UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

ALLIANCE FOR OPEN SOCIETY INTERNATIONAL, INC. et al.,

Plaintiffs,

DECLARATION OF SAM WORTHINGTON

-against-

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT et al.,

Γ	Defendants.	

I, SAM WORTHINGTON, hereby declare as follows:

- 1. I am the President and Chief Executive Officer of InterAction: The American Council for Voluntary International Action ("InterAction"). I have held that position since October 2006. I previously served as Chief Executive Officer of Plan USA, a global, 62-country, child-focused development organization.
- 2. I make this declaration in support of both Plaintiffs' motion seeking leave to amend the Complaint and InterAction's motion for a preliminary injunction.

InterAction

- 3. InterAction is a private, not-for-profit, membership organization incorporated in New York and enjoying tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. Its office is at 1400 16th St. NW, Washington, DC.
- 4. InterAction was founded in 1984 with the purpose of convening and coordinating U.S.-based, non-governmental organizations ("NGOs") that work in the fields of international development and humanitarian aid. InterAction's mission is to assist its members in improving their own practices and to advocate for policy issues that

affect its members and the millions of people they serve worldwide. With one hundred and seventy members, InterAction is the largest alliance of United States-based international development and humanitarian non-governmental organizations.

- 5. Interaction's members, all of which are not-for-profit, tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code, are headquartered in twenty-five states, including New York. InterAction member organizations are both faith-based and secular and operate in every country in the developing world. Member organizations foster economic and social development; promote public health; provide relief to those affected by disaster and war; assist refugees and internally displaced persons; advance human rights; support gender equality; protect the environment; address population concerns; and press for more equitable, just, and effective government policies.
- 6. InterAction realizes its mission by providing a forum for professional consultation, coordination, and concerted action. Committees and their working groups, composed of InterAction members, engage in dialogue and advocacy with government agencies such as Defendants United States Agency for International Development ("USAID") and Department of Health and Human Services ("HHS") to improve the effectiveness of U.S. foreign assistance and promote policy solutions to eradicate poverty and disease, including HIV/AIDS. InterAction has developed considerable expertise in working with public and private partners to further its members' global health initiatives and objectives.
- 7. InterAction's member organizations receive more than \$1 billion annually from the United States Government, primarily through Defendant USAID although they

also receive funds from Defendants United States Department of Health and Human Services ("HHS") and United States Centers for Disease Control and Prevention ("CDC") (collectively "HHS"). A portion of those funds is for programs authorized by the United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003 ("Global AIDS Act").

- 8. InterAction member organizations also receive more than \$7 billion in annual contributions from private individuals, foundations, and corporations. Some also receive funds from United Nations agencies, the World Bank, the European Community Humanitarian Office, and national governments, including those of the United Kingdom and France.
- 9. As a membership organization, InterAction provides a means through which members can collectively express concerns about U.S. policy. Sometimes, fear of retaliation by U.S. government agencies from which they receive funding prevents members from individually raising concerns about U.S. government policies. Through their membership in InterAction, member organizations can collectively express objections to government policies in anonymity, and thus without such fear.
- 10. Some of InterAction's members' programs expressly target sex workers or include sex workers within their general scope. Many of the programs targeting sex workers have proven track records in reducing HIV infection, providing treatment to those with the virus, and have led to significant advances in understanding the physical, cultural, and socioeconomic underpinnings of the AIDS epidemic.

The Global AIDS Act Restrictions

- 11. InterAction members carry out a number of programs funded by Defendants USAID and HHS that are encumbered by the anti-prostitution "policy requirement" in the United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003 ("Global AIDS Act"). The "policy requirement" provides, in pertinent part, that "no funds made available to carry out this Act . . . may be used to provide assistance to any group or organization that does not have a policy explicitly opposing prostitution and sex trafficking." 22 U.S.C. § 7631(f).
- 12. Until May 2005, USAID did not enforce the policy requirement against U.S.-based non-governmental grantees such as InterAction's member organizations. HHS also did not enforce the policy requirement against U.S.-based non-governmental grantees for at least some of the period between the enactment of the Global AIDS Act and May 2005.
- 13. Then, in June 2005, USAID applied the policy requirement to U.S. non-governmental organizations ("US NGOs") by issuing USAID Acquisition & Assistance Policy Directive 05-04 dated June 9, 2005 ("AAPD 05-04"). Neither in this policy directive, nor in any other written document, does USAID either define "explicitly opposing prostitution" or provide clear guidance on what privately funded activities are permissible and impermissible under the policy requirement.
- 14. Similarly, beginning on or about May 2005, HHS began applying the policy requirement to US NGOs. HHS has not defined the term "explicitly opposing prostitution" nor has it issued guidance to the public explaining which types of activities are permissible and impermissible under this restriction.

- 15. HHS and CDC have required all recipients of Global AIDS Act funding to "agree that HHS may, at any reasonable time, inspect the documents and materials maintained or prepared by the recipient in the usual course of its operations that relate to the organization's compliance [with the policy requirement]." See, e.g., "Expansion and Support of HIV/AIDS/STI/TB Information, Education, Communication and Behavioral Change Communication Activities in Ethiopia Amendment," 70 Fed. Reg. 29759, 29759-29760 (May 24, 2005).
- 16. InterAction initially appeared in this action through the filing of a brief amicus curiae on January 30, 2006. Given the as-applied and facial claims before the Court, InterAction believed at that time that amicus involvement in the case would be sufficient to further the interests of its members. However, after the Court's May 9, 2006 Decision and Order declaring the policy requirement unconstitutional as applied to Plaintiffs Alliance for Open Society International and Pathfinder International, Defendants persisted in enforcing the policy requirement against all other U.S.-based organizations, including InterAction's members. In the summer of 2006, InterAction therefore sought to protect the interests of its members by requesting to join this action and seek preliminary injunctive relief that would bar enforcement of the policy requirement against its members.
- 17. In the fall of 2006, at this Court's request, InterAction surveyed its members to determine how many desired relief from the policy requirement. Twenty members both received funding subject to the policy requirement and desired to receive that funding without being subject to the policy requirement. Fourteen of those twenty members wished to remain anonymous. Some members did not to respond to the survey

and/or seek relief in the context of this lawsuit for fear that their identities would be exposed and that they would face retaliation from the Defendants, upon whom they rely for substantial funding.

- 18. In June 2006, while this matter was before the U.S. Court of Appeals for the Second Circuit, counsel for the Defendants informed Plaintiffs for the first time that Defendants planned to issue guidelines that would permit Global AIDS Act recipients to use private funds to speak freely about HIV/AIDS and prostitution through legally and physically separate affiliates. The Defendants did not seek public comment. However, due to my grave concerns about the model they were contemplating a model of stringent legal, physical, and financial separation that had never been applied to U.S.-based international aid grantees I wrote to Defendants to urge them to consider less stringent requirements. *See* Letter to Henrietta H. Fore, Acting Administrator, USAID, from Sam Worthington dated July 5, 2007, attached hereto as Exhibit A. I did not receive any response from Defendants.
- 19. In July 2007, Defendants issued affiliate guidelines that purport to allow recipients of Global AIDS Act funding to use private funds free of the policy requirement through a legally, physically, and financially separate affiliate. *See* Acquisition and Assistance Policy Directive 05-04, Amendment 1 (July 23, 2007) (USAID Guidelines); Guidance Regarding Section 301(f) of the United States Leadership Against HIV/AIDS, Tuberculosis and Malaria Act of 2003, 72 Fed. Reg. 41,076 (July 26, 2007) (HHS Guidelines) (collectively "the Interim Guidelines").
- 20. The Interim Guidelines continue to require funding recipients to adopt a "policy explicitly opposing prostitution." They also require funding recipients to "have

objective integrity and independence from any affiliated organization that engages in activities inconsistent with a policy opposing prostitution and sex-trafficking ('restricted activities')." According to the guidelines, a recipient will satisfy this test if (1) the affiliate is legally separate; (2) the affiliate receives no Global AIDS Act funds; and (3) the affiliate is "physically and financially separate" from the recipient.. Defendants have reserved the right to determine "on a case by case basis" whether a funding recipient is sufficiently physically and financially separate from an affiliate that does not comply with the policy requirement. They list factors that apply to that determination but say that others may apply too. The factors they do list indicate that affiliates would have to have separate personnel, management, and governance; separate accounts, accounting records, and timekeeping records; and separate facilities, equipment and supplies. The guidelines say Defendants would also consider the extent to which signs distinguish the two entities, and the extent to which the Defendants are "protected from public association with the affiliated organization and its restricted activities in materials such as publications, conferences and press or public statements."

How the Policy Requirement And Guidelines Harm InterAction and its Members

21. The policy requirement continues to harm InterAction and its members in a number of ways, which the guidelines have only perpetuated.

a. Compelled Speech

22. First, the policy requirement forces international NGOs that generally prize their independence from government to become a mouthpiece for the U.S. government's position on a particular social issue. For these members, the adoption of a government-mandated, organization-wide policy on this or any issue violates dearly held

principles of independence that are fundamental to their operation as non-governmental organizations.

- 23. The guidelines do nothing to remedy this problem. Even if members were able to cordon off some privately funded activity to a legally, financially, and physically separate affiliate, as the guidelines contemplate, the NGO that receives Global AIDS Act funds would still be forced to adopt an organizational policy that would undermine its independence and force it to parrot the government's message as its own.
- 24. Moreover, due to separate rules that require USAID grantees to have substantial private funding, the grantee NGO would still possess some degree of private funds that would be subject to the policy requirement. U.S.-based private voluntary organizations must be registered with USAID in order to be eligible for USAID funding. See 22 C.F.R. § 203.1(a). In order to register as a private voluntary organization, an NGO must "solicit[] and receive[] cash contributions from the U.S. general public." id. § 203.3(b). Therefore, even if InterAction members were able to set up separate affiliates an unviable proposition for the reasons I explain below the policy requirement would always reach some portion of InterAction members' private funds.

b. Viewpoint Discrimination

25. Second, the policy requirement continues to force InterAction members who wish to remain neutral on the issue of prostitution to take a government-mandated position. Many members believe that prostitution causes serious health, psychological, and physical risks for women and work to address those risks and assist women in finding alternatives. However, they also believe that by forcing them to explicitly oppose prostitution, the policy requirement stigmatizes one of the very groups whose trust they

must earn to conduct effective HIV/AIDS prevention and forces them to approach those engaged in prostitution in what will be perceived as a judgmental manner.

- 26. Many members are aware that Defendants have construed the policy requirement as prohibiting advocacy for the elimination of criminal penalties against women engaged in prostitution. Given the variety of legal regimes relating to prostitution in the countries in which InterAction members operate, some members object to the mandatory adoption of a policy position that contradicts the policy of some of the countries in which they are operating.
- 27. The guidelines do not remedy this problem. An independent, non-profit member organization still must adopt a particular position in order to be eligible for Global AIDS Act funding and, as described above, even if some private funds were segregated to create an affiliate, the grantee organization would still possess private funds encumbered by the policy requirement.

c. The Guidelines Massively Burden Private Speech

- 28. The third way in which the policy requirement and guidelines harm
 InterAction and its members is that members engage in a significant amount of activity
 not funded by the U.S. government that could be barred by Defendants' overly broad
 construction of the policy requirement. The Defendants' ban on the use of the non-U.S.
 government funds possessed by InterAction members to do work that Defendants
 construe as being insufficiently opposed to prostitution restricts members from engaging
 in speech and HIV-prevention activities with their private funds.
- 29. Members have expressed concern about the policy requirement's impact on their commitments to private funders to do HIV/AIDS prevention work. For example,

the policy requirement has threatened the privately funded HIV/AIDS prevention work of InterAction member CARE with sex worker organizations and networks. In a letter dated July 15, 2005 to the Hon. Andrew Natsios, Representative Souder and 27 other members of Congress accused InterAction member CARE of violating the pledge requirement by promoting a "rights-based" approach to prostitution, which the signatories equate with advocacy for the legalization of prostitution and its cultural acceptance as a legitimate form of employment. In the same letter, the members of Congress also accused InterAction member International Center for Research on Women of holding a "proprostitution" stance. A copy of this letter is attached hereto as Exhibit B. In a subsequent letter dated December 7, 2005 to the Hon. Andrew Natsios, Rep. Souder again accused CARE of violating the policy requirement by providing funding to an Indian organization that he said advocates for the decriminalization of adult sex work. A copy of this letter is attached hereto as Exhibit C. As the accompanying Declaration of Helene Gayle. President and Chief Executive Officer of CARE, in support of this motion, attests, in June 2006, after the issuance of the Court's decision holding that the policy requirement was unconstitutional as applied to AOSI and Pathfinder, USAID officials made inquiries to CARE about its association with this organization, to which CARE provides private funding in connection with a tuberculosis prevention program.

30. Similarly, as the accompanying Declaration of Dan Pellegrom, President of InterAction member Pathfinder International, in support of this motion attests, if Pathfinder were not protected by the preliminary injunction in this case, it might have to censor discussions of its privately funded program that conducts HIV/AIDS prevention with sex workers in India as well as the speech of a privately funded Brazilian employee

who is slated to facilitate discussions at Brazil's upcoming National Consultation on Prostitution, HIV/AIDS and Human Rights.

- 31. The inability of InterAction members to speak freely about the lessons of their work undercuts several of InterAction's main purposes as a membership organization. Through an annual conference, frequent meetings, working groups, and publications, InterAction members share best practices and lessons learned from their humanitarian work. However, discussion about the relationship between HIV and prostitution as well as best practices for HIV prevention among sex workers cannot be held freely due to the policy requirement.
- 32. The guidelines do not fix this problem. Although the guidelines purport to create an opportunity for grantees to engage in forbidden speech through a legally, financially, and physically separate affiliate, they impose such massive burdens on the creation of the affiliate that it is not a viable option for our members.
- 33. Creating a legally separate affiliate in the international context is a far different proposition from creating one domestically. Most countries in which InterAction members operate have requirements that all NGOs register with the government in order to operate. An InterAction member that operates in twenty countries, who wished to speak freely through an affiliate, would have to navigate lengthy and cumbersome registration processes in each of those countries in order to create a functioning, legally separate entity. In almost all cases, local counsel would have to be hired in each country in which the member sought to register the affiliate, making the process quite costly.

- 34. It is far from certain that a member would even be able to obtain approval for an affiliate in multiple developing countries. InterAction members frequently report long delays and difficulties in registering in various developing countries. For example, it recently took InterAction member Mercy Corps ten months to register an entity in Jordan to provide urgently needed relief to Iraqi refugees. Another InterAction member, International Medical Corps, had its application for registration denied by the Jordanian Ministry of Social Development in November 2007.
- 35. If a member were somehow able to obtain permission to operate an affiliate in multiple countries, that affiliate would have a very hard time obtaining funding. If the new affiliate were to be government-funded, it would likely be barred from USAID funding opportunities until it had a record of achievement. See 22 U.S.C. § 2151u(a) (organization not eligible to receive funds until it has "demonstrated a capacity to undertake effective development activities."); 22 C.F.R. § 203.3(f)(4) (requiring entity to have been incorporated for at least 18 months in order to register as a private voluntary organization eligible for USAID funding). If the new affiliate were to be privately funded, it would be at a severe disadvantage competing with other organizations for non-U.S.-government funding because it would have no track record whatsoever.
- 33. Even if an InterAction member were able to jump these hurdles and register and fund an affiliate in multiple countries, the affiliate would be a completely separate entity from the InterAction member. The guidelines require that the affiliate be governed by a separate board and run by separate management. For non-profit organizations, as all of our members are, the board of directors generally controls and speaks for the organization. This principle is embodied in InterAction's Private

Voluntary Organization Standards, with which all InterAction members must certify compliance every two years. Those standards provide that a member's board must act as the organization's governing body, accepting responsibility for oversight of all aspects of the organization. Thus, an InterAction member organization will not be able to speak through a separate entity that has a separate board of directors.

- 36. The requirement of separate personnel also poses unique difficulties in the international setting. Most field offices our headed by "country representatives," who ideally have experience working in the region and in the NGO's programming areas. Very often, an NGO will need to hire the country representative and other senior staff with relevant expertise from outside the country in which the field office is based. To do so, an NGO will have to navigate local visa requirements. Often, visa applications cannot even be started until after an NGO has registered in a country. In many countries, the process requires an NGO to hire a local attorney and show that it could not find any country residents qualified for the position. The requirement to operate a separate affiliate would double the burdens of these laws on our members.
- 37. The requirement of separate bank accounts poses similar burdens. Many countries have rules that make it difficult to open a new bank account without specific government authorization and approval. Often, if an official from an NGO's headquarters wants to be a signatory to the account, he will have to travel in person to the bank. Opening a separate account for a new entity will thus entail its own lengthy process.
- 38. Finally, the requirement of separate physical facilities, equipment and supplies additionally burdens our members. In many developing countries where InterAction members operate, members must import computers, printers, networking

supplies and other office equipment. To do so for a second office would not only be expensive, but would also require NGOs to navigate cumbersome local customs laws for a second time. In addition, all of these requirements would divert funds that should be spent saving lives in the developing world into unnecessary, duplicate administrative costs.

- 39. All of these requirements run counter to our members' efforts to run foreign aid operations efficiently and with as little administrative overhead as possible. Members are often judged by their donors on the percentage of funds that go directly toward service. InterAction's itself, in its Private and Voluntary Organization Standards, which were designed to ensure and strengthen public confidence in the integrity, quality, and effectiveness of member organizations and their programs, requires members' combined fundraising and administration costs to be kept to the minimum necessary to meet the agency's needs. Allocations of expenditures to administration, fundraising, and program services shall reflect the organization's purposes and actual activities, the standards further provide. The requirement to squander funds on duplicate registrations, bank accounts, staff, offices, equipment and supplies solely in order to be able to speak freely on an issue of public policy flies in the face of this principle.
- 40. In addition, all of these requirements are likely to draw suspicion from local authorities who will not understand why an organization that already operates in a country now must do so through a legally separate entity, with separate personnel, with separate bank accounts, and out of separate offices.

Vagueness

- 41. The fourth way in which the policy requirement harms InterAction and its members is its unresolved vagueness. From the beginning of the policy requirement's implementation, members have been unsure of what activities and speech they may and may not engage in.
- 42. Members have reported a wide variety of responses by organizations and USAID officials to the policy requirement. Some members have reported that local USAID missions in countries in which they operate have demanded to see their policies opposing prostitution while others have reported that missions did not demand to see their policies. Some members have reported that, in the absence of guidance from the Defendants, primary recipients of U.S. government funds have inserted their own language into subcontracts about what constitutes compliance with the policy requirement.
- 43. After operating in this uncertain environment for more than two years, the humanitarian community had hoped that the guidelines would finally provide some clarity. But the guidelines have failed to answer the most basic questions about just what activities and speech are restricted.
- 44. In addition, while the guidelines require "physical[] and financial[] separation" of funding recipients from the affiliated organizations, they do not provide clear guidance regarding what will be considered physically and financially separate enough. For example, USAID states one factor it will examine is "[t]he extent to which USAID, the U.S. Government and the project name are protected from public association with the affiliated organization and its restricted activities in materials such as

publications, conferences and press or public statements." Yet USAID gives no indication of how it will assess "public association." Similarly, USAID states it will examine "[t]he extent to which signs and other forms of identification which distinguish the Recipient from the affiliated organization are present, and signs and materials that could be associated with the affiliated organization or restricted activities are absent."

Again, the guidelines give InterAction members no guidance on how much signage would be enough to satisfy this requirement.

- 45. Given the severe consequences for violating the policy requirement, in the absence of such guidance, members will have to ensure maximum separation to avoid any possibility of running afoul of the guidelines. Moreover, they will now have to secretinize very carefully their relationships with collaborating organizations and grantees to determine whether they are closely affiliated enough to raise questions about whether the other organization's views may be attributed to the member.
- 46. For all these reasons, the anti-prostitution policy requirement continues to irreparably harm InterAction and its members.
 - 47. I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 4, 2008 Washington, District of Columbia

SAM WORTHINGTON

Exhibit A



President and CEO Samuel A. Worthington

Chair Charles MacCormack, Save the Children

> Vice Chair Rib: Sharma Fox, Women's Edge

Treasurer Amy Coen, Population Action International

Board of Directors Harry A. Acessy, International Medical Corps Kenneth Bacon, Refugees International David Sections no. Bread for the World Carel Ballamy, World Learning Sekyu Chang, Korean American Sharing Hovement Julius Coles, Africane Helene D. Gayle, CARE USA Anne Lynam Goddard, Christian Children's Fund Lee H. Hamilton, Woodrow Wilson International Center for Scholars Mozi Kerry-Guyer, Mercy Corps Elizabeth Lathern, US Committee for UNDF Letel Leleulu, Counterpart International 30 Luck, Helier International John McCullough, Church World Service Stephen F. Moseley. Academy for Educational Development Daniel E. Pellegrom, Pathfinder International Linda Pfelffer, INNEO Robert Radike. Episcopal Relief and Development Yotanda C. Richardson, Sentry for Development and Population Activities George Rupp, International Rescue Committee Zainah Salbi, Women for Women International Ron Sconyers, Physicians for Proce Kathy Spahn, Helen Keller International Richard Steams, World Vision Tschaye Teferra, Ethiopian Community Development Council Sam Worthington (Ex-Officio)

> 1400 16th. St., NW Suite 210 Washington, DC 20036 PHONE: (202) 667-8227 FAX: (202) 667-8236 E-MAIL: is@interaction.org http://www.interaction.org

Henrietta H. Fore Acting Administrator, U.S. Agency for International Development Ronald Reagan Building Washington, D.C. 20523-1000

Mike Leavitt
Secretary, U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Administrator Fore and Secretary Leavitt:

I write regarding the ongoing implementation of the requirement that nongovernmental organizations adopt policies explicitly opposing prostitution in order to participate in the U.S. government's important program to combat HIV/AIDS internationally.

As the largest alliance of U.S.-based international development and humanitarian nongovernmental organizations, InterAction has long been concerned about the impact of this "policy requirement" on our members' ability to, provide HIV prevention and humanitarian services and to use private funds to speak freely about important policy matters.

InterAction welcomes the decision to permit PEPFAR recipients a channel through which to use non-government funds to speak freely about the relationship between prostitution and HIV/AIDS. However, we have grave concerns about the model for creating that channel that appears to be under consideration. It is our understanding that the agencies are considering issuing guidelines for the formation of affiliates that are modeled on those applicable to Legal Services Corporation grantees. Those requirements mandate that organizations set up legally and physically separate affiliates, with separate staff, in order to use non-government funds freely.

Aside from questions about whether such stringent separation requirements are necessary to meet the government's goals, InterAction has grave concerns about the extreme burden that such guidelines are likely to place on the operation of humanitarian organizations in the international arena.

First, such separation requirements would force development and humanitarian groups, who already stretch every dollar to its limit, to waste precious funds on duplicate offices and personnel around the world. This would be particularly challenging and expensive for organizations that operate in multiple countries. For example, an NGO operating in 25 countries would have to open 25 new, separate

¹ See Letter from Sean H. Lane, Asst. U.S. Attorney, to Hon. Catherine O'Hagan Wolfe, dated June 8, 2007, available at www.brgnnancenter.org/laneletter060807.



offices and hire 25 sets of new staff. This is simply not feasible. Moreover, the resulting waste will undermine our collective efforts, with government agencies, to leverage public-private partnerships to provide assistance to the broadest number of those in need.

Second, it is unrealistic to imagine that NGOs will be able to create affiliated, separate organizations in multiple developing countries when many of those governments are hostile to the presence of outside NGOs. In many countries, NGOs must obtain permission to operate or to open new offices. It is far from clear that new organizations, formed only for the purpose of meeting a complicated U.S. regulatory scheme, would even be able to obtain permission to operate under local law. And even if they could obtain such permission, the process could take years.

Third, InterAction is concerned about the impact of onerous separation requirements on our continued efforts to advocate, in partnership with the U.S. government, for the independence of NGOs around the world. Such rules run counter to our joint efforts to expound principles of NGO independence and freedom from onerous laws that impede the operation of NGOs. Indeed, InterAction members implement cooperative agreements with USAID to improve the technical, managerial and fundraising capabilities of local NGOs. In addition, InterAction is quite troubled by the potential precedent-setting nature of these types of separation requirements in the foreign aid context.

InterAction urges you and your colleagues to consider other, less onerous alternatives that would not require the creation of separate organizations and the opening of separate facilities with separate staff. I would welcome an opportunity to talk further with you about these concerns.

Sincerely.

Samuel A. Worthington President & CEO

le s.m

InterAction

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Interaction is a membership association of US private voluntary organizations engaged in international humanitarian efforts including relief, development, refugee assistance, environment, population, public policy, and global education.

Exhibit B



Congress of the United States

House of Representatives Washington, MC 20515

July 15, 2005

The Honorable Andrew Natsios Administrator United States Agency for International Development Ronald Reagan Building 1300 Pennsylvania Avenue, NW Washington D.C. 20523-1000

Dear Mr. Administrator:

As Members of Congress who advocate for the faith community, we write to express our deep concern about the way in which the United States Agency for International Development (USAID) is implementing the Communities Responding to the HIV/AIDS Epidemic (CORE). As a pillar of the Administration's faith-based outreach abroad, CORE is an innovative initiative that partners USAID with faith communities to address the HIV/AIDS epidemic.

CORE's operating consortium is composed of five groups including CARE USA, the World Council of Churches (WCC), the International Center for Research on Women (ICRW), the International HIV/AIDS Alliance (the Alliance), and the Johns Hopkins Bloomberg School of Public Health/Center for Communication Programs. We draw your attention to the first four organizations because their policies often run contrary to U.S. HIV/AIDS policy and frequently promote policies that are offensive to people of faith.

Most disconcerting is the consortium's primary contractor, CARE USA. The President of CARE, Peter Bell, has signed public attacks on the Administration's pro-life policies, calling them "undemocratic" and "unethical"—and this is only the beginning of CARE's opposition to American policy.

CARE's programs in India, most notably the Sonagachi Project in Calcutta, have promoted a pro-prostitution agenda. Samarjit Jana, CARE's Assistant Country Director in India, is one of the world's leading crusaders for the legalization of prostitution and for the *right* of HIV-infected prostitutes to have sex without a condom.²

¹ Peter Bell and ten other signers issued a press release on February 23, 2003 opposing the Administration's pro-life policy. This statement can be found at http://www.planetwire.org/details/1263.
² Samarjit Jana is a member of the Board of Directors of the Network of Sex Work Projects (NSWP), an advocacy

² Samarjit Jana is a member of the Board of Directors of the Network of Sex Work Projects (NSWP), an advocacy group for the legalization of prostitution. NSWP maintains a policy that one hundred-percent condom use by prostitutes is undesirable because it would forfeit the "human and civil right" against mandatory sexually transmitted infection testing. This and other NSWP policies can be found at http://www.nswp.org/safety/100percent.html.

In Lesotho, CARE used USAID funding to campaign for a so-called "rights-based" approach to prostitution—in other words, for the legalization of prostitution and its cultural acceptance as a legitimate form of employment.³ Despite the Administration's policy directive that all grantees of taxpayer monies for work overseas must pledge to oppose the legalization of prostitution, CARE continues to lead the CORE consortium.4

We are also concerned about the policies of ICRW, another CORE member. In 2001, ICRW held a conference to plan strategy for an agenda that included the legalization of prostitution. Its proprostitution stance is so radical that ICRW even objected to the late Senator Paul Wellstone's Trafficking Victims Protection Act (S.1842, 106th Congress) because "the legislation does not currently distinguish between forced prostitution and voluntary prostitution. Thus [ICRW argued] it may be used as a punitive measure against voluntary sex workers."5

ICRW also holds other policy views that most faith-based groups would find offensive. ICRW president Geeta Rao Gupta is a strong critic of abstinence programs, arguing that "the traditional norm of virginity for unmarried girls that exists in many societies, paradoxically, increases young women's risk of infection because it restricts their ability to ask for information about sex out of fear that they will be thought to be sexually active." Gupta also objects to the "stigmatizing [of] sex workers" because it "increase[es] their vulnerability to infection and violence."6

The Alliance is the third CORE consortium organization of concern. The Administration's own policy may prohibit this group from receiving government grants because of its veiled support for the legalization of prostitution. The Alliance appears to be at the vanguard of prostitution legalization efforts through its many activities. In one instance, it employs two highly placed associates of the Network of Sex Work Projects, an outspoken pro-prostitution advocacy group. In another instance, the Alliance purposefully organizes with pro-prostitution groups. Nonetheless. USAID is working with the Alliance to implement the Administration's HIV/AIDS policy among faith-based groups.

The fourth disturbing CORE consortium member is the WCC. With a reputation for more than half a century of unrelenting criticism of the United States, WCC consistently seeks to undermine American foreign policy.

³ CARE's USAID-funded "Sexual Health and Rights Project" (SHARP), which has described itself as having a "rights-based focus" and being concerned with stigma and discrimination against prostitutes. "Like Plastic That Blows In the Wind. Mobile Sex Workers in Southern Africa," Research for Sex Work, Volume 5, June 2002. Http://hcc.med.vu.nl,artikelen/robinson.htm

^{4 &}quot;As a condition of entering into the referenced agreement, the recipient agrees that it is opposed to the practices of prostitution and trafficking because of the psychological and physical risks they pose for women, men and children;" found in "Acquisition & Assistance Policy Directive 04-04," issued January 15, 2004; available at http://www.usaid.gov/business/business opportunities/cib/pdf/aapd04 04 original.pdf

[&]quot;Global AIDS Advocacy Consultation: Vulnerable Populations Brief," International Center for Research on Women, March 24, 2001; formerly available at http://www.ird-renew.org/atf/cf/{8548C466-7ECE-4AF1-B844-49C289CE5165}/Human Rights Report.pdf
6 "Gender, Sexuality, and HIV/AIDS: The What, the Why, and the How," presentation to the XIII International

AIDS Conference, Durban, South Africa, July 12, 2000, at 2, 4.

Cheryl Overs, founder of Network of Sex Work Projects (NSWP), and Paulo Longo are employed by the International HIV/AIDS Alliance and simultaneously maintain their links to the Network of Sex Work Projects. A clear example of the Alliance's pro-prostitution advocacy can be found at, http://archives.healthdev.net/sexwork/msg00203.html.

A study published in 2004 by the well-regarded Institute on Religion and Democracy surveyed WCC's public statements on human rights over the past several years. The report discovered that 21% of all WCC complaints about human rights were directed against the United States and 43% were directed against Israel, though WCC cited no human rights violations in China.8 Apparently, WCC believes that China is not culpable for any violation of human rights, while the Unites States and Israel account for two-thirds of the world's violations. This is a distortion of the meaning of "human rights."

Astonishingly, such propagandistic condemnation is not an isolated incident. WCC issued a statement which linked the tsunami in the Indian Ocean to the U.S. refusal to sign the Kyoto Protocol on Global Warming. After September 11, WCC General Secretary Konrad Raiser attacked the U.S. war against terrorism as "outside the rule of law," and claimed that our anti-terrorism efforts have led to the "harsh suppression" of the "people's struggles for social justice" because they appear as "potential manifestations of terrorism." Raiser also dismissed the tragedy of September 11, stating that it would "create a sense of solidarity in pain with those who had been exposed to the structural violence of a global economic system which serves the interests of a minority of rich people and countries."10

Last year, three of USAID's CORE consortium members (CARE, the International HIV/AIDS Alliance and the World Council of Churches) joined with eight other organizations to produce a so-called "Code of Good Practice for NGOs Responding to HIV/AIDS," which includes statements antithetical to American policy. The document states that, "In the context of individual behavior change, abstinence, fidelity and use of condoms all have a role to play in reducing HIV transmission. However, it is critical that abstinence and fidelity are not promoted as the preferred approach, with condoms as a last resort, thereby stigmatising [sic] condom use."11

The code also calls for "the full range of prevention options" to be available to injecting drug users "in a manner that is free of judgment," including "utilising [sic] non-injecting methods of drug use and effective use of sterile injecting equipment." The code states that "the illegality and stigma associated with injecting drug use invariably lead to discrimination against people who use drugs and create barriers to accessing services" and protests the "failure to protect the human rights of people who inject drugs," linking it to the "undermining [of] HIV prevention efforts." If the sponsors of this code seriously believe that legalizing drug use and making drugs and equipment available protecting the "human rights" of drug users—will prevent the spread of HIV, then we cannot understand why USAID would contract with these organizations.

⁸ Erik R. Nelson & Alan F.H. Wisdom, "Human Rights Advocacy in the Mainline Protestant Churches (2000-2003): A Critical Analysis," The Institute on Religion and Democracy, at 12.

Peter Kenny, "Christian Leaders Urge Politicians: After Tsunami, Heed Climate Change," Episcopal News Service, December 30, 2004.

10 Mark Tooley, "World Council of Churches Leaders Oppose War on Terrorism," Institute on Religion and

Democracy, March 8, 2002.

[&]quot;Renewing Our Voice: Code of Good Practice for NGOs Responding to HIV/AIDS," issued by ActionAid International, CARE USA, Global Health Council, Global Network of People Living with HIV/AIDS, Grupo Pela Vidda, Hong Kong AIDS Foundation, International Council of AIDS Service Organizations, International Federation of Red Cross and Red Crescent Societies, International Harm Reduction Association, International HIV/AIDS Alliance, World Council of Churches, December 2004, at 66.

¹² Ibid. For alternative non-injection methods to use heroin, see e.g., "H is for Heroin," The Harm Reduction Coalition, found at http://www.harmreduction.org/pubs/PUBSpdfs/heroin.pdf, at 5-8. ¹³ Ibid, at 35.

Furthermore, the code advances the legalization of prostitution, stating that "the stigma associated with sex work in many countries around the world creates significant barriers to sexual health and HIV prevention efforts among sex workers and their clients... Supporting sex workers, including through collective action, empowers them to negotiate transactions, and address the health and social contexts that increase their vulnerability to HIV infection." Apparently, the code considers the legalization of prostitution to be a way to improve HIV prevention efforts.

Such policy statements are clearly contrary to American foreign policy and offensive to a vast majority of religious adherents the world over—though they are made by contractors for the Administration's central faith-based response to the HIV/AIDS policy.

Any reasonable pre-award evaluation by USAID of its contractors should have confronted the records of CARE, ICRW, the Alliance and WCC. If such an evaluation failed to uncover the concerns we have enumerated above, we must question USAID's procedures for selecting its contractors. We would be most concerned, however, to learn that USAID had initiated its collaboration with these CORE consortium members with full knowledge of their policy positions.

U.S. government outreach to the range of faith-based communities delivered by anti-American, anti-abstinence, pro-prostitution and pro-drug use groups should not be allowed to undermine the work of the Administration. Organizations entrusted with taxpayers' money and charged with a mission to represent our nation to people abroad must themselves represent the values inherent in American foreign policy.

Thank you for considering these views, and for your work to ensure that people of faith may participate fully in the public square.

Sincerely,

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Sir Steven H

¹⁴ Ibig., at 34.

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Gil Gutknecht (MN)	John Shadegg (AZ)
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Dana Rohrabacher (CA)	Scott Garrett (NJ)
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Virginia Foxx (NC)	Steve King (IA)
Joe Pitts (PA)	Ted Poe (TX)
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John Hostettler (IN)
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Exhibit C

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BERNARD GANDERS, VERMONT, INDEPENDENT

December 7, 2005

The Honorable Andrew Natsios Administrator United States Agency for International Development Ronald Reagan Building 1300 Pennsylvania Avenue, NW Washington D.C. 20523-1000

Dear Mr. Administrator:

On July 27, 2005, Members of Congress received a letter from Peter Bell, the former president of CARE USA, responding to a July 15, 2005, letter I sent you about the CORE Initiative, a USAID project managed by a CARE-led consortium.

The primary reason for this letter is Mr. Bell's claim that "CARE does not advocate for the legalization or practice of prostitution in India or any other country." He denies the claim in our previous letter that CARE is involved with an organization entitled the Durbar Mahila Samanwaya Committee (DMSC), commonly referred to as "Durbar."

CARE's actual policy on prostitution and sex trafficking does in fact involve funding groups that advocate the legalization of prostitution. This is highly relevant to CARE's eligibility to receive certain USAID grants.

CARE must be held accountable for its extensive government funding: in fiscal year 2003, for instance, CARE received a total of \$393 million in government grants and therefore needs to be held accountable for such extensive government funding.

The Law

¹ It is necessary to mention that soon after our first letter was sent certain documented sources in both our initial and present letter, previously available on the internet, became unavailable via the internet. Thankfully, hard copies of these documents are in our possession and are still are available upon request.

Before inquiring into the particular policy of CARE and its relationship with DMSC, it is vital to review the law that governs this issue. Public Law 108-25, the Congressionally established condition for receiving grants from USAID, specifically states:

- (e) Limitation.-- No funds made available to carry out this Act, or any amendment made by this Act, may be used to promote or advocate the legalization or practice of prostitution or sex trafficking. Nothing in the preceding sentence shall be construed to preclude the provision to individuals of palliative care, treatment, or post-exposure pharmaceutical prophylaxis, and necessary pharmaceuticals and commodities, including test kits, condoms, and, when proven effective, microbicides.
- (f) Limitation.-- No funds made available to carry out this Act ("United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003"), or any amendment made by this Act, may be used to provide assistance to any group or organization that does not have a policy explicitly opposing prostitution and sex trafficking. (Amended in HR 2673-207 to exempt the Global Fund, WHO and the UN International AIDS Vaccine Initiative).

Moreover, National Security Presidential Directive/NSPD-22, interprets the enforceable policy created by this law:

Our policy is based on an abolitionist approach to trafficking in persons, and our efforts must involve a comprehensive attack on such trafficking, which is modern-day slavery. In this regard, the United States Government opposes prostitution and any related activities, including pimping, pandering, or maintaining brothels as contributing to the phenomenon of trafficking in persons. These activities are inherently harmful and dehumanizing. The United States Government position is that these activities should not be regulated as a legitimate form of work for any human being.²

P.L. 108-25, detailed above, requires that all organizations, in order to be eligible to receive USAID grants, must have an affirmative "policy explicitly opposing prostitution and sex trafficking."³

CARE's Non-compliance

While considering the following evidence, the crucial consideration is whether CARE's practices constitute a "policy explicitly opposing prostitution and sex trafficking."

² National Security Presidential Directive/NSPD-22, December 16, 2002.

³ CARE received a \$40 million grant for the current year under the Leadership Act, therefore P.L. 108-25 applies to this \$40 million of CARE's federal funding.

Durbar Mahila Samanwaya Committee (DMSC) officially lists CARE as one of its funding organizations.⁴ The objective and policy of DMSC as an organization in relation to prostitution is posted on their official website:

Durbar is explicit about its political objective of fighting for recognition of sex work as work and, of sex workers as workers and, for a secure social existence of sex workers and their children. Durbar (DMSC) demands the decriminalization of adult prostitution and seeks to reform laws that restrict human rights of sex workers, tend to criminalize them and limit their enfranchisement as full citizens.⁵

The DMSC website, dated 2004, states under its current "Funding organizations": "CARE-India - supports Community-based DOTS programme for Tuberculosis control in sex work sites." Therefore, CARE funds DMSC despite P.L. 108-25 becoming effective in 2003 and its being applied to all, domestic non-governmental organizations in 2005.

In other words, CARE, nor any other grantee, can entirely circumvent the antiprostitution and sex trafficking policy requirement by claiming that it merely funds organizations advocating the legalization of prostitution for the provision of medical care. If such circumvention of the law were allowed, both conditions dealing with prostitution and sex trafficking, provisions (e) and (f), would have no enforceable effect by allowing grantees to fund sub-grantees that advocate the legalization of prostitution.

This law requires CARE as a grantee to have a policy explicitly opposing prostitution and sex trafficking. Funding and working with DMSC, an organization that is explicitly "demanding the decriminalization of adult prostitution" is irreconcilable with CARE's obligations under P.L. 108-25, and clearly violates the policy of the U.S. government.

Further Evidence of Non-compliance

Before continuing, it is vital to reiterate that, despite this documented evidence, Mr. Bell claimed in his July 27, 2005, letter to Congress that "CARE does not advocate for the legalization or practice of prostitution in India or any other country." He disputes the evidence above, although it presents the fact that CARE financially supports and collaborates with DMSC.

Beyond receiving financial support from and having a working relationship with CARE, DMSC was also organized by Dr. Smarajit Jana, CARE's HIV/AIDS Program Coordinator and CARE's Assistant Country Director of India.⁶ Dr. Jana has an explicit

See Durbar Unstoppable Funding organizations, (2004) at http://www.durbar.org/beta/fund_org.html.

See http://www.durbar.org/.
 Subir Bhaumik, Sex Workers Demand Rights, BBC News, Calcutta India, Scpt. 17, 2005; see http://64.233.161.104/search?q=cache:ssl6KXqoFJcJ:news.bbc.co.uk/go/rss/-/2/hi/south_asia/4256412.stm+jaua+asia+pacific+network+of+scx+workers+&hl=de.

policy not to interfere in the sex industry and to promote its legalization and social acceptance.

CARE's Dr. Samarjit Jana wrote in 1999, "Prostitution was accepted as a valid profession and no attempt was made at discouraging sex workers to practice prostitution and or at rehabilitating them. This reassured other stakeholders in the sex trade that we outsiders were not going to disrupt their business... specific strategies of maneuvering were evolved and followed to win friends and neutralize enemies within the sex trade."

In addition, Dr. Jana, commenting on DMSC's Sonagachi Project, stated in 2004:

We have also demanded setting up of a self-regulatory board at the state and district levels. This should have a government appointed committee with sex workers on the board. The board should ensure that no one is forced to join the profession, that minor girls are kept out and sex workers and their clients maintain proper hygiene routine.⁸

Evidently, one of DMSC's goals is to create so-called "self-regulatory committees" representing the sex industry that, it claims, will keep children and trafficking victims out of prostitution.

DMSC insists that their "self-regulatory board" prevents child prostitution. However, Swapna Gyen, the Secretary of DMSC, in a June 4, 2004, made a clear, public admission that the CARE funded DMSC knowingly participates in minors illegally entering prostitution (it is illegal in India for minors to practice prostitution): "No new girl or those under age can enter the profession without passing through the self-regulatory board." She is referring specifically to minors passing through a DMSC "self regulatory committee" before illegally entering into prostitution.

Moreover, documented reports indicate that the DMSC's Sonagachi project was violently defending child prostitution. In January 2004 when the police commenced a raid to rescue a young girl who had been trafficked into a brothel, the local sex industry, led by the DMSC, blocked the police vehicle, dragged the police out of the car, and started throwing stones at them.¹⁰

A SWAT team had to be called in to rescue the police and the young girl resulting in the injury of six policemen. CARE's associates at the DMSC insisted the girl was a

Didericke Rhebergen, Didik Yudho, Esthi Susanti Hudiono and Julio R. Synaranamual, Creating an Enabling Environment: Lessons Learned from the Sonagachi Project, India, publication of the Joint United Nations Programme on the 2004 International AIDS Society, at 22-24.

Subrata's Bold Stance Earns Him A Fan Club, The Times of India, Cities: Calcutta, March 21, 2004, at Times News Network; see http://timesofindia.infdiatimes.com/articleshow/572530.cms.

Sujoy Dhar, Hope comes to Sonagachi, The Hindu Business Line, Nov/3/2005; see www.thehindubusinessline.com/ life/2004/06/04/stories/2004060400020100.htm.

Sex Workers Attack Cops on Rescue Mission, The Times of India, January 14, 2004 at Times News Network; see http://timesofindia.indiatimes.com/articleshow/msid-421572, prtpage-1.cms.

25 year old mother of two who was working as a prostitute voluntarily. 12 The police reported that the girl was only 14 and had been kidnapped and sold into prostitution by a neighbor. 13

The DMSC specifically states that its staff was involved in the melee with the police. In an e-mailed appeal for help, Swapna Gayen claimed that "a large number of our sex worker activists and staff of the intervention project suffered body blows and had to receive medical care."14 The DMSC protested what it claimed was "the callousness of the police about ... human rights" and claimed that the raid "infringes on ... (the) right to livelihood."15

CARE's continued funding and support of a project whose recent track record includes advocating the assault of policemen who are trying to block the rescue of a young girl from prostitution suggests a remarkable lack of common sense and good judgment.

In addition, CARE has been supporting a similar project in Bangladesh modeled after Sonagachi. CARE is a formal member of an umbrella group called Shonghoti. 16 Shonghoti is "an alliance of 62 organizations in Bangladesh," which CARE officially supports, that also campaigns vigorously against efforts to shut down brothels. 17

CARE supported Shonghoti seeks to protect the brothels in Bangladesh from being forcibly closed by law enforcement. In December 2003 the local authorities in Patuakhali city in southern Bangladesh tried to close a brothel in which 95-100 women were entrapped in prostitution along with their children. In response, Shonghoti and "Advocacy Alliance," in which CARE is also a documented member, fought against closure.

Shonghoti groups in Bangladesh argued that these women were "living with their children in that brothel without facing major problems." Meetings were organized in the CARE office in Dhaka on December 8, 2003, to discuss how "to protect the rights of sexworkers" and to take legal action against closing the brothel. 19

¹² Id.

¹³ Îd.

¹⁴ Sex Workers in Calcutta Again Face Police Attack, posted on the web by SANGRAM/VAMP; see http://www.vampnews.org/vol01no04/reality.html, Aug 4, 2005.

¹⁵ Id.

¹⁶ See www.walnet.org/csis/groups/nswp/tanzabar-990808.html.

¹⁸ An Advocacy Initiative to postpone unethical eviction of Brothel: Bangladesh Experience, a presentation to the International AIDS Conference Bangkok by CARE employees SI Ahmed, N. Hussein, US Jahan, and SJ Hossain, of the HIV Program, CARE Bangladesh. July 11-16, 2004; found at http://www.aegis.com/conferences/iac/2004/WePeC6231.html.

¹⁹ Patuakhali Brothel Sex Workers Under threat by fundamentalists, Shonghoti Message 1352 Dec. 8, 2003; see http://www.hivnet.ch/8000/asia/bangladesh/viewR%1352.

CARE is proud of its efforts to keep this brothel open, so much so that several CARE-representatives – S.I. Ahmed, N. Hussein, U.S. Jahan, and S. J. Hossain – wrote up their efforts and presented them at the International AIDS Society conference in Bangkok last year to praise their efforts to keep the brothel open.²⁰

Conclusion

This letter documents concrete examples that provide a basis for our inquiring whether CARE actually implements a policy, as required by P.L. 108-25, explicitly opposing prostitution. Consequently, based on P.L. 108-25, we request that USAID investigate CARE and either require CARE to change its practices or withdraw the funding granted to CARE under the "United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003."

USAID has a legal responsibility to investigate CARE's compliance with P.L. 108-25 for the funds it receives under the "United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003."

Furthermore, USAID should give specific consideration to barring CARE from participation in any U.S. government activity involving faith-based groups or projects that involve the care or protection of vulnerable children.

Information about CARE's involvement in these activities needs to be made part of USAID's review of CARE's contract and grant proposals, and any USAID office seeking to award any further funding to CARE should have to justify that decision and get it approved by the USAID Administrator or Deputy Administrator.

The law, as interpreted by the administration's policy, should guide USAID away from approving grantees that work with organizations that support prostitution: "the United States Government opposes prostitution and any related activities, including pimping, pandering, or maintaining brothels as contributing to the phenomenon of trafficking in persons."²¹

For USAID to continue to fund CARE as it exhibits what may be viewed as an apparent contempt for the laws of a host country (it is illegal in India for minors to enter prostitution) and contempt for US anti-trafficking and child protection laws would be a serious breach of USAID's duties to the President, Congress, and to the American people.

Thank you for considering these views, and for your work to ensure that prostitution, and the illegal sex trafficking that it supports, are not "regulated as a legitimate form of work for any human being" with American taxpayer funding.

Ahmed SI, Hussein n, Jahan US and Hossain SJ, An Advocacy initiative to postponed unethical eviction on Brothel: Bangladesh experience, 15th International AIDS Conference. Bangkok, Thailand, July 11-16, 2004 at www.aegis.com/conference/iac/2004/WePeC6231.html.

²¹ National Security Presidential Directive/NSPD-22, December 16, 2002.

Sincerely,

Mark E. Souder Chairman

Subcommittee on Criminal Justice, Drug Policy and Human Resources