

**INTERNATIONAL MONETARY FUND**  
**Anti-Fraud and Anti-Corruption Policy**

**Overview**

The International Monetary Fund (“The Fund”) plays an important role in the global effort to combat fraud and corruption by supporting our member countries in strengthening their capacity and framework in these critical areas. The Fund’s ability to deliver on its mandate and to serve its member countries in an effective, evenhanded, and impartial manner depends on the integrity of Fund personnel, our partners, and their commitment to the highest standards of ethical conduct.

Fraudulent and corrupt practices undermine the financial integrity of the Fund, by depleting funds, assets, and other resources necessary to fulfill the Fund’s mandate, and can also seriously damage the Fund’s reputation and diminish trust in its ability to deliver results in an accountable and transparent manner. Furthermore, it may affect personnel effectiveness, motivation and morale, and impact the Fund’s ability to attract and retain a talented work force.

The Fund does not tolerate fraud and corruption involving Fund personnel, vendors and Third-Parties. All allegations of fraud, corruption, and other dishonest practices by any individual or entity involved in a contractual relationship with the Fund are vigorously pursued. The Office of Internal Investigations is mandated to receive, assess and investigate allegations of misconduct, including fraud and corruption.

This policy confirms the Fund’s commitment to integrity and ethical conduct, including in its activities and operations, and seeks to promote a culture of integrity within the institution and in partner relationships.

All Fund employees have an obligation not to engage in fraud, theft, corruption, collusion, coercion, obstruction, or conflicts of interest (together “Prohibited Activities”), which are considered serious misconduct. All Fund employees must report Prohibited Activities within the institution, or with contractual counterparties, to the Office of Internal Investigations, or anonymously through the Integrity Hotline. The Fund’s policies prohibit retaliation against employees who report misconduct, including Prohibited Activities.

## **TABLE OF CONTENTS**

This Policy is divided into the following sections:

1. Purpose
2. Scope and Application
3. Definitions and Examples
4. Policies and Procedures for the Prevention of Prohibited Activities
5. Responsibility
6. Reporting Prohibited Activities
7. Periodic Review and Updates
8. Administration
9. List of Resources

## **1. Purpose**

- 1.1 The objective of this policy is to establish the general principles, responsibilities, and procedures to be applied by the Fund in preventing and addressing fraudulent and corrupt practices in its activities and operations.<sup>1</sup>

## **2. Scope and Application**

- 2.1 The Fund does not tolerate any form of Fraud, Theft, Corruption, Collusion, Coercion, Obstruction, or Conflicts of Interest (“Prohibited Activities”), as it affects the Fund’s ability to carry out its mandate or results in the misuse of its assets and other resources. This means that all allegations of fraud, corruption, and other dishonest practices committed against the Fund by any individual or entity involved in a contractual relationship with the Fund will be vigorously pursued consistent with the Fund’s rules and policies. This extends not only to Fund personnel, but also to vendors and Third-Parties with whom the Fund collaborates in the achievement of its mission. Instances of suspected Prohibited Activities by Fund personnel are considered serious misconduct, and will be investigated and addressed in accordance with the Fund’s misconduct and disciplinary rules and procedures. Instances of Prohibited Activities by vendors/vendor personnel or other Third-Parties will be addressed in the context of the contractual relationship, which specifically addresses the Fund’s expectations with respect to Prohibited Activities.
- 2.2 This Policy (i) defines each Prohibited Activity; (ii) provides guidance on the Fund’s policies and procedures for the prevention of Prohibited Activities, (iii) addresses the framework and responsibility for preventing Prohibited Activities; (iv) outlines the procedures to address reporting and the investigation of suspected Prohibited Activities, and (v) identifies the disciplinary and recovery actions that may result from a finding of Prohibited Activities.
- 2.3 This Policy applies to all activities and operations of the Fund and to all Fund employees, including but not limited to: (i) staff; (ii) contractual employees; (iii) short- and long-term experts; (iv) local employees; (v) interns; and (vi) volunteers (collectively “Fund personnel”) and to all participants in a Fund Benefits Plan.<sup>2</sup>
- 2.4 This policy also sets out the Fund’s standards relating to Prohibited Activities involving vendors, suppliers, and their sub-contractors (“Third-Parties”), and outlines the standards to be applied when Fund personnel engage third-party providers of goods and services to the Fund.
- 2.5 Fund personnel unsure about their obligations under this policy should seek advice from the Ethics Advisor.

## **3. Definitions and Examples**

- 3.1 Prohibited Activities are defined as follows:

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<sup>1</sup> This Policy is a cumulative statement of the Fund’s anti-fraud and anti-corruption strategy and incorporates other relevant existing provisions set out in Fund regulations, rules, policies, and procedures.

<sup>2</sup> Participants in a Fund Benefits Plan refers to any enrollee in, or beneficiary under, any retirement or other benefit plan maintained by the Fund.

- 3.1.1 Fraud – Any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead a person or entity to obtain a financial or other benefit from the Fund, or to avoid an obligation for oneself or for a third party.
- Example of knowing fraud: A Fund employee provides false documents to support the payment of an Education Allowance (EDA) benefit for which they are ineligible.
  - Example of reckless fraud: Despite becoming no longer eligible for a benefit, a Fund employee fails to update their records resulting in the repeated payment of the allowance for which they are now ineligible.
- 3.1.2 Theft – The unauthorized taking of anything that belongs to another individual or entity.
- Example: A Fund employee (Person A) takes another Fund employee's wallet (Person B) from Person B's office and keeps it for themselves.
- 3.1.3 Corruption – The offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another person or entity, including bribes or facilitation payments.
- Example: A Fund employee on a Fund evaluation team accepts a "kickback" (an illegal payment or benefit) from a vendor, in exchange for steering the award of a contract to them.
- 3.1.4 Collusion – An arrangement between two or more individuals, designed to achieve an improper purpose, including influencing improperly the actions of another person or entity.
- Example: Several IMF employees collectively agree, following a mission to Country X, to submit inflated expense reports for their mission in order to obtain more money.
- 3.1.5 Coercion – The impairing or harming, or threatening to impair or harm, directly or indirectly, any person or entity, or the interests of the person or entity, in order to improperly influence their actions.
- Example: A member of an IMF recruitment panel (Person A) threatens their subordinate and fellow recruitment panel member (Person B) with a negative performance review if they do not recommend a particular candidate for selection.
- 3.1.6 Obstruction – Deliberately destroying, falsifying, altering or concealing of evidence, or making false statements in order to impede a preliminary inquiry or investigation into allegations of misconduct by OII; and/or threatening, harassing or intimidating any person to prevent them from disclosing their knowledge of matters relevant to the OII investigation or from pursuing the OII investigation, and/or acts intended to impede the exercise of the Fund's contractual rights of audit or access to information.
- Example: As part of a fraud investigation, the Office of Internal Investigations (OII), requests that two Fund personnel attend interviews and produce expense claim

records. The Fund personnel refuse to attend the interviews and destroy their copies of their expense claims.

3.1.7 Conflict of Interest – A failure to avoid, to fully disclose, or to mitigate a conflict of interest may also amount to or result in a prohibited activity. A conflict of interest refers to an individual's personal or outside interests interfering, or appearing to interfere with the performance of their official duties and responsibilities, or with the integrity, independence and impartiality required by their role. Staff Members who become aware that they may have an actual or apparent conflict of interest shall disclose it to the Ethics Advisor, and follow the Ethics Advisor's advice on how to resolve or mitigate it.

- Example: A Fund employee organizes a Fund mission and arranges for the mission to stay at a hotel owned by the employee's family member and does not disclose this to the Fund.

The examples of Prohibited Activities listed above are not exhaustive.

#### **4. Policies and Procedures for Preventing and Addressing of Prohibited Activities**

- 4.1 All Fund personnel must promptly report all good faith allegations that a Prohibited Activity may have occurred to OII.
- 4.2 Fund personnel must also cooperate in any preliminary inquiry and/or investigation carried out by OII. Fund personnel can be assured that cooperation is on a strictly confidential basis.

##### Responsibilities of Fund Personnel

- 4.3 Fund Personnel must act with honesty and integrity and must not engage or attempt to engage in any Prohibited Activities.
- 4.4 Prohibited Activities by Fund personnel constitute misconduct and may be subject to disciplinary measures which include actions ranging from written warnings to the termination of employment with a bar on rehire, in accordance with their terms of employment. The Fund may also take necessary measures or actions to recover any losses sustained by the Fund because of any such Prohibited Activities.
- 4.5 Prohibited Activities committed by Fund Personnel outside of their Fund duties or work may constitute misconduct under the policies governing behavior in a private capacity and may be grounds for disciplinary action.
- 4.6 In performing their functions, Fund Personnel must monitor for, and take proactive measures to guard against, the risks of Prohibited Activities.
- 4.7 To properly mitigate the risk of Prohibited Activities, all Fund personnel should seek advice on their ethical obligations from the Ethics Advisor if they are unsure of their obligations.
- 4.8 Fund Personnel are required to complete all mandatory training programs relating to prevention of Prohibited Activities.

- 4.9 Fund personnel will be required, as part of the Annual Ethical Conduct and Core Values Certification, to confirm that they have read, and are in compliance with, this policy.

#### Responsibilities of Fund Personnel with Heightened Responsibilities

- 4.10 Managers and supervisors, and Fund personnel involved in recruitment and procurement activities, are subject to heightened responsibilities under this policy. To set the tone from the top, managers and supervisors, and Fund personnel involved in recruitment and procurement activities must act with honesty and integrity, promote awareness of this policy, and take proactive steps to prevent and identify potential Prohibited Activities. Specifically, in addition to the obligations for all Fund personnel, they should:
- Supervise the performance, methods, and output of personnel under their charge to ensure they are conducting themselves in a way that meets the highest ethical and professional standards; and
  - Seek guidance from the Ethics Advisor when necessary to address any questions or concerns over Prohibited Activities or how to address them. Managers and supervisors may also request training and outreach from the Ethics Advisor on this policy for their teams.
- 4.11 Fund Personnel with vendor management and procurement responsibilities are also responsible for ensuring that the contractual documents with Third-Parties appropriately incorporate the obligations under this policy, including the obligations set out in the supplier code of conduct.
- 4.12 All Fund Departments and Offices shall be responsible for implementing appropriate internal controls that aim to prevent and address Prohibited Activities, including the proper separation of duties, systems access controls, multi-layered approval requirements, monitoring, and any other accountability measures consistent with industry risk mitigation standards. All Fund Departments and Offices are responsible for identifying and mitigating risks of fraud and corruption within their respective activities consistent with their responsibility as the “First Line”<sup>3</sup> business process owners to design and execute controls to adequately manage such risks. Without prejudice to the obligation to report suspected misconduct to OII, Departments and offices are also responsible for reporting in a timely fashion identified instances of Prohibited Activities, as part of the institutional risk event reporting framework established by ORM.

#### Responsibilities of Third-Parties

- 4.13 Third-Parties, their employees, personnel, and agents, are required to interact honestly and with integrity in performing their obligations to the Fund. In their dealings with the Fund, Third-Parties must abide by the highest ethical, legal, and moral standards. Third-Parties must not engage or attempt to engage in Prohibited Activities.<sup>4</sup> Engaging in Prohibited Activities, whether involving the Fund or not, may be grounds for termination or suspension of the Third-Party’s relationship

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<sup>3</sup> The Fund’s risk management framework is anchored in the “Three Lines Model”. The first line (Fund Departments and Offices) owns the risk, and the design and execution of the organization’s controls to respond to those risks. The second line (ORM) monitors and reports on significant enterprise risks; the third line (OIA) provides independent assurance to Management and the Board on governance, risk management, and internal controls.

<sup>4</sup> To enforce these obligations, appropriate provisions regarding prohibited activities are to be included in all agreements with third parties, as reflected in updated Fund contracting templates.

with the Fund and disqualification from further engagements with the Fund. A Third-Party engaging in Prohibited Activities may also lead to actions to recover any losses sustained by the Fund. The responsibilities of Third Parties are set out in the Fund Supplier Code of Conduct available at [IMF Supplier Code of Conduct](#).

## 5. Reporting Prohibited Activities

Any person may report suspected Prohibited Activities on an anonymous or confidential basis through the confidential “IMF Integrity Hotline”. The Hotline is managed by an external provider, whose personnel have specialized training and experience in handling misconduct allegations, and who can receive reports in multiple languages. Individuals seeking to report suspected Prohibited Activities to the Hotline may do so using one of the following:

- Telephone. A toll-free number, **1-800-548-5384**, is available within North America on a 24/7 basis for calls relating to suspected Prohibited Activities.
- Online at [www.IMF.org/integrityhotlinereporting](http://www.IMF.org/integrityhotlinereporting). Direct links to the hotline are also permanently accessible on the Fund’s intranet and external website.

As an alternative, the Office of Internal Investigations (OII) may also be contacted through the following means:

- E-mail to [investigations@imf.org](mailto:investigations@imf.org) or
- Letter.<sup>5</sup>

### Confidentiality

Report of allegations of Prohibited Activities and the Investigations undertaken by OII are strictly confidential. Information will only be disclosed to those staff members who have a strict need to know. Investigation reports are strictly confidential and comprise internal Fund documents.

## 6. Protection Against Retaliation

- 6.1 Fund Personnel who report allegations of misconduct through an established reporting mechanism, including allegations of Prohibited Activities, or who cooperate in an investigation into such allegations, are protected from retaliation in accordance with the Fund’s Retaliation Policy. Fund Personnel who are subject to or cooperate with an investigation may also seek confidential support from the Office of the Ombudsperson.

## 7. Referral to National Authorities

- 7.1 Management may, in its discretion, refer allegations of Prohibited Activities to the appropriate authorities of a member country.

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<sup>5</sup> Office of Internal Investigations, International Monetary Fund, 1900 Pennsylvania Avenue NW, Room No. HQ2-3A-312, Washington, DC 20431

## **8. Periodic Review and Updates**

- 8.1 This policy, and the measures taken to implement it, will be reviewed periodically, and updated as deemed necessary in the interests of the Fund.

## **9. Administration**

- 9.1 The Director of the Human Resources Department (HRD) shall be responsible for the administration of this policy as it pertains to Fund personnel. HRD shall be requested to keep this policy under review.
- 9.2 The Corporate Services and Facilities Department (CSF), under the supervision of the Director of CSF, shall be responsible for the administration of this policy as it pertains to Third-Parties.
- 9.3 The Office of Internal Investigations (OII) shall be responsible for receiving reports of allegations of Prohibited Activities and is the sole office mandated with conducting preliminary inquiries and investigations into such allegations.
- 9.4 The Ethics Office (ETO) shall be responsible for providing advice and guidance to staff on the meaning of their obligations under this policy. The Ethics Office shall develop and undertake outreach and training relating to prevention of Prohibited Activities and to ensure awareness of this policy, including through the Code of Conduct and Core Values Certification. The Ethics Office shall be requested to make recommendations to HRD for areas of improvement.
- 9.5 The Finance Department (FIN) under the supervision of the Director of FIN shall be responsible for taking reasonable steps to recover amounts due under this policy, in collaboration with OII, as applicable.

## **10. List of resources**

- 10.1 The following links to relevant policies are for reference purposes:

- [Staff Handbook](#);
- [Standards of Conduct](#);
- [Code of Conduct](#);
- [Retaliation Policy](#);
- [Supplier Code of Conduct](#);
- [Procurement Policy](#);
- [Procurement Procedures](#); and
- [Third-Party Risk Management Policy](#).