

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

NATIONAL ENDOWMENT FOR
DEMOCRACY,

Plaintiff,

v.

UNITED STATES OF AMERICA, et al.,

Defendants.

No. 1:25-cv-648-DLF

JOINT STATUS REPORT

Plaintiff the National Endowment for Democracy (Endowment) and Defendants United States of America, et al. (Defendants) submit this joint status report, as required by this Court's Minute Order of March 11, 2025.

There have been two developments respecting the Endowment's funding since the parties filed their Joint Motion to Hold TRO Proceedings in Abeyance (Dkt. 14):

First, the State Department has obligated to the Endowment the approximately \$72 million that Congress appropriated for the Endowment in the second continuing resolution for FY2025.

Second, the Endowment has sought to drawdown approximately \$450,000 from its previously obligated funds. The Endowment submitted its drawdown request on the morning of Thursday, March 13 in the Payment Management Services (PMS) system. The Endowment has explained that, in its past experience, usually a payment requested before 1:00 p.m. is completed the following business day. *See* Decl. of Damon Wilson (Dkt. 5-2) ¶ 18. However, in this instance the Endowment did not receive its requested funds until this morning, on Friday, March 21. The Endowment received its funds only after the State Department asked the Endowment whether the

drawdown was for expenses incurred prior to January 24, 2025, in order to support a “waiver.” The Endowment does not understand why it would need a “waiver” to access its obligated funds, or why it would matter whether the drawdown was for expenses incurred prior to January 24.

Undersigned counsel for Defendants is investigating the above facts recounted by Plaintiff. Defendants’ counsel’s current understanding is that the time needed to approve the drawdown request was due in part to different offices within the State Department working through new guidance on payment processes, and the payment process is likely to move faster in the future now that the State Department has worked through this new guidance.

The parties request that the Court continue to hold TRO proceedings in abeyance. The parties do not believe there is a need to resume such proceedings at this time, considering the State Department’s action this week to obligate appropriated funds and approve the drawdown request, and DOJ’s representations regarding the likely timing of future payment processes.

In Plaintiff’s view, however, considering the extended delay that accompanied the Endowment’s most recent drawdown request and the new procedure that has been put in place, the Endowment remains uncertain whether it has ordinary-course drawdown access to the funds in its account, consistent with the Endowment’s view that the relevant statutes do not leave discretion for the Executive Branch to refuse to disburse obligated funds. *See, e.g.*, Dkt. 5-1 at 16. Continuing the abeyance will afford more time for the Endowment to determine whether there remains any interference with its congressionally appropriated funds.

Dated: March 21, 2025

Respectfully submitted,

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** admission pending*

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