliatory, or military purposes or to strengthen intelligence, security, or law enforcement activities in Ukraine and abroad and (2) it would only use the terminals for defensive and preventative purposes.

(U) Upon receipt of the 5,000 Starlink terminals, SSSCIP and DAI signed a transfer document on April 11, 2022, that differed from USAID's original draft transfer agreement. The new transfer document stated that SSSCIP bears full financial and legal responsibility for the safety and intended use of the Starlink terminals. According to a USAID official, USAID relied on SSSCIP to prevent misuse among recipients throughout Ukraine, and the Agency trusted SSSCIP to use the terminals as intended. Additionally, USAID/Ukraine stated that even though its original draft transfer agreement was never executed, the transfer documents that were ultimately used "accomplish the same purpose in all material respects."

~~(SBU)~~ However, neither the request letter nor the transfer document included the location restrictions established in SpaceX's terms of service, which prohibited the use of the terminals in the eastern Ukraine regions of Donetsk and Luhansk. As a result, SSSCIP may have been unaware of these restrictions. According to its data, SSSCIP transferred 43 USAID-provided terminals to Donetsk and Luhansk between May and August of 2022.

~~(SBU)~~ [redacted][8]

[8] ~~(SBU)~~ [redacted]

[redacted] ~~SBU)~~

[redacted]

~~(SBU)~~ [redacted]

~~(SBU)~~ [redacted]

(U) USAID Did Not Monitor the Starlink Terminals After Delivery Because the Agency Accepted More Risk in a Wartime Environment

(U) Chapter 201 of USAID's Automated Directives System requires USAID missions to track data relevant to their operations and programs and monitor activities to oversee implementation and progress. We found that USAID did not monitor the 5,175 Starlink terminals it delivered to SSSCIP because of complex factors associated with the early stages of

Russia's full-scale invasion and because it transferred responsibility for the terminals to the government of Ukraine upon delivery. Specifically, USAID/Ukraine officials stated that:

- (U) Monitoring was not a priority in the early stages of Russia's full-scale invasion because of USAID's "urgency in deploying" the terminals to address Ukraine's immediate communication needs.
- (U) Tracking the terminals during the early stages of the invasion was "logistically impossible" because staff were evacuated or confined to hotels.
- (U) Ever-changing conditions due to the conflict and wide distribution of the Starlink terminals across Ukraine made it "challenging to implement traditional monitoring approaches."
- (U) USAID was not contractually required to monitor the use of the terminals post-transfer.

(U) According to Federal internal control standards, sound risk management practices involve identifying, analyzing, and responding to risks related to achieving defined objectives.[9] Risk mitigation responses include accepting the risk based on its insignificance or reducing risk by taking action to decrease its magnitude. USAID officials stated that they did not establish a formal monitoring system because USAID's Risk Appetite Statement recognizes that the Agency may need to accept high levels of risk in crisis situations to achieve objectives.[10] According to USAID/Ukraine, the urgent need to restore and maintain communications in Ukraine outweighed the risks associated with limited monitoring.

(U) In addition, USAID/Ukraine officials stated that while it was desirable to have additional monitoring to ensure that SSSCIP used the terminals as intended, the mission was not legally obligated to do so, especially in the context of an active war. Further, the mission stated that "imputing a responsibility" to monitor the terminals after the handover to SSSCIP would be "holding USAID to a higher standard of accountability in an incredibly complex and urgent war environment than what USAID would be responsible for during peacetime for a transfer of equipment to a host government." Due to these factors, and because USAID transferred responsibility for the terminals to SSSCIP at the point of delivery, we are not making a recommendation related to monitoring.

~~(SBU)~~ However, without any monitoring system, USAID lacked assurance that the terminals were used as intended. Agency officials told us that they did not know where the USAID-delivered terminals were or how they were used but "hoped" SSSCIP used them as intended. According to USAID and SSSCIP officials, USAID did not request information or inquire about the use of the Starlink terminals delivered until June 2024, shortly after we initiated our

[9] Government Accountability Office (GAO), *Standards for Internal Control in the Federal Government* (GAO-14-704G), "Risk Assessment," Principle 9, "Identify, Analyze, and Respond to Change," September 2014.

[10] USAID, "USAID Risk Appetite Statement—A Mandatory Reference for ADS Chapter 596," August 22, 2022.

inspection. [redacted]

(U) Conclusion

~~(SBU)~~ USAID rapidly responded to Russia's full-scale invasion by partnering with SpaceX to deliver more than 5,000 Starlink terminals to the government of Ukraine. During this effort, USAID accepted more risk due to the urgent, complex wartime environment. While the government of Ukraine reported that the terminals positively impacted Ukrainian institutions and citizens, they also acknowledged that they did not know how other recipients used them. [redacted]

(U) Recommendation

(U) We recommend that USAID/Ukraine take the following action:

1. (U) Request that the State Service of Special Communications and Information Protection of Ukraine assess which USAID-delivered Starlink terminals are at high risk of misuse or theft, and coordinate with SpaceX to suspend service for those terminals.

(U) OIG Response to Agency Comments

(U) We provided our draft report to USAID on April 11, 2025. On May 23, 2025, we received the Agency's response, which is included as Appendix B of this report. USAID also provided technical comments, which we considered and incorporated as appropriate.

(U) The report contains one recommendation, which the Agency partially agreed with. However, we do not agree with the management decision for the recommendation and consider it open and unresolved.

(U) Specifically, USAID agreed to initiate discussions with SSSCIP and request that it coordinate directly with SpaceX to identify and terminate the service for only the terminals that were USAID-financed and violated SpaceX's user agreement. USAID-financed terminals comprised 1,508 of the total 5,175 Starlink terminals the Agency transferred to the government of Ukraine.

~~(SBU)~~ However, while SpaceX's user agreements included specific location restrictions, they do not represent the total risk picture. [redacted] Further, the 3,667 non-USAID-financed terminals were included in the transfer documents between DAI, USAID's implementer, and SSSCIP. USAID stated all terminals were included in the transfer agreement as "a precaution." As such, we maintain that all 5,175 terminals that USAID transferred to the government of Ukraine should be included in

its assessment request to SSSCIP, regardless of whether the terminals were originally financed by USAID or donated by other entities.

(U) USAID/Ukraine proposed a target completion date for the recommendation of September 30, 2025, but stated it could not commit to a definitive target date because USAID programs and activities would transition to the Department of State by July 1, 2025. Agency officials stated that after July 1, 2025, we should engage with the Department to reassess the implementation plan as well as the target completion date. As such, the recommendation will remain open and unresolved until we coordinate with the Department of State to confirm a final action plan and target date for completion.

(U) Appendix A. Scope and Methodology

(U) We conducted our work from May 2024 through April 2025 in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

(U) We initiated this inspection to assess USAID's oversight of the 5,175 Starlink satellite terminals it delivered to Ukraine. Our objective was to determine the extent to which USAID mitigated the risk of misuse of these terminals. Our review covered USAID's activities related to the acquisition, donation, delivery, transfer, and oversight of the USAID-provided Starlink terminals to Ukraine between March 2022 and July 2024.

~~(SBU)~~ To address the objective, we reviewed Agency policy, guidance, and documentation related to USAID's Ukraine response and oversight responsibilities. We collected and analyzed documentation and data from USAID and DAI on the acquisition, donation, delivery, transfer, and location of the Starlink terminals. [redacted] Additionally, we requested tracking data from SSSCIP on the organizations it distributed Starlink terminals to after receiving them from DAI. We also interviewed personnel from USAID, SpaceX, DAI, and SSSCIP.

(U) Appendix B. Agency Comments

USAID
FROM THE AMERICAN PEOPLE

MEMORANDUM

TO: Gabriele Tonsil- Acting Assistant Inspector General
Audits, Inspections, and Evaluations

FROM: Ann Hopper - Acting Mission Director, USAID/Ukraine

DATE: May 23, 2025

SUBJECT: Management Response to the Draft Inspection Report Produced by the Office of Inspector General (OIG) titled, Ukraine Response: USAID Did Not Mitigate the Risk of Misuse of the Starlink Satellite Terminals It Delivered to Ukraine (OIG Draft Report #E-121-25-003-M)

The U.S. Agency for International Development (USAID) appreciates the opportunity to provide formal comments on the OIG draft report. While the Mission partially agrees with the recommendation, we respectfully disagree with several underlying conclusions in the report and offer the following clarifications and corrective context.

Given the inaccuracy of the title stating that USAID did not mitigate risk, we strongly recommend that the report title be changed to: "USAID Did Not Fully Mitigate the Risk of Potential Misuse of the Starlink Satellite Terminals Delivered to Ukraine," to insert to word fully as a modifier.

Please find the management response to the recommendation contained in the draft inspection report produced by OIG below.

USAID's MANAGEMENT RESPONSE TO THE DRAFT INSPECTION REPORT

Recommendation

Request that the State Service of Special Communications and Information Protection of Ukraine assess which USAID-delivered Starlink terminals are at high risk of misuse or theft, and coordinate with SpaceX to suspend service for those terminals.

USAID Management Response:

We note that this response builds on and reiterates Mission comments submitted on December 23, 2024, in response to the OIG Exit Brief. Many of the concerns raised at that stage remain unaddressed in the current draft report. These include inaccurate attribution of responsibility given legal ownership and obligations post-transfer, as USAID clarified in our previous comments, and insufficient consideration of wartime operational constraints. Therefore, USAID ***partially*** agrees with the recommendation and will initiate discussions with the State Service of Special Communications and Information Protection of Ukraine (SSSCIP) and request them to coordinate directly with SpaceX to identify and terminate service to the ***USAID-financed*** terminals that may be used in violation of the user agreement.

Given the inaccuracy of the title stating that USAID did not mitigate risk, we strongly recommend that the report title be changed to: "USAID Did Not Fully Mitigate the Risk of Potential Misuse of the Starlink Satellite Terminals Delivered to Ukraine," to insert the word "fully." The Mission took steps to mitigate misuse of the terminals but could not protect against all cases of misuse, especially for terminals that USADI did not purchase.

It is critical for OIG to differentiate between USAID-financed and SpaceX-donated assets consistently throughout the report. The draft outlines on page 3 the different modalities by which Starlink terminals were procured and delivered to Ukraine. That said, it continues to imply on pages 1, 2, 3, 6, and 7 that USAID had full operational responsibility for all 5,175 Starlink terminals delivered to Ukraine. In fact, only 1,508 terminals (29% of the referenced population) were procured through USAID-funded activities; the remaining 3,667 terminals were donated by SpaceX. As is standard in equipment transfers under FAR Part 45, USAID's legal and operational responsibility concluded upon the transfer of title of this donated equipment to the Government of Ukraine (GOU). From that point forward, SSSCIP (GOU) assumed full accountability. While the SpaceX-donated terminals were in the handover documentation out of precaution, the intent was to facilitate equipment transfer to the GOU in a war-time environment and not to assume any operational or post-transfer responsibilities.

USAID's limited scope of control and the commercial nature of the post-transfer relationship between SSSCIP and SpaceX must be acknowledged. The initial agreement that SpaceX would provide free subscriptions for three months with the GOU directly paying SpaceX for subscription beyond the initial three months, followed by the agreement between SpaceX and SSSCIP without USAID involvement, underscores the commercial nature of the transaction and relationship between SpaceX and SSSCIP post-equipment transfer/donation by USAID.

We also note that the ***USAID-financed*** terminals were deployed during an unprecedented emergency, in which Ukraine's communications networks were being actively degraded by hostile kinetic warfare and sustained cyber-attacks. In such conditions, the primary objective was to restore life-saving connectivity for critical public services, such as health care, municipal emergency shelters, and local governance. The terminals USAID delivered were widely used by hospitals, emergency shelters, and local governments to maintain critical civilian communications under fire—demonstrating the humanitarian purpose and civilian nature of deployment of the USAID-financed terminals.

The report criticizes USAID for not monitoring terminal use post-transfer (page 8), ignoring our previously provided explanation that immediate wartime needs outweighed any prudence- based, not legally-based, oversight expectations, and the mobile nature of the equipment coupled with ongoing war makes it impractical for USAID to monitor terminal usage. USAID's risk appetite framework allows higher operational risk in crises, and the kinetic field conditions made standard monitoring logistically impossible. Hence, USAID's approach to ensuring appropriate usage of the terminals through transfer agreements should not be construed as negligence, but rather an appropriate and pragmatic response given the urgency of the wartime situation. Additionally, USAID lacked any contractually required or technical access to monitor terminal usage data. SpaceX, as the service provider, retained sole access control, monitoring and enforcement authority over the terminals through its Terms of Service. This dynamic underscores that post-transfer risk management, as effected through the transfer agreements, was shared with the recipient, not solely the responsibility of USAID. On page 5 paragraph 4, the draft report asserts that USAID "never finalized" its transfer agreement with SSSCIP, implying a lack of safeguards. This is inaccurate. SSSCIP's April 9, 2022, request letter, and the April 11, 2022, Acceptance-Transfer Agreement with DAI, clearly outlined civilian use conditions and transferred full legal and financial responsibility to SSSCIP. Additionally, the batch of 175 terminals — directly delivered by USAID — included signed end-use agreements prohibiting military application. This context is critical and essential to highlighting USAID's intent and prudence and should be reflected in the report by the OIG.

Moreover, on page 6, paragraphs 3 and 4, the report mentions that in [redacted] **The report presents no evidence of misuse involving USAID-financed terminals.** [redacted] In various calls with us, OIG staff has acknowledged the lack of

evidence of misuse but rather emphasized that the focus of the report is on the risk of misuse. Acknowledging the existence of risk, the Mission also notes that such risk will always be present regardless of any party's efforts to mitigate. To hold USAID accountable for the risk of theoretical misuse disregards the shared nature of risk mitigation in an active war environment, [redacted]

Target Completion Date:

USAID programmatic activities and operations are planned to be transitioned to the State Department no later than July 1, 2025, and all USAID staff (American and local) have received reduction-in-force (RIF) notices terminating their employment with USAID, with effective dates no later than September 2. As a result, USAID/Ukraine cannot make any commitment to the completion date for the recommendation. As of the date of this response, USAID/Ukraine proposes a target completion date of September 30, 2025; however, after July 1, 2025, the Office of Inspector General (OIG) should engage with the State Department to reassess the implementation plan as well as the target completion date.

Visit our website at oig.usaid.gov and
follow us on social media.

X: @AidOversight
LinkedIn: USAID Office of Inspector General
Instagram: @usaid.oig

OFFICE OF INSPECTOR GENERAL
U.S. Agency for International Development

Report Waste, Fraud, and Abuse
Online Complaint Form