

**DECLARATION OF ZAN NORTHRIP**

I, Zan Northrip, declare as follows:

1. I am the Executive Vice President for Development Consulting at DAI Global, LLC (DAI). I submit this declaration in support of Plaintiffs' application for a temporary restraining order. The statements made in this declaration are based on my personal knowledge and my understanding of information made available to me pursuant to my duties at DAI.

2. DAI is an employee-owned global development company headquartered at 7600 Wisconsin Avenue in Bethesda, Maryland. DAI was founded in 1970 and has been a trusted partner of the U.S. government, especially USAID, for more than 50 years, delivering successful projects in more than 150 countries. We perform similar development services for critical U.S. allies, such as the United Kingdom and the European Union, as well as private companies – largely U.S. multinationals in the energy sector, who rely on DAI to make their multibillion-dollar investments more economically impactful in the local economies where they work, both in the United States and around the world. We compete fiercely for our work with all of our clients, including USAID.

3. DAI projects deliver results on difficult challenges in demanding environments:
- a. Providing innovative post-crisis assistance to support political transition in crisis-stricken countries, ensure short-term stability operations, prevent and counter violent extremism, and lay the foundation for long-term development in fragile states;
  - b. Improving health security and systems, clean water and sanitation, and private sector engagement that improves health outcomes;
  - c. Fostering trade and investment with U.S. partner countries around the

world, providing innovative pathways to broad-based economic growth that increases sustainability in emerging economies, expands U.S. markets, and de-risks U.S. investments;

- d. Working with governments, communities, and the private sector to develop programs and strategies to improve resilience to climate impacts, thereby decreasing migration and enhancing stability;
- e. Collaborating with educators, policy makers, communities, and stakeholders to strengthen the provision of high-quality education for children and youth;
- f. Assisting farmers and their supply chains to enhance agricultural productivity, thereby enhancing food security, economic growth, and self-sufficiency, and
- g. Improving the financial independence of U.S. allies by increasing their revenue raising and public financial management capabilities.

4. Nearly 80% of DAI's revenue (more than \$750 million in 2024) comes from USAID, including the Millennium Challenge Corporation and its affiliated Millennium Challenge Accounts in Compact Countries.

5. DAI is currently working with USAID and Millennium Challenge Accounts on 99 different projects in 45 countries. This includes all of the projects in Attachment A, which sum to \$4.2 billion in total ceiling value and are typically executed over a period of 5 years. All but one of these projects is currently under a stop-work order (SWO), and we have been told to expect a SWO on the last project (for the Millennium Challenge Account in Timor Leste) in a matter of days.

6. On the evening of January 24, 2025 (Eastern Time), DAI received an initial handful of SWOs from USAID. DAI continued to receive SWOs over a period of several days. The SWOs indicated that the projects were being placed on hold pending a 90-day review, after which the projects would either resume as originally contracted, be modified, or be terminated. Information we have received from knowledgeable USAID staff indicates that many of these contracts will be terminated in the coming days, despite the criteria for the “review process,” promised within 30 days of the Executive Order, never having been defined. In addition, USAID has failed to make payment on over \$120 million in invoices for work DAI completed between November 1, 2024 and January 24, 2025, some of which are now past due. Prior to the Executive Order, USAID paid most of DAI’s invoices within 10-15 days. Since the Executive Order, DAI has received no payments from USAID whatsoever. USAID staff have stated that USAID’s payment system is “down” and that it is unknown when payments will resume. In our current banking relationship, our lender is not extending credit for the full value of DAI’s U.S. Government invoices.

7. In response to the SWOs, on each project, DAI is: ceasing current activities; undertaking no further programmatic commitments; in many cases, severely reducing existing long-term project staff via furloughs; and flowing down the SWO to all existing subcontractors and grantees, telling them to suspend work as of the date of the SWO. In the absence of payments from USAID, DAI is also forced to slow or stop payments to these partners, seriously jeopardizing these necessary relationships for the work we were contracted to do; many of these relationships will be difficult, if not impossible to repair.

8. In the last 10 days, DAI has furloughed 383 U.S.-based staff, retracted numerous signed offers of employment, reduced salaries for non-furloughed senior staff members by 20%,

deferred payments to hundreds of vendors, summarily terminated numerous subcontracts and grants, and violated the terms of hundreds of leases and other contractual arrangements. As a professional services firm, our value-added comes from our people, and we are also acutely aware of the financial pain that these actions have inflicted on thousands of individual staff members and partners around the world. In numerous cases DAI staff members are no longer able to meet their own critical financial obligations for housing, education, and medical care. Pushed to the brink, some have already begun to leave DAI's permanent employ, imposing costly future requirements for recruitment and training – both on DAI's projects and in our headquarters locations.

9. Further exacerbating the status quo, because DAI is entirely employee owned, much of it through a U.S. Employee Stock Ownership Plan (ESOP), the retirement savings of more than 600 American employees have been placed in jeopardy by USAID's implementation of the President's Executive Order.

10. SWOs (and suspensions under cooperative agreements) have eliminated DAI's ability to fund any of its partners or grantees in their work to pursue clear and compelling U.S. government interests. Freezing the assistance provided through DAI's portfolio is already having far-ranging, often life-threatening effects, including a freeze on funding for shelter for minors seeking protection from recruitment into criminal gangs in Central America, decreased cybersecurity for the government of Ukraine, the abandonment of civil society organizations contending with brutal authoritarian violence in Burma, and the abdication of efforts to track and contain zoonotic diseases in Bangladesh.

- a. For example, on the Africa Trade and Investment (ATI) project, DAI has furloughed 18 U.S.-based staff members and halted funding to dozens of

subcontractors who have previously successfully facilitated \$3.2 billion in new investment and trade deals, mostly with American counterparts under the ATI mechanism. ATI's return on investment (ROI) is among the strongest in U.S. foreign assistance programs. To date, ATI has achieved \$43 in trade exports for every \$1 of U.S. government funding. Large-scale transactions have delivered an exceptional ROI of \$637:\$1, and trade finance efforts filled critical funding gaps at \$278:\$1. ATI's current pipeline of deals, which would similarly benefit both African and U.S. companies, is now at risk of failing to close – or being diverted to investors from U.S. adversaries and competitors – with serious implications for both DAI's and the U.S. Government's credibility.

- b. In Ukraine, DAI manages six projects on behalf of the U.S. Government valued at over \$650 million and employing over 425 American, other expatriate, and Ukrainian staff. More than half of the U.S. support team for these critical programs have been furloughed during the period of the SWOs. Besides the financial pain suffered by those furloughed staff members, the SWOs and furloughs have severely impacted our ability to support this large portfolio, and left our Ukrainian partners in serious doubt about DAI's reliability.
- c. In Colombia, DAI manages five projects (four contracts and one cooperative agreement) on behalf of the U.S. Government valued at \$180 million and employing over 180 American, other expatriate, and Colombian staff. The sudden and abrupt closure of USAID offices, coupled with continued non-

payment, creates an unacceptable level of risk for DAI staff and U.S.

Government-purchased and/or leased equipment in project offices. DAI finds itself in an increasingly charged diplomatic environment with significant security risk for DAI staff and resources.

- d. DAI has ongoing partnerships with over 240 multinationals, businesses, and small businesses on USAID-funded projects, including the following US multinationals on five or more projects each: Amazon/Amazon Web Services; Cargill; Chevron; Cisco; Coca Cola; ExxonMobil; General Electric; Google; and Microsoft. Many of these partners were brought in on the basis of DAI's assurances that their collaboration on USAID projects would accrue to their benefit and help accomplish their goals. The abrupt and disorderly work stoppage on projects puts current resources and future collaboration from these partners at risk. It also creates direct reputational harm for DAI, which has a portfolio of work with some of these same corporate clients, completely separate from our work on behalf of the U.S. Government.

11. At the time of the Executive Order, DAI was finalizing negotiations for a larger and more advantageous global working capital facility. Those negotiations are now on hold and may be canceled altogether if our USAID project portfolio does not quickly resume operating. The chaos and uncertainty unleashed by the government's implementation of the Executive Order has thus diminished the essential credibility of U.S. government receivables.


12. In addition to permanently damaging our reputation as a reliable partner in the United States and in countries around the world, the U.S. government's actions have placed our staff and the legal representatives of our foreign entities at heightened risk. With every day that

goes by, DAI staff placed in service in unstable environments at the behest of the U.S. government are at higher risk of physical harm, as they confront angry vendors, equipment providers, and landlords – all of whom have previously operated in good faith partnership with DAI and the U.S. government. Our staff are not merely in an “awkward” position; they are at risk. Some have been made aware that legal actions are being prepared against them in their countries of assignment, and they are acutely aware that they, their dependents, and their belongings could be stranded overseas if USAID continues to repudiate its payment obligations. DAI currently has more than 240 expatriates and their dependents placed on long-term assignments in its U.S. government portfolio, including numerous children in the midst of their school years. Because none of our expatriates expected an unnecessary, sudden, and forced return to their homes of record, many have no alternative living arrangements to return to and may also endure an abrupt discontinuity in required medical treatment.

13. Taken together, the financial, business relationship, and reputational impacts on DAI that have arisen directly from the Executive Order and its implementation by the Department of State, the MCC, and USAID, pose a critical threat to DAI’s ability to continue operating.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 10, 2025, in Bethesda, Maryland

  
Zan Northrip (Feb 10, 2025 21:20 EST)  
Zan Northrip  
Executive Vice President  
DAI Global, LLC

# **Attachment A**



	A	B	C	H
	Project Name	Country	Contract Type	Ceiling Price
1				
2	Kosovo CIR	Kosovo	CPFF Completion	\$12,232,248.00
3	Ukraine RevGRO	Ukraine	CPFF Completion	\$31,561,135.00
4	El Salvador IPP	EL SALVADOR	CPFF Completion	\$15,992,643.00
5	U.S. AWRAS	UNITED STATES	Cooperative Agreement	\$30,000,000.00
6	Kenya KPEEAP	KENYA	CPFF Completion	\$7,499,678.00
7	Afghanistan WAMA	AFGHANISTAN	CPFF Completion	\$59,910,649.00
8	Georgia PSDP	GEORGIA	CPFF Completion	\$21,274,600.00
9	AF Continued Assistance MOU	AFGHANISTAN	Cost Plus Fixed Fee	\$928,876.00
10	Kenya KIPS	KENYA	Cost Plus Award Fee	\$24,500,000.00
11	West Bank & Gaza ALG	PALESTINIAN TERRITORY, OCCUPI ED	CPFF Term	\$48,445,638.00
12	Ghana FASA	Ghana	CPFF Completion	\$14,999,847.10
13	N Macedonia ACCELERATE	UNITED STATES	CPFF Completion	\$43,659,611.00
14	USAID (Thailand) PAGI	THAILAND	CPFF Completion	\$15,948,955.00
15	El Salvador Water Services Project	EL SALVADOR	CPFF Completion	\$11,284,730.00
16	Bangladesh SSOH Activities	BANGLADESH	Cooperative Agreement	\$28,600,000.00
17	USAID Madagascar HARENA Activity	MADAGASCAR	Cooperative Agreement	\$46,000,000.00
18	Jordan Himaya Activity	JORDAN	CPFF Completion	\$34,365,613.00
19	ASEAN UPP	INDONESIA	Time & Material	\$37,518,234.00
20	USAID Haiti Eau	HAITI	CPFF Completion	\$32,951,780.00
21	Colombia SET	COLOMBIA	CPFF Completion	\$58,338,140.00
22	Ukraine Pro-Integrity	UKRAINE	CPFF Completion	\$58,429,745.50
23	GAP SNA	UNITED STATES	CPFF Term	\$4,799,570.00
24	USAID Fragile Waters	UNITED STATES	CPFF Completion	\$24,999,341.00
25	UG WFS A	UGANDA	CPFF Completion	\$63,186,442.00
26	USAID Indonesia SELARAS	INDONESIA	CPFF Completion	\$22,121,434.20
27	Bosnia and Herzegovina -FRA	BOSNIA AND HERZEGOVINA	Cost Plus Fixed Fee	\$11,557,562.00
28	West Africa SRPS	GHANA	CPFF Completion	\$49,244,792.20
29	Somalia PCG	SOMALIA	Cooperative Agreement	\$24,997,824.00
30	DRC GGA	CONGO, DEMOCRATIC	CPFF Completion	\$38,493,974.00
31	Liberia LEAD	LIBERIA	CPFF Completion	\$17,999,647.00
32	El Salvador SEP	EL SALVADOR	Cooperative Agreement	\$28,370,446.00
33	USAID STAWI	KENYA	CPFF Completion	\$39,930,233.00
34	USAID (Georgia) National Governance Program	GEORGIA	CPFF Completion	\$22,403,867.00
35	Forsah TVET	PALESTINIAN TERRITORY, OCCUPI ED	Cooperative Agreement	\$5,626,257.00
36	USAID Mobilizing Investment	SOUTH AFRICA	CPFF Term	\$33,812,067.00
37	HAITI PPR-Nord	HAITI	CPFF Completion	\$22,968,216.00
38	USAID DNA	COLOMBIA	CPFF Completion	\$39,389,806.00
39	USAID Biodiversity	NEPAL	CPFF Completion	\$19,439,986.00

	A	B	C	H
1	Project Name	Country	Contract Type	Ceiling Price
40	Colombia EF	COLOMBIA	CPFF Completion	\$28,247,575.00
41	MZ LOGOS TO-02	MOZAMBIQUE	CPFF Completion	\$18,898,248.00
42	CVECA	KAZAKHSTAN	Cooperative Agreement	\$14,996,400.00
43	Honduras BCR	HONDURAS	CPFF Completion	\$48,277,629.00
44	Jordan MSP	JORDAN	CPFF Completion	\$42,835,208.00
45	YRCVC	SAINT LUCIA	CPFF Completion	\$29,602,775.80
46	MW Governance for Solutions	MALAWI	Cooperative Agreement	\$25,824,929.00
47	FtF PREMIER	MOZAMBIQUE	Cost Plus Fixed Fee	\$2,109,283.00
48	USAID Investment for Business Resilience Activity	UKRAINE	CPFF Term	\$93,300,000.00
49	Advancing Capacity for the Environment (ACE)	UNITED STATES	CPFF Completion	\$42,215,853.00
50	Western Kenya Water Project	KENYA	Cooperative Agreement	\$24,000,000.00
51	Honduras Justicia Efectiva	HONDURAS	CPFF Completion	\$43,453,979.00
52	IUWASH Tangguh	INDONESIA	CPFF Completion	\$44,131,108.00
53	Kosovo KMI (Kosovo Municipal Integrity Activity)	KOSOVO	Cost Plus Award Fee	\$13,499,833.00
54	Addressing Labor Exploitation in Fishing in ASEAN	INDONESIA	Cooperative Agreement	\$2,500,000.00
55	Business Egypt	EGYPT	Cooperative Agreement	\$34,860,664.00
56	Liberia Civil Society Activity (CSA)	LIBERIA	CPFF Completion	\$14,797,517.00
57	YEMP	HONDURAS	CPFF Completion	\$34,943,664.00
58	HRASA	HAITI	CPFF Completion	\$26,922,733.00
59	Prosper Africa Trade and Investment Activity	UNITED STATES	CPFF Term	\$520,757,945.00
60	South Sudan RASS	SOUTH SUDAN	CPFF Completion	\$29,527,500.00
61	Palestine SMART	PALESTINIAN TERRITORY, OCCUPIED	Cooperative Agreement	\$40,000,000.00
62	USAID CIDR	GEORGIA	Cooperative Agreement	\$29,997,925.00
63	Trade Central Asia	KAZAKHSTAN	CPFF Completion	\$34,170,704.00
64	Nepal KAWAS	NEPAL	CPFF Completion	\$24,790,940.00
65	Lebanon WSC	LEBANON	CPFF Completion	\$73,525,676.00
66	RGN-Jagoranci	NIGER	Cost Plus Fixed Fee	\$1,034,107.00
67	Pakistan LRMA	PAKISTAN	CPFF Completion	\$17,219,987.00
68	Ukraine HOVERLA	UKRAINE	CPFF Completion	\$150,000,000.00
69	USAID MZ SPEED	MOZAMBIQUE	CPFF Term	\$39,900,000.00
70	Jordan PFMA	JORDAN	CPFF Completion	\$47,154,843.00
71	Zambia Local Impact Governance	ZAMBIA	CPFF Completion	\$27,605,321.00

	A	B	C	H
1	Project Name	Country	Contract Type	Ceiling Price
72	Strengthening Livelihood and Resilience Activity in DRC	CONGO, DEMOCRATIC REPUBLIC OF THE	CPFF Completion	\$18,098,386.00
73	USAID Responsive Governance Activity	COLOMBIA	CPFF Completion	\$34,662,058.00
74	Senegal FtF Policy Systems Services	SENEGAL	Cooperative Agreement	\$15,700,000.00
75	Tajikistan ALG Activity	TAJIKISTAN	CPFF Completion	\$32,656,053.00
76	Egypt Economic Governance Activity	EGYPT	CPFF Completion	\$38,648,518.00
77	Nigeria State2State	NIGERIA	CPFF Completion	\$52,000,000.00
78	INRM	UNITED STATES	CPFF Completion	\$34,976,131.00
79	Partners for Transparency	COLOMBIA	Cooperative Agreement	\$19,899,819.00
80	Mexico Programa para el Fortalecimiento de Instituciones de Justicia Penal Estatal	MEXICO	CPFF Completion	\$29,050,089.00
81	Lebanon Trade and Investment Facilitation (TIF)	LEBANON	CPFF Completion	\$70,212,510.00
82	Burma RITA	MYANMAR	Cost Plus Award Fee	\$18,730,499.00
83	MSP	UNITED STATES	CPFF Completion	\$79,985,807.00
84	Vietnam Sustainable Forestry Management Activity	VIETNAM	CPFF Completion	\$36,274,769.00
85	Cybersecurity for Critical Infrastructure in Ukraine	UKRAINE	CPFF Completion	\$128,000,000.00
86	PFM Maldives Activity	MALDIVES	CPFF Completion	\$13,653,345.00
87	Afghanistan ACEBA	AFGHANISTAN	CPFF Completion	\$105,722,822.00
88	Philippines Safe Water Activity	PHILIPPINES	CPFF Completion	\$18,440,127.00
89	Fiscal and Accounting System of Tunisia (FAST)	TUNISIA	CPFF Completion	\$18,906,410.00
90	FtF Uganda IAM	UGANDA	CPFF Completion	\$35,813,336.00
91	FtF Policy LINK	KENYA	Cooperative Agreement	\$77,500,000.00
92	Libya Local Governance and Civil Society (LGCS)	LIBYA	Cooperative Agreement	\$56,470,286.00
93	Scaling Up Nutrition Technical Assistance (SUNTA)	ZAMBIA	CPFF Completion	\$66,602,774.50
94	USAID Economic Resilience Activity (ERA)	UKRAINE	Cost Plus Award Fee	\$325,000,000.00
95	Afghanistan Value Chains Program	AFGHANISTAN	CPFF Completion	\$75,672,170.00
96	Honduras LG Activity	HONDURAS	CPFF Completion	\$65,582,412.00
97	Honduras JHRSS	HONDURAS	CPFF Completion	\$54,170,761.00


# Declaration of Harm - DAI - Zan Northrip

Final Audit Report

2025-02-11

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