

Congress of the United States
Washington, DC 20515

October 21, 2020

Mr. Matthew S. Klimow
Acting Inspector General
Department of State
1700 North Moore Street
Arlington, VA 22209

The Honorable Joseph V. Cuffari
Inspector General
Department of Homeland Security
245 Murray Lane, S.W.
Washington, D.C. 20528

Dear Acting Inspector General Klimow and Inspector General Cuffari:

We write to request that you open an investigation into the import and export of ventilators to and from the Russian Federation during the early stages of the coronavirus pandemic in the United States. Specifically, we ask you to consider whether the Trump Administration's decision to accept a shipment of Russian-produced ventilators on April 1, 2020, may have violated U.S. sanctions law or guidance, how the shipment of U.S.-manufactured ventilators to Russia in May furthered U.S. foreign policy objectives, and to what extent, if any, the arrangement may have been inappropriately influenced by President Donald Trump or other White House officials. We also request that you investigate the circumstances under which the State Department made inaccurate statements to the public about whether U.S. taxpayer funds were used to purchase the April shipment of Russian ventilators.

On May 22, 2020, and again on May 28, 2020, our Committees sent letters to the White House and the Department of State, respectively, requesting information about the donation and import of ventilators to and from the Russian Federation.¹ To date, the White House has not provided a response.

On September 15, 2020, the State Department wrote to our Committees and explained:

The Department of State understands that at the time of the April 1 delivery of [Russian] medical supplies to New York City, the Federal Emergency Management Agency (FEMA) assessed the items would meet immediate needs—particularly in New York City and the surrounding area, where high infection rates of COVID-19 were straining the

¹ Letter from Chairwoman Carolyn B. Maloney, Committee on Oversight and Reform, Chairman Eliot L. Engel, Committee on Foreign Affairs, Chairwoman Nita M. Lowey, Committee on Appropriations, Chairman James E. Clyburn, Select Subcommittee on the Coronavirus Crisis, and Chairman Stephen F. Lynch, Subcommittee on National Security, Committee on Oversight and Reform, to President Donald J. Trump (May 22, 2020) (online at <https://oversight.house.gov/news/press-releases/trump-administration-notifies-congress-of-plan-to-use-5-million-inus-taxpayer>); Letter from Chairwoman Carolyn B. Maloney, Committee on Oversight and Reform, Chairman Eliot L. Engel, Committee on Foreign Affairs, Chairwoman Nita M. Lowey, Committee on Appropriations, Chairman James E. Clyburn, Select Subcommittee on the Coronavirus Crisis, and Chairman Stephen F. Lynch, Subcommittee on National Security, Committee on Oversight and Reform, to Secretary of State Michael Pompeo (May 28, 2020) (online at https://oversight.house.gov/sites/democrats.oversight.house.gov/files/2020-05-28.CBM%20Engel%20Lowey%20Clyburn%20SFL%20to%20Pompeo-State%20re%20Russian%20Ventilator%20Purchase%20FINAL_2.pdf).

healthcare system. FEMA took delivery based on the perceived, urgent need to protect medical care providers and other first responders on the front lines of this pandemic.

As you noted in your letter, the final invoice amount was \$659,283. FEMA requested the assistance of the Department of State in transmitting payment to the Russian authorities for the shipment. The Russian Embassy subsequently informed the State Department that payment for the April 1 shipment was no longer expected in light of the delivery of U.S.-made ventilators to Russia. The Administration has not transferred and will not transfer any funds to the Russian Federation or companies for the April 1 shipment.²

It makes little sense for the United States to have sent 200 ventilators to Russia at a cost of \$5.6 million to American taxpayers, while less than two months earlier, FEMA accepted 45 Russian ventilators that were electrically incompatible and unsafe for use in the United States.³ The decision to accept ventilators from a subsidiary of a sanctioned Russian entity—which provided President Vladimir Putin with a propaganda victory as Russia sought to portray itself as a world leader in the global coronavirus response—potentially undermined U.S. national security interests and raises even more questions about why the Department of State previously claimed to have purchased these ventilators but now acknowledges it did not.

President Spent \$5.6 Million in Taxpayer Funds to Send Ventilators to Russia in Exchange for Russian Ventilators that Posed Fire and Safety Risks

The Department of State's September 15, 2020, response confirms that the shipment of ventilators to and from the Russian Federation was a direct exchange. The lopsided nature of the arrangement raises significant questions about whether President Trump or other White House officials may have unduly influenced official U.S. policy and the expenditure of American taxpayer resources in order to appease Russian President Vladimir Putin.

According to the Trump Administration, on March 30, 2020, President Trump spoke with President Putin and "agreed to purchase needed medical supplies, including ventilators and personal protection equipment."⁴ This equipment was transferred to FEMA on April 1, 2020, but the ventilators were "not immediately useable because of voltage-related issues."⁵ In early

² Letter from Acting Assistant Secretary for Legislative Affairs Ryan M. Kaldahl, Department of State, to Chairwoman Carolyn B. Maloney, Committee on Oversight and Reform (Sept. 15, 2020) (online at <https://oversight.house.gov/sites/democrats.oversight.house.gov/files/State.091520.Response%20to%20CMB%20re%20Russian%20Ventilator%20Purchase.pdf>).

³ *Exclusive: Russian Ventilators Reached U.S. States Without FDA Oversight*, Reuters (May 22, 2020) (online at www.reuters.com/article/us-health-coronavirus-usa-ventilators-ex/exclusive-russian-ventilators-reached-u-s-states-without-fda-oversight-idUSKBN22Y2F4).

⁴ Department of State, *U.S. Purchase of Needed Supplies from Russia* (Apr. 1, 2020) (online at www.state.gov/u-s-purchase-of-needed-supplies-from-russia/).

⁵ *Id.*; *Russia Bills US \$660K for Aid that Included Gas Masks, Household Cleaning Gloves*, ABC News (May 1, 2020) (online at <https://abcnews.go.com/Politics/russia-bills-us-660k-aid-included-gasmasks/story?id=70451912>).

May, the same ventilator model, the Aventa-M, reportedly caused fires in Moscow and St. Petersburg that led to the deaths of six coronavirus patients.⁶ FEMA later confirmed that no Aventa-M ventilators accepted from Russia had been used in the United States, and earlier this week, a FEMA spokesperson told a media outlet, “The donated ventilators in question were disposed of following strict hazardous waste disposal regulatory guidelines set by the U.S. General Services Administration (GSA) and the Environmental Protection Agency (EPA).”⁷

Despite Russia’s nearly \$1.7 trillion gross domestic product and the myriad restrictions Congress has imposed on providing U.S. funding to the Kremlin, on May 18, 2020, the State Department notified Congress that President Trump planned to gift \$5.6 million worth of ventilators and other medical supplies to Russia at American taxpayer expense.⁸ At the time, the United States already had more coronavirus cases and deaths than any other nation. Although Russia did not adjust the ventilators it shipped to the United States to be compatible with U.S. electric requirements, the Trump Administration reconfigured the outgoing ventilators to match Russian voltage standards.⁹

State Department May Have Violated Sanctions Guidance by Accepting Russian Ventilators

The Trump Administration may have circumvented U.S. sanctions guidance—thereby undermining our national security interests—in order to accept the shipment of Russian-produced ventilators. In its September 15, 2020, response, the State Department confirmed that some of the ventilators were manufactured by Ural Instrument Engineering Plant (UPZ), which is a part of the conglomerate known as Radio-Electronic Technologies (KRET).¹⁰ The Office of Foreign Assets Control (OFAC) sanctioned KRET as a Specially Designated National in July 2014 for Russia’s invasion of Ukraine.¹¹

⁶ *Ventilator Model Russia Sent to U.S. Blamed for Deadly Fires*, Bloomberg News (May 12, 2020) (online at www.bloomberg.com/news/articles/2020-05-12/ventilator-model-russia-sent-to-u-s-blamed-for-deadly-fires).

⁷ *Russian Ventilators Implicated in Deadly Fires Not Used in U.S.: FEMA*, Reuters (May 12, 2020) (online at www.reuters.com/article/us-health-coronavirus-russia-usa/russian-ventilators-implicated-in-deadly-fires-not-used-in-u-s-fema-idUSKBN22P00Y); *FEMA Threw Out The Faulty Ventilators Russia Gave The US Without Ever Using Them*, BuzzFeed (Oct. 19, 2020) (online at www.buzzfeednews.com/article/christopherm51/fema-russia-ventilators-coronavirus).

⁸ U.S. Agency for International Development, *Congressional Notification #173* (May 18, 2020) (online at <https://oversight.house.gov/sites/democrats.oversight.house.gov/files/CN%20%23173%20GLOBAL%20HEALTH%20%28Russian%20Federation%29%20%28GlobalHealthSecurity-Coronavirus%29%20%28Emergency%20Circumstances-sec%207015e%29.pdf>).

⁹ *“That’s Their Problem”: How Jared Kushner Let the Markets Decide America’s COVID-19 Fate*, Vanity Fair (Sept. 17, 2020) (online at www.vanityfair.com/news/2020/09/jared-kushner-let-the-markets-decide-covid-19-fate).

¹⁰ *A Mystery Wrapped in an Enigma Inside a Russian Coronavirus Aid Shipment to the U.S.*, Radio Free Europe/Radio Liberty (Apr. 3, 2020) (online at www.rferl.org/a/russian-coronavirus-aid-shipment-u-s-mysterysanctions-propaganda/30529019.html).

¹¹ Letter from Acting Assistant Secretary for Legislative Affairs Ryan M. Kaldahl, Department of State, to Chairwoman Carolyn B. Maloney, Committee on Oversight and Reform (Sept. 15, 2020) (online at

The State Department denies that UPZ is subject to sanctions because it “believe[s] KRET owns less than 50 percent of UPZ.” Nevertheless, OFAC urges U.S. persons “to act with caution when considering a transaction with a non-blocked entity in which one or more blocked persons has a significant ownership interest that is less than 50 percent.”¹² The State Department cited vague “information available to the Department” to justify its determination that KRET owns a less than 50 percent stake in UPZ.¹³

State Department Offered Conflicting Information About Whether Trump Administration Paid for Russian Ventilators

The Department of State has provided multiple potentially misleading statements about how and whether the Trump Administration purchased the ventilators flown in from Russia on April 1, 2020. On April 2, 2020, Russian Foreign Ministry spokeswoman Maria Zakharova told reporters, “Half of the cost of cargo was paid by the Russian Direct Investment Fund (RDIF) and half by the American side, on their own.”¹⁴ An unnamed administration official later rebuffed the Russian Foreign Ministry account, saying, “The United States is purchasing the supplies and equipment outright, as with deliveries from other countries. ... We appreciate Russia selling these items to us below market value.”¹⁵ In early May, press reports indicated that Russia sent the Department of State an invoice of \$659,283 for the shipment of Russian ventilators.¹⁶

However, in its September 15, 2020, response, the State Department told our Committees:

FEMA requested the assistance of the Department of State in transmitting payment to the Russian authorities for the shipment. The Russian Embassy subsequently informed the State Department that payment for the April 1 shipment was no longer expected in light

<https://oversight.house.gov/sites/democrats.oversight.house.gov/files/State.091520.Response%20to%20CMB%20re%20Russian%20Ventilator%20Purchase.pdf>); Department of Treasury, *Specially Designated Nationals and Blocked Persons List* (May 13, 2020) (online at www.treasury.gov/ofac/downloads/sdnlist.pdf).

¹² Department of Treasury, *Revised Guidance on Entities Owned By Persons Whose Property and Interests in Property Are Blocked* (Aug. 13, 2014) (online at https://home.treasury.gov/system/files/126/licensing_guidance.pdf).

¹³ Letter from Acting Assistant Secretary for Legislative Affairs Ryan M. Kaldahl, Department of State, to Chairwoman Carolyn B. Maloney, Committee on Oversight and Reform (Sept. 15, 2020) (online at <https://oversight.house.gov/sites/democrats.oversight.house.gov/files/State.091520.Response%20to%20CMB%20re%20Russian%20Ventilator%20Purchase.pdf>).

¹⁴ *A Mystery Wrapped in an Enigma Inside a Russian Coronavirus Aid Shipment to the U.S.*, Radio Free Europe/Radio Liberty (Apr. 3, 2020) (online at www.rferl.org/a/russian-coronavirus-aid-shipment-u-s-mystery-sanctions-propaganda/30529019.html).

¹⁵ *U.S. Paying Russia for Entire Planeload of Coronavirus Equipment: U.S. Official*, Reuters (Apr. 2, 2020) (online at www.reuters.com/article/us-health-coronavirus-russia-usa/u-s-paying-russia-for-entire-planeload-of-coronavirus-equipment-u-s-official-idUSKBN21K34Z).

¹⁶ *Russia Bills US \$660K for Aid that Included Gas Masks, Household Cleaning Gloves*, ABC News (May 1, 2020) (online at <https://abcnews.go.com/Politics/russia-bills-us-660k-aid-included-gasmasks/story?id=70451912>).

of the delivery of U.S.-made ventilators to Russia. The Administration has not transferred and will not transfer any funds to the Russian Federation or companies for the April 1 shipment.¹⁷

We still do not know what accounts for the State Department's conflicting statements about whether the United States paid for the April 1, 2020, shipment of Russian ventilators and medical equipment and why Moscow apparently did not demand payment.

Request for Inspectors General to Open Investigation

For the reasons set forth above, we ask that you open an investigation into these matters to determine whether President Trump and his Administration inappropriately sent life-saving ventilators to Russia at U.S. taxpayer expense in the middle of a global pandemic in order to curry political favor with Russian President Vladimir Putin.

We also ask you to consider whether the Trump Administration's decision to accept a shipment of Russian-produced ventilators on April 1, 2020, may have violated U.S. sanctions law or guidance, how the shipment of U.S.-manufactured ventilators to Russia in May furthered U.S. foreign policy objectives, and to what extent, if any, the arrangement may have been inappropriately influenced by President Trump or other White House officials.

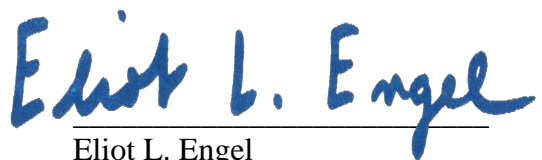
We also request that you investigate the circumstances under which the State Department made inaccurate statements to the public about whether U.S. taxpayer funds were used to purchase the early-April shipment of Russian ventilators.

If you have any questions regarding this request, please contact the Committee on Oversight and Reform at (202) 225-5051.

Sincerely,



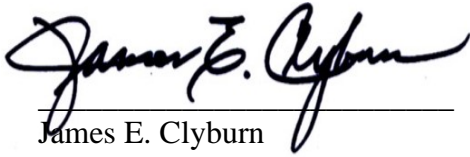
Carolyn B. Maloney
Chairwoman
Committee on Oversight and Reform



Eliot L. Engel
Chairman
Committee on Foreign Affairs

¹⁷ Letter from Acting Assistant Secretary for Legislative Affairs Ryan M. Kaldahl, Department of State, to Chairwoman Carolyn B. Maloney, Committee on Oversight and Reform (Sept. 15, 2020) (online at <https://oversight.house.gov/sites/democrats.oversight.house.gov/files/State.091520.Response%20to%20CMB%20re%20Russian%20Ventilator%20Purchase.pdf>).

Mr. Matthew S. Klimow
The Honorable Joseph V. Cuffari
Page 6



James E. Clyburn
Chairman
Select Subcommittee on the
Coronavirus Crisis
Committee on Oversight and Reform



Stephen F. Lynch
Chairman
Subcommittee on National Security
Committee on Oversight and Reform

cc: The Honorable James Comer, Ranking Member
Committee on Oversight and Reform

The Honorable Michael McCaul, Ranking Member
Committee on Foreign Affairs

The Honorable Steve Scalise, Ranking Member
Select Subcommittee on the Coronavirus Crisis

The Honorable Glenn Grothman, Ranking Member
Subcommittee on National Security
Committee on Oversight and Reform