



UNCLASSIFIED

TO: Rebecca Krzywda, Deputy Assistant Administrator, Bureau for Management

FROM: Andrea Capellan, Supervisory Contracting and Agreement Officer, Director, Office of Acquisition and Assistance, USAID/Mexico

CC: Michael Capobianco, Acting Director of the Office of Acquisition and Assistance, Acting Senior Procurement Executive

CC: USAID Inspector General

DATE: July 28, 2025

SUBJECT: General Malfeasance by USAID and its Office of Acquisition and Assistance; and Non-Compliance with Laws, Court Orders, and USAID Regulations and Policies since January 24, 2025

Summary

Beginning with the January 24, 2025 cable (25 STATE 6828) that stopped foreign assistance worldwide, USAID Contracting and Agreement Officers (CO/AOs) have been plagued with making decisions and determinations amidst a minefield of questionable and potentially illegal orders. As officers of public trust using personal warrants to bind the USG, though, we are individually responsible for following the law and upholding ethical standards. Below, I have documented the orders we have received from superiors, as well as their dubious nature, to the fullest extent possible in order to protect myself and other field Contracting and Agreement Officers.

Improper Decision-making and Contracting Authority

On February 6, 2025, the Industry Liaison, Matt Johnson, sent out the first of many questionable [orders](#) from the USAID Management Bureau's Office of

Acquisition and Assistance. The Industry Liaison ordered the termination of approximately 800 awards, but does not have any official authority to order COs/AOs to conduct such action. When questioned, these orders were rescinded, but not after it was explained that the orders came from DOGE, including Jeremy Lewin, and others without any official capacity in the Agency. After this incident, I specifically questioned the Senior Procurement Executive (SPE), Jami Rodgers: Who had proper legal authority over CO/AOs warrant authority? While guidance was [promised](#), it was never issued.

A flurry of new “Tranches” of terminations then came from the Senior Procurement Executive. No less than 25 critical questions were raised in [writing](#) by CO/AOs from around the world. The majority were never answered. The most important question was: Why are we terminating these contracts and grants, where is the documented rationale? The SPE eventually stated that the determinations were individually made by the Secretary of State. The [guidance](#) we continued to receive was that all tranches were,

“reviewed by Secretary Rubio for alignment with Presidential Priorities and national interest. As such, we have received direction from the Department of State Office of Foreign Assistance Director, performing the duties of USAID Deputy Administrator, that COs/AOs should take the necessary actions to terminate awards . . .”

It is of note that none of these specified individuals were copied on these termination emails. These purported individual determinations, which were requested multiple times by CO/AOs, were said to be in “[a shared google drive](#).” The google drive was not shared until February 25, after many terminations had already been completed and many COs/AOs were already on forced administrative leave. However, in searching within the shared google drive, out of at least 8 tranches of funding, there are only two approval memos for the Secretary of State (for Tranches [1](#) and [2](#)) and [one email](#) pertaining to Tranche 4. However, none of the Secretary of State approval memos are signed, or even properly cleared. Moreover, the email for Tranche 4 does not have the Secretary of State included on the email, nor is there any signature attachment. An individual named Mike Needham “approved on behalf of” the Secretary of State, without a signature or even an email copy. I requested the rest of the supporting documentation for Tranche 1-8, but was not provided any. Given all of this information, I do not believe there is any evidence of individual determinations or analysis for any USAID awards.

Similar credibility issues were demonstrated on February 26, 2025 when thousands more contract and grant [terminations](#) were issued from “central AO/COs,” primarily Deputy Director, Office of Acquisition and Assistance, Adam Cox. These terminations were issued from a newly created email address and contained no electronic signatures. Some were even submitted to “[Miscellaneous Foreign Awardees](#),” indicating that no analysis or consideration had taken place as the issuing CO/AO did not even bother to include the partner’s name. When their validity was questioned by partners, Adam Cox said they were legitimate terminations. One of my awards was [terminated](#) by CO/AO Hillary Marshall. She did not send the email to the partner, nor did she electronically sign the termination letter. Furthermore, when asked about its legitimacy and for relevant documentation, usually in the form of a Memorandum of Negotiation that accompanies any termination decision-making process, [she replied](#), “I don’t have a neg memo [memorandum of negotiation] for this action and will not be completing one.” She suggested that I should document the termination despite having no knowledge of the decision-making process nor any determinations made. None of the terminations included the appropriate authorities for termination nor related documentation. Instead, likely knowing that each of the approximately 5,800 terminations were subject to legal challenges, the [SPE requested](#) that all CO/AOs issue a new termination notice, which would include the contract or grant authority and have a new individual CO/AO signature. I believe this was done so that each of the CO/AOs thought that the termination had already been completed and would not object so vociferously to completing a “subsequent” termination.

The absence of any meaningful review is underscored by the egregious lack of basic analysis evident when the Acting OAA Director asked for urgent responses immediately after the mass terminations. On February 26, just hours after the terminations were sent out, Nadeem Shah [requested](#) that all AO/COs let them know what “essential services” had been ended so they could be “maintained,” or returned to active status.

Also, it is worth noting that in my 13 years with USAID, I have never seen a CO/AO located in Washington take over any responsibility for an active award while the Cognizant CO/AO was actually in the office working. There has never been an explanation as to why this was done, but I imagine that the engineers of all

termination actions in DC, whoever they might be, felt they had more power to pressure the CO/AOs in Washington, as opposed to those operating in the field.

Because there were legal challenges that had not yet been resolved or opined on by USAID (see below), I did not re-terminate my portfolio of awards, nor include any appropriate authority, allowing each of the implementing partners the opportunity to challenge the original termination in court.

Non-compliance with Court Orders

As documented in this [Memo to the File](#), there was a series of rulings related to *AIDS Vaccine Coalition v. U.S. Department of State* 1:25-cv-00400. On March 10, 2025, the District Court issued its [order](#), which stated that

"all Defendants ...the U.S. Agency for International Development, and their agents are enjoined from enforcing or giving effect to sections 1, 5, 7, 8, and 9 of the January 24 State Department memorandum, and any other directives that implement sections 3(a) and 3(c) of Executive Order No. 14169, by giving effect to any terminations, suspensions, or stop work orders issued between January 20, 2025, and February 13, 2025, for any grants, cooperative agreements, or contracts for foreign assistance."

These rulings led me to rescind the termination letters for two of my USAID/Mexico awardees and lift the stop-work orders/suspensions of all others. However, these two awards remained listed on the termination lists with USAID/Washington.

On March 11, 18, and 24, I repeatedly [raised this as an issue](#) to the SPE, as well as both GC and my Resident Legal Officer, which was the official guidance per the Acquisition and Assistance FAQ. Until April 30, I never received a response. I advised the partners that if they had liquidity reserves to continue, they were able to do so. However, they were in an untenable limbo not knowing if they should start operations again because the Agency might terminate at any second. This position continued to cause months of waste by partners who were not terminated but were also not implementing their project. On April 30, 2025, Jeremy Lewin signed an [action memo](#) alleging that "approximately 462 contracts, grants, and cooperative agreements" had undergone an "individualized review" and should be terminated (again) in compliance with the court order. When pressed, the SPE could not provide any documentation of this individualized review.

This is exactly how all serious issues, concerns, and questions have been dealt by USAID leadership, including the SPE, ignore, ignore, ignore. This is not a responsible nor legal method to dealing with the very serious and very costly matter of federal contracts and grants.

Lack of USAID General Counsel Involvement

From the initial communications until June 30, 2025 when USAID “transitioned” into the State Department, we have received zero official guidance from USAID’s General Counsel’s Office (GC). GC has left CO/AOs completely alone and unprotected, refusing to provide guidance, clearance, or any written justifications that what CO/AOs are being ordered to do is within the bounds of the law. At one point, GC released a [2011 memo](#) from unknown origin, which the [SPE used](#) to say that CO/AOs should “generally not be held personally liable for loss of funds resulting from their official actions.” The memo had no facts pertaining to our current situation, nor was it officially endorsed by GC. The memo left me feeling that it was not an accurate representation of law and would not protect me.

The individuals named as working on behalf of GC were Greg Marchand, Diane Perone, and Courtney MaGill. We often receive emails and communications stating that GC has cleared documents (for example, [here](#) and [here](#)), but none of the individuals listed above, nor any other member of USAID/Washington GC sent out, nor signed, one single official notification to be shared with Contracting and Agreement Officers. This is true despite the highly complex and pointedly legal nature of many of the serious issues COs/AOs are facing.

Irresponsible Agency Closeout

As documented by the [list of questions](#) raised to senior management, terminations and closeouts can take years to finalize. Transferring an entire Agency’s portfolio of active awards to the State Department, who has no official authority, skill, or capacity to manage these awards, is not only irresponsible but opens up the USG to innumerable liabilities as well as fraud, waste, and abuse. Similarly, the closeouts and terminations will take years to finalize and the Agency has yet to reveal its plan to handle these complex matters and the hundreds of millions of dollars of associated costs. In the end, stripped of our positions and denied lawful guidance, institutional accountability, and ethical leadership, all I

could do was bear witness, document the truth, and refuse to lend my name to actions that violated the law and the public trust.

Attachments

Below you will find a list of Memorandums to the File that I have completed in order to document some of the inappropriate guidance we have received and how I have attempted to protect myself, the partners, and the U.S. taxpayers in carrying out such orders.

1. [Overall Negligence of the Senior Procurement Executive](#)
2. [Initial Stop-Work Orders/Suspension Notices](#)
3. [CPARS Guidance](#)
4. [CPARS Guidance Implementation by USAID/Mexico](#)
5. [Disposition Instructions](#)
6. [Procurement System Usage Instructions](#)
7. [Transfer of CO Functions to the State Department](#)
8. [Disputes and Appeals Guidance](#)
9. [Settlement Plan Deductions](#)
10. [Inability to complete required audits on assistance awards](#)
11. [Erasure of the Termination Settlement Review Board](#)
12. [Ongoing Barriers to Timely and Lawful Payment of Implementing Partner \(IP\) Invoices](#)
13. [Disappearance and M/OAA Leadership and Lack of Guidance Moving Forward](#)
14. [Noncompliance with USAID's Monitoring, Evaluation and Learning \(MEL\) Requirements due to abrupt closure of the programs](#)
15. [Improper Hiring Practices](#)