



# (U) Management Assistance Report: Actions Needed To Meet Requirements for Establishing the Office of the Coordinator on Global Anti-Corruption

## (U) INTRODUCTION

(U) In December 2021, the White House published the *United States Strategy on Countering Corruption*,<sup>1</sup> which elevated anti-corruption efforts as a key national security and foreign policy priority. Following the release of this strategy, the Secretary of State announced the creation of the Office of the Coordinator on Global Anti-Corruption (CGAC).<sup>2</sup> The purpose of this Management Assistance Report is to communicate the need for the Bureau of International Narcotics and Law Enforcement Affairs (INL) Assistant Secretary and CGAC officials to comply with Department requirements to establish CGAC using Foreign Affairs Manual (FAM)-outlined processes and to codify CGAC in the FAM. The Office of Inspector General (OIG) identified the issues affecting CGAC's organizational placement, roles, responsibilities, and reporting lines during an ongoing audit involving Department of State (Department) anti-corruption programs and activities in Central and Eastern Europe (see Appendix A of this report for additional details).

## (U) BACKGROUND

### (U) OFFICE OF THE COORDINATOR ON GLOBAL ANTI-CORRUPTION

(SBU) In December 2021, the Secretary of State approved CGAC's establishment. The corresponding Secretary of State-approved action memorandum references the need to establish CGAC and describes some of its expected work.

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(b) (5)

As of October 2023, CGAC had 12 approved staff positions, 9 of which were filled.

(U) The Department established CGAC to build international anti-corruption capacity and expand multilateral anti-corruption cooperation.<sup>3</sup> As the focal point for all Department efforts to prevent and combat corruption, CGAC:

- (U) Leads senior engagement on anti-corruption issues within the U.S. government, including leading Department-wide implementation efforts for the *United States Strategy on Countering Corruption*.
- (U) Assists overseas posts to develop anti-corruption strategies.
- (U) Consolidates indicators and data provided from overseas posts for anti-corruption reporting requirements.
- (U) Reviews Department anti-corruption progress with the National Security Council.

(U) In addition, CGAC works with U.S. interagency partners and key stakeholders in foreign governments, international organizations, and nongovernmental organizations from civil society and the private sector to prevent and combat corruption.<sup>4</sup> According to the Department's website, CGAC integrates and elevates the anti-corruption fight across all aspects of U.S. diplomacy and foreign assistance.<sup>5</sup>

(U) Organizationally, CGAC is considered an extension of INL's front office but also has direct reporting responsibilities to senior Department leaders. This unusual organizational design places CGAC under the direction of INL's Assistant Secretary while maintaining direct communication four levels up to the Secretary of State. According to Department officials, placing CGAC under INL's administrative purview was convenient, providing

CGAC with immediate access to personnel and available funding. However, in choosing this placement, Department officials did not fully assess organizational structure changes as required or codify CGAC’s official roles and responsibilities in the FAM. According to CGAC officials, placement within INL has caused some confusion among internal and external stakeholders and partners. See Figure 1 for CGAC placement within the Department.

(U) **FIGURE 1: CGAC PLACEMENT WITHIN DEPARTMENT HIERARCHY**



(U) **Source:** OIG-generated from Department Organization Chart, August 2023 (<https://www.state.gov/department-of-state-organization-chart/>) and INL Front Office Staff Organization Chart, October 2023.

(U) THE FOREIGN AFFAIRS MANUAL

(U) The FAM is the authoritative source for the Department’s organizational structures, policies, and procedures that govern its operations.

(U) FOREIGN AFFAIRS MANUAL

(U) Together the FAM and the associated handbook—the Foreign Affairs Handbook—convey standardized information to Department personnel to carry out responsibilities in accordance with statutory, executive, and Department mandates. The FAM:

- (U) Outlines organizational responsibilities and authorities assigned to each of the Department’s major components.
- (U) Provides the Department’s basic organizational directive.
- (U) Cites legislation and executive orders, accompanied by charts when appropriate, relating to the Department’s responsibilities.

(U) **Source:** OIG-generated from 1 FAM 010, “Authority, Responsibility, and Organization.”

(U) RESULTS

(U) FINDING: ACTIONS NEEDED TO MEET REQUIREMENTS TO ESTABLISH CGAC

(U) CGAC was not established in accordance with FAM processes, nor does the FAM clearly identify CGAC roles and responsibilities as required. Without proper consideration and clarification of CGAC’s organizational placement, roles, and responsibilities, the office may face unnecessary bureaucratic impediments to achieving its mission as the U.S. government-wide anti-corruption implementation and integration leader. Moreover, until this condition is remedied, the Department may face heightened risks in effectively executing its functions under the *United States Strategy on Countering Corruption*.

(SBU) The FAM governs the Department’s organizational design and change process,<sup>6</sup> stating that organizational layering should be kept to a minimum when changes are made.<sup>7</sup> 1 FAM 014.6

guides the process for organizational changes, outlining requirements for consultation with and notice to pertinent Department entities, depending on the specific organizational changes enacted.<sup>8</sup>

(b) (5)

<sup>9</sup> (b) (5)

(U) Despite INL's commitment to engage in appropriate FAM processes, OIG found that INL did not do so. According to an email from INL officials, the bureau did not engage in any FAM-proscribed processes because bureau officials believed that 1 FAM Exhibit 014.6 requirements applied only to the establishment of "new" offices. INL officials stated that because CGAC was not considered "an independent office administratively, but rather an extension of INL's front office,"<sup>10</sup> they did not believe it was subject to 1 FAM Exhibit 014.6 requirements.

(SBU) INL officials did not provide further documentation to support their assessment that CGAC's establishment was not subject to 1 FAM Exhibit 014.6 requirements. However, the FAM states that this exhibit "is meant to facilitate the process for organizational **changes** of bureaus and/or offices in the Department. . . [emphasis added]."<sup>11</sup> Notwithstanding INL's undocumented assessment, 1 FAM Exhibit 014.6 establishes that its organizational control and clearance requirements apply to changes in organizational structure at the office level. (b) (5)

<sup>12</sup>

(U) More than 2 years after it was established, CGAC is an office with 12 approved positions, characteristic of an office as defined by 1 FAM 014.7.<sup>13</sup> Foregoing 1 FAM Exhibit 014.6 requirements may have contributed to some of the confusion that CGAC officials reported to OIG regarding its organizational placement. For example, CGAC officials stated that Department personnel have requested that CGAC clear information or documentation on INL's behalf, authorities that the office lacks. Furthermore, according to CGAC officials, partners and stakeholders have at times believed that they did not also need to invite INL personnel to meetings separately because CGAC personnel were already present.

(U) Beyond the requirements in the FAM, the Government Accountability Office's *Standards for Internal Control in the Federal Government* (Green Book) provides guiding principles for the U.S. federal government when creating organizations and directs that management consider not only how units interact to fulfill overall responsibilities, but also how reporting lines within an organizational structure work so that units can communicate necessary quality information.<sup>14</sup> Furthermore, the Green Book directs that management periodically review organizational controls for review of relevancy and effectiveness and states that when there is a significant change, management reviews occur in a timely manner.<sup>15</sup> As the Department lead for *United States Strategy on Countering Corruption* implementation, CGAC operates independently from INL, reporting on Department-wide anti-corruption efforts—some, but not all of which, are core INL activities—to the Secretary of State, as well as to external organizations such as Congress, the National Security Council, the United Nations, and civil society partners.

(U) OIG compared CGAC to other Department offices that have a similar global coordination role, such as the Office to Monitor and Combat

Trafficking in Persons (J/TIP). J/TIP is responsible for coordinating and leading the U.S. government's global engagement on human trafficking.<sup>16</sup> However, unlike CGAC, J/TIP reports directly to the Under Secretary for Civilian Security, Democracy, and Human Rights.<sup>17</sup> CGAC also reports to the Under Secretary, but as previously shown in Figure 1, it does so through INL's Assistant Secretary. Additionally, the U.S. Global AIDS Coordinator and Special Representative for Global Health Diplomacy (S/GAC) has a similar global coordination role. S/GAC oversees and directs all U.S. government resources and activities designed to fight AIDS, tuberculosis, and malaria.<sup>18</sup> S/GAC reports directly to the Secretary of State and although CGAC also reports directly to the Secretary of State, it does so through four additional organizational layers.

(U) In alignment with Green Book-established internal control requirements, and given its complex reporting relationships, CGAC would benefit from an assessment of its organizational placement through formal FAM processes.

### **(U) CGAC IS NOT IDENTIFIED IN THE FAM**

(U) OIG reviewed the FAM and found that it did not define CGAC's roles, responsibilities, and organizational placement. Had INL followed FAM processes when establishing CGAC as directed, its roles and responsibilities would have been codified because a "proposed mission and function statement for each affected organizational component (for inclusion in the 1 FAM)" is required to be submitted to the Under Secretary for Management, with a copy provided to the Director of the Office of Management Strategy and Solutions.<sup>19</sup>

(U) More than 2 years after its December 2021 creation, CGAC officials told OIG that the lack of authoritative documentation regarding the office's structure, reporting responsibilities, and policies has led to confusion and left CGAC vulnerable to unexpected shifts in Department priorities.

Examples of challenges from lacking documentation include confusion as to CGAC's authority or role in integrating and coordinating anti-corruption efforts between multiple bureaus and overseas posts and the possibility of organizational priorities and workflow shifting with changes in leadership. As previously noted, CGAC was not established in accordance with FAM processes, to include submitting the required mission and function statements establishing roles and responsibilities.

(U) Additionally, CGAC officials told OIG that the office's operations have been enabled by supportive individuals in relevant Department leadership positions, including the INL Assistant Secretary and the Under Secretary for Civilian Security, Democracy, and Human Rights, among others. However, CGAC officials also noted that leadership changes could jeopardize the office's mission, should new incumbents shift priorities and reduce support for CGAC's mission.

### **(U) CONCLUSION**

(U) The White House's December 2021 *United States Strategy on Countering Corruption* elevated anti-corruption efforts as a key national security and foreign policy priority. As the Department's strategic lead, CGAC is charged with integrating anti-corruption efforts across U.S. diplomacy and foreign assistance. Despite its important role in advancing a national security and foreign policy priority, the Department has not properly established CGAC or codified its roles and responsibilities as required. Without taking the steps to properly establish CGAC, the Department risks shortcomings in its efforts to achieve anti-corruption goals and objectives. As such, OIG is making three recommendations to comply with FAM processes, to clarify CGAC's organizational placement within the Department, and to codify its roles and responsibilities in the FAM.

## (U) RECOMMENDATIONS

**Recommendation 1:** (U) OIG recommends that the Under Secretary for Civilian Security, Democracy, and Human Rights, in coordination with the Assistant Secretary for the Bureau of International Narcotics and Law Enforcement Affairs and the Office of the Coordinator on Global Anti-Corruption (CGAC), assess CGAC's organizational placement in accordance with the Government Accountability Office's *Standards for Internal Control in the Federal Government*.

**(U) Management Response:** The Under Secretary for Civilian Security, Democracy, and Human Rights; INL; and CGAC concurred with the recommendation, stating that they will assess CGAC's organizational placement according to relevant Department and U.S. government standards.

**(U) OIG Reply:** On the basis of management's concurrence and planned actions, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that the Under Secretary for Civilian Security, Democracy, and Human Rights, in coordination with INL and CGAC, assessed CGAC's organizational placement in accordance with the Government Accountability Office's *Standards for Internal Control in the Federal Government*.

**Recommendation 2:** (U) OIG recommends that the Assistant Secretary for the Bureau of International Narcotics and Law Enforcement Affairs and the Office of the Coordinator on Global Anti-Corruption (CGAC), in coordination with the Under Secretary for Civilian Security, Democracy and Human Rights, take steps to establish CGAC in accordance with the December 2021 Secretary of State action memorandum and using appropriate Foreign Affairs Manual processes.

**(U) Management Response:** The Under Secretary for Civilian Security, Democracy, and Human Rights; INL; and CGAC concurred with the recommendation, stating that they will review the referenced action memorandum and relevant FAM regulations to determine next steps and ensure that CGAC's structure and placement is in accordance with all U.S. government and Department guidance.

**(U) OIG Reply:** On the basis of management's concurrence and planned actions, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that INL and CGAC, in coordination with the Under Secretary for Civilian Security, Democracy, and Human Rights, took steps to establish CGAC in accordance with the December 2021 Secretary of State action memorandum and using appropriate FAM processes.

**Recommendation 3:** (U) OIG recommends that the Office of the Coordinator on Global Anti-Corruption (CGAC) develop and submit a Foreign Affairs Manual entry that establishes the office's organizational structure in accordance with Recommendations 1 and 2 and formally codifies CGAC's roles, responsibilities, and reporting lines in its efforts to achieve national anti-corruption goals and objectives.

**(U) Management Response:** The Under Secretary for Civilian Security, Democracy, and Human Rights; INL; and CGAC concurred with the recommendation, stating that they have been working with the Bureau of Administration to update INL's FAM section to include CGAC. Management stated that the updates were going through the clearance process. Management also stated that it will update the FAM with any changes that result from the implementation of Recommendations 1 and 2.



**(U) OIG Reply:** On the basis of management's concurrence and planned actions, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that CGAC developed and submitted a FAM entry that

establishes the office's organizational structure in accordance with Recommendations 1 and 2 and formally codifies CGAC's roles, responsibilities, and reporting lines in its efforts to achieve national anti-corruption goals and objectives.



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(U) CONSOLIDATED MANAGEMENT RESPONSE



United States Department of State  
Washington, DC 20520

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May 29, 2024

**MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITS GAYLE VOSHELL, ACTING**

FROM: J – Uzra Zeya  
INL – Todd D. Robinson  
CGAC – Richard Nephew

SUBJECT: Management Assistance Report: Actions Needed to Meet Requirements for Establishing the Office of Coordinator on Global Anti-Corruption

The Office of the Under Secretary for Civilian Security, Democracy, and Human Rights (J), the Bureau of International Narcotics and Law Enforcement Affairs (INL), and the Office of the Coordinator on Global Anti-Corruption (CGAC) are providing an official response to the three recommendations in the subject report.

**Response to the OIG's Recommendations**

**Recommendation 1:** OIG recommends that the Under Secretary for Civilian Security, Democracy, and Human Rights, in coordination with the Assistant Secretary for the Bureau of International Narcotics and Law Enforcement Affairs and the Office of the Coordinator on Global Anti-Corruption (CGAC) assess CGAC's organizational placement in accordance with the Government Accountability Office's *Standards for Internal Control in the Federal Government*.

**Response:** J, INL, and CGAC concur with the recommendation. We will assess CGAC's organizational placement according to relevant Department

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and U.S. government standards, including the GAO document referenced above.

**Recommendation 2:** OIG recommends that the Assistant Secretary for the Bureau of International Narcotics and Law Enforcement Affairs and the Office of the Coordinator on Global Anti-Corruption (CGAC), in coordination with the Under Secretary for Civilian Security, Democracy and Human Rights, take steps to establish CGAC in accordance with the December 2021 Secretary of State action memorandum and using appropriate Foreign Affairs Manual processes.

**Response:** J, INL, and CGAC concur with the recommendation. We will review the referenced Action Memorandum and relevant FAM regulations to determine next steps and ensure that CGAC's structure and placement is in accordance with all Department and U.S. government guidance.

**Recommendation 3:** OIG recommends that the Office of the Coordinator on Global Anti-Corruption (CGAC) develop and submit a Foreign Affairs Manual entry that establishes the office's organizational structure in accordance with Recommendations 1 and 2 and formally codifies CGAC's roles, responsibilities, and reporting lines in its efforts to achieve national anti-corruption goals and objectives.

**Response:** J, INL, and CGAC concur with the recommendation. We have been working with A/GIS/DIR to update INL's 1 FAM 533 section to include CGAC. The updates are currently going through the clearance process. We will update the entry based on any changes that result from the implementation of Recommendations 1 and 2. the implementation of Recommendations 1 and 2.

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Approved:	J – Uzra Zeya	[UZ]
	INL – Todd D. Robinson	[TDR]
	CGAC – Richard Nephew	[RMN]
Drafted:	INL/EX/MCO – Laiza Reidenbach	
	CGAC – Brendan Boundy	
Cleared:	J – Jeffrey Reneau	ok
	J – Dana Castagna	ok
	INL/FO – PDAS Smith Wilson	ok
	INL/FO – DAS Ziman	ok
	CGAC – Danielle Angel	ok

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## (U) APPENDIX A

### (U) SCOPE AND METHODOLOGY

(U) The purpose of this Management Assistance Report is to communicate the need for the Under Secretary for Civilian Security, Democracy, and Human Rights, the Bureau of International Narcotics and Law Enforcement Affairs (INL) and Office of the Coordinator on Global Anti-Corruption (CGAC) to evaluate CGAC's organizational design; adhere to Foreign Affairs Manual (FAM) processes to establish CGAC; and clarify and publish CGAC's organizational placement, roles, responsibilities, and reporting lines in the FAM as required. The Office of Inspector General (OIG) identified these conditions during an audit, which is underway as of the date of this report, of Department of State (Department) anti-corruption programs and activities in Central and Eastern Europe. OIG is reporting the findings discussed in this Management Assistance Report in accordance with generally accepted government auditing standards. In performing work related to this report, from February to October 2023, OIG interviewed INL and CGAC officials, reviewed applicable criteria and supporting documentation, and conducted fieldwork at overseas posts at U.S. Missions in Hungary, Poland, Moldova, and Ukraine. OIG believes that the evidence obtained provides a reasonable basis for the conclusions presented in this report.

### (U) ABBREVIATIONS

CGAC	Coordinator on Global Anti-Corruption
D-MR	Deputy Secretary of State for Management and Resources
FAM	Foreign Affairs Manual
INL	Bureau of International Narcotics and Law Enforcement Affairs
J/TIP	Office to Monitor and Combat Trafficking in Persons
OIG	Office of Inspector General
S/GAC	U.S. Global AIDS Coordinator and Special Representative for Global Health Diplomacy

### (U) ACKNOWLEDGEMENTS

(U) OIG appreciates the Department's continuing commitment and cooperation with our office in support of our Ukraine response oversight efforts. OIG's David Bernet (Division Director), Rachel Kell (Division Director), Jessica Makowski (Auditor), Tegan Tonge (Auditor), and Trina Zwicker (Auditor) comprised the audit team.

(U) Visit OIG's Ukraine Response Oversight website, <https://www.stateoig.gov/ongoing-work-ukraine-response-oversight>, to follow our work or contact us at [publicaffairs@stateoig.gov](mailto:publicaffairs@stateoig.gov) for additional information.

### (U) END NOTES

<sup>1</sup> (U) White House, *United States Strategy on Countering Corruption: Pursuant to the National Security Study Memorandum on Establishing the Fight against Corruption as a Core United States National Security Interest*, December 2021.

<https://www.whitehouse.gov/wp-content/uploads/2021/12/United-States-Strategy-on-Countering-Corruption.pdf>.

<sup>2</sup> (U) Secretary of State Press Statement, "Elevating Anti-Corruption Leadership and Promoting Accountability for Corrupt Actors," December 9, 2021, <https://www.state.gov/elevating-anti-corruption-leadership-and-promoting-accountability-for-corrupt-actors/>.

<sup>3</sup> (U) Ibid.

<sup>4</sup> (U) Department, Office of the Coordinator on Global Anti-Corruption, <https://www.state.gov/bureaus-offices/under-secretary-for-civilian-security-democracy-and-human-rights/bureau-of-international-narcotics-and-law-enforcement-affairs/office-of-the-coordinator-on-global-anti-corruption/>.

<sup>5</sup> (U) Department, Anti-Corruption and Transparency, <https://www.state.gov/policy-issues/anti-corruption-and-transparency/>.

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<sup>6</sup> (U) 1 FAM 014, "Organizational Control, Policies, and Functional Statements."

<sup>7</sup> (U) 1 FAM 014.5 (a), "Organization Planning Principles."

<sup>8</sup> (U) 1 FAM 014.6 (b)-(d), "Organizational Control."

<sup>9</sup> (SBU) (b) (5)

<sup>10</sup> (U) INL, email to OIG, "DOS OIG Request for Information - CGAC Establishment and Role," January 25, 2024.

<sup>11</sup> (U) 1 FAM Exhibit 014.6, "Organizational Control Clearance/Approval Grid."

<sup>12</sup> (SBU) (b) (5)

<sup>13</sup> (U) 1 FAM 014.7 (d), "Organizational Policies and Criteria."

<sup>14</sup> (U) Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G, September 2014), Principles 3.01–3.05, "Organizational Structure," pages 27–28.

<sup>15</sup> (U) Ibid., Principle 12.05, "Implement Control Activities," pages 56–57.

<sup>16</sup> (U) 1 FAM 045.5-1, "J/TIP Management," and 1 FAM 045.5-2, "J/TIP Responsibilities."

<sup>17</sup> (U) 1 FAM 045.5-1.

<sup>18</sup> (U) 1 FAM 022.6, "U.S. Global AIDS Coordinator and Special Representative for Global Health Diplomacy (S/GAC)."

<sup>19</sup> (U) 1 FAM 014.6 (e)(3)(a) and 1 FAM 014.6 (e).