

**HOUSE FOREIGN AFFAIRS SUBCOMMITTEE ON OVERSIGHT AND
ACCOUNTABILITY**

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**HCSB Chairman Roger Williams
Statement for the Record
“Assessing State Department Compliance with Oversight”**

The House Committee on Small Business (Committee) has been investigating the federal government’s censorship of American small businesses by proxy since the beginning of this Congress. Concerns arose following the release of the Twitter Files, when investigative journalists unearthed collusion between the federal government, social media companies, exorbitantly wealthy foundations, and so-called “non-partisan fact checking” organizations to censor Americans online. A lawsuit brought by the States of Missouri and Louisiana on this very issue was argued before the Supreme Court just this past Monday.

When it was reported that the U.S. Department of State (State), through its Global Engagement Center (GEC), funded the Global Disinformation Index (GDI), a company that creates blacklists of American media organizations and ranks them by GDI’s perceived “trustworthiness” and “risk,” the Committee on Small Business took action. The GDI labeled conservative-leaning companies as “riskiest” while bolstering left-leaning organizations, ironically including those who were guilty of spreading false narratives.

By labeling certain companies as “risky” and “untrustworthy” because of expressed political viewpoints the GDI labels is “misinformation” or “disinformation,” the GDI’s ranking system interferes with the ability of small businesses to earn revenue through viewership and advertising. This is reflected in the GDI’s mission statement, which is to “remove the financial incentive” to create “disinformation” by issuance of its “dynamic exclusion list” (a blacklist disguised by an eloquent name). Advertising platforms are pressured into ending relationships with companies GDI paints as “unreliable,” thereby demonetizing the disfavored companies and redirecting money and audiences to the media companies GDI deems worthy. GDI’s CEO herself stated that the dynamic exclusion list has “had significant impact on the advertising revenue that has gone to those sites.”

Two of the conservative-leaning businesses smeared by the government-funded GDI have joined the State of Texas in a lawsuit against State and the GEC to stop the government from interfering in the news-media market and attempting to render disfavored press outlets unprofitable. The complaint alleges that by funding the infrastructure, development, marketing, and promotion of censorship technology, the government is covertly suppressing the speech of a disfavored segment of the American press.

Other organizations funded by the GEC have been caught sending lists of accounts they label as purveyors of “disinformation” to social media companies in order to have them removed from online platforms. Thanks to independent journalism and Congressional investigations, we

now know American accounts were included in these lists. It is a violation of the GEC's Congressional mandate to act against Americans, and they cannot send taxpayer money to third parties to accomplish the censorship they are forbidden from doing. By funding these companies who brazenly claim to "fill the gap" of what the government cannot do themselves, the GEC is violating the First Amendment by proxy. The federal government cannot circumvent constitutional protections by using private actors to accomplish what the State itself is prohibited from doing.

Despite the recent claim by James Rubin, GEC's Special Envoy and Coordinator, that they "are not in the business of deciding what is true or not true", the third parties receiving GEC funds focus overwhelmingly on "right-wing misinformation" rather than misinformation across the political spectrum. False narratives spun by left-leaning organizations are wholly ignored. Despite what State claims, it is evident the Biden Administration considers itself the arbiter of truth.

The full extent of the GEC's censorship scheme remains unknown as the GEC has been uncooperative with investigations into where they are sending taxpayer money. This Committee's first letter to State was not answered for nearly six months. Even communications with State's legislative affairs team on production schedule remains limited—responses are incomplete, delayed, or ignored altogether.

The single document that was finally provided to the Committee in December was a fraction of what was requested. Only cooperative agreements were included in the spreadsheet, rather than all types of grants (the original request was for an "unredacted list of **all** GEC grant recipients and associated award numbers from FY 2019 – present"). Project grants should have been included in addition to the cooperative agreements. Over 20 GEC project grants since FY 2019 are publicly available on USAspending.gov. It is clear these exist and were purposely excluded from State's production.

Further, it appears from the numerical system used for each award that over 100 cooperative agreements were completely omitted. Award numbers in the document skip entire blocks of awards. Again, this omission was confirmed simply by checking on USAspending.gov. Even some of the information redacted in State's production is available online. State has purposely withheld information.

These omissions caused the Committee to request more information, including the identity of subawardees, to see where State's grant recipients were funneling taxpayer money. During an in-camera review of the information State redacted, in which Committee staff was not permitted to take notes, it was relayed that State may not even know the identity of some subawardees. This is extremely concerning. When combined with the Inspector General report that found the GEC lacked proper internal controls to ensure contractors did not perform "inherently governmental functions," the Committee was prompted to understand more about GEC's grant process. The Committee requested a briefing with a GEC grant officer and grant officer representative; this request also continues to be ignored despite the Committee's repeated attempts to schedule it.

In January, a memo was sent to members of the Committee to update them on this investigation. A copy of State's production was distributed with the memo, redacted further so as to be sensitive to the nature of the information. When copies of the redacted information later appeared in a news article, State wrote the Committee a letter threatening to only share information in-camera moving forward. This is unacceptable. Not only are members of the Committee entitled to this information, none of it was classified.

State's actions throughout the course of this investigation are clear attempts to interfere with Congress' Constitutional authority to investigate. Obstructing and undermining Congressional investigations harms Congress' ability to fulfill its Constitutional duty to legislate effectively. The Committee on Small Business has explicit authority to investigate all problems of small businesses—including when the government interferes with their ability to succeed online. The information requested is essential to that investigation and the Committee cannot draft adequately informed legislation without State's production of relevant documents.

This Committee will not be deterred by State's hedging, threats, or noncompliance. If State and the GEC continue to refuse to be forthcoming with the Committee's investigation we will consider the use of compulsory process. We hope it does not come to that and look forward to State's full and faithful cooperation moving forward.