



HIGHLIGHTS

Office of Inspector General
United States Department of State

AUD-GEER-25-18

What OIG Audited

From FY 2018 through FY 2023, the Department of State (Department) administered approximately \$51 million in implementing vehicles,* international agreements, and sanctions to support anti-corruption efforts in Hungary, Moldova, Poland, and Ukraine.

The Office of Inspector General (OIG) conducted this audit to determine whether the Department implemented and monitored anti-corruption assistance programs and activities in Central and Eastern European countries in accordance with federal and Department requirements. To perform the audit, OIG reviewed 38 implementing vehicles and 79 activities, valued at approximately \$48 million. OIG also reviewed 3 sanctions administered by the Department.

What OIG Recommends

OIG made five recommendations to improve internal controls related to developing, monitoring, and evaluating anti-corruption strategies and activities. Based on responses to a draft of this report, OIG considers three recommendations unresolved, one recommendation resolved, pending further action, and one recommendation closed. A synopsis of the Department's comments and OIG's reply follow each recommendation in the Audit Results section of this report. The Department's responses to a draft of this report are reprinted in their entirety in Appendices D through F. A summary of the Department's technical comments and OIG's replies are presented in Appendix G.

**For the purposes of this report, OIG uses the term "implementing vehicles" to include a variety of federal financial assistance award instruments, including grants, cooperative agreements, and voluntary contributions.*

June 2025

OFFICE OF AUDITS

GLOBAL EMERGENCIES AND EMERGING RISKS

Audit of the Department of State's Monitoring of Anti-Corruption Programs and Activities in Central and Eastern Europe

What OIG Found

OIG found weaknesses in the Department's tracking, monitoring and evaluation, and strategic planning of anti-corruption activities in Central and Eastern Europe. Despite the strategic priority placed on anti-corruption efforts, the Department had not taken steps to fully integrate its anti-corruption efforts.

Specifically, OIG determined that the Department did not have internal controls in place to systematically track and capture the entirety of anti-corruption programs and activities in Central and Eastern Europe and provide reliable and timely financial information on them. OIG also found that Department bureaus and overseas posts did not consistently monitor and evaluate anti-corruption implementing vehicles. In addition, OIG found that key bureaus' guidance and resources for project design did not conform with the Department's established best practices. Moreover, the Department lacked its own department-wide anti-corruption strategy, and its implementation plan met few requirements.

Without the ability to systematically and accurately track anti-corruption activities and federal financial assistance award instruments, including grants, cooperative agreements, and voluntary contributions, the Department was not in a position to effectively review and report on the progress of its anti-corruption efforts. Additionally, without effective monitoring and evaluation, the Department cannot have reasonable assurance that its implementing vehicles are administered in accordance with Department requirements and are achieving intended results. Finally, the Department would benefit from a Department-wide strategy that provides a common definition for corruption, clarifies anti-corruption roles and responsibilities, and frames the entirety of the Department's anti-corruption efforts.