

MISALLOCATED MILLIONS:

A Snapshot of How USAID Misspent Millions of American Taxpayer Dollars in Ukraine

Ernst's staff investigation of U.S. Agency for International Development (USAID) uncovered secret slush funds being used to funnel millions of U.S. taxpayer dollars into Ukraine for questionable purposes unrelated to our own national interests. USAID repeatedly rebuffed requests for a list of recipients, claiming the information was classified. Despite the pushback, staff persisted. Eventually, USAID permitted staff to review documents but required doing so under surveillance in a highly secure room at USAID headquarters even though it turned out nothing USAID shared was classified.

What warranted such secrecy? Ernst staff learned that the aid intended to alleviate economic distress in the war-torn nation was spent on such frivolous activities as sending Ukrainian models and designers on junkets to New York City, London Fashion Week, Paris Fashion Week, and South by Southwest in Austin, Texas. Here are some of the other findings that were uncovered:¹

Ukrainian Recipients of Competitive Economy Program (CEP) Funds
Pet Suppliers <ul style="list-style-type: none">• A pet tracking app (\$300,000)• A dog collar manufacturer (\$300,000)
Nouveau Fashion <ul style="list-style-type: none">• A modern women's attire company (\$150,000)• A trade mission for a fashion design house (\$128,000)• A photographer for fashion design publications (\$126,000)• A purveyor of contemporary knitwear (\$161,000)• A luxury bridal brand (\$84,000)• Marketplace for designer artisanal pieces inspired by folk crafts (\$84,000)
Specialty Foods <ul style="list-style-type: none">• A trade mission for a condiment manufacturer (\$94,000)• A producer of organic tea and coffee (\$255,000)• A pickle maker (\$148,000)• A Ukrainian vineyard (\$89,000)• An artisanal fruit tea company (\$104,000)
Designer Furniture <ul style="list-style-type: none">• A premium, limited-edition furniture line (\$114,000)• A trade mission for a Scandinavian-style furniture line (\$91,000)
Ukrainian Recipients of Investment for Business Resilience (IBR) Funds
Home Design <ul style="list-style-type: none">• A custom carpet manufacturer (\$2,000,000)
Specialty Foods <ul style="list-style-type: none">• A specialty biscuit and confectionery company (\$678,000)• A meatpacking plant (\$319,000)
Pet Care <ul style="list-style-type: none">• A pet food packaging producer (\$109,000)

¹ Manual notetaking during in camera review, USAID, with Republican Staff, S. Comm. on Small Business and Entrepreneurship (Oct. 3, 2024). Please note USAID has failed to provide any of these documents beyond the in-camera review and figures are rounded. For further explanation please see [letter](#) from Senator Joni Ernst to Secretary Marco Rubio (February 4, 2025).

Note: USAID routinely redacts taxpayer-funded grant recipients from public disclosure, arguing that its economic assistance activities constitute national security to invoke exemptions established under Public Law No: 114-191. See [foreignassistance.gov](https://www.foreignassistance.gov)