



FY2025

Ethics and Compliance Annual Report



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Foreword

Thank you for taking time to read the Ethics and Compliance Unit's 2025 Annual Report. This report summarizes the work of our team on investigations, training and communications, and fraud risk mitigation, among other topics. The results we have achieved in Fiscal Year 2025 (FY25) are due not only to our efforts, but to the efforts of many within the IRC, from senior leadership to staff globally. These results reflect the bravery of our clients, colleagues, and many third parties to raise concerns and engage on matters of importance.

This year, the IRC, like many humanitarian organizations, experienced major funding losses, program changes, and loss of staff. The organization worked tirelessly to minimize the impact on our clients. I witnessed colleagues make tough decisions with compassion and resolve. Colleagues who lost jobs, including four colleagues in ECU, showed grace and professionalism. Nonetheless, the IRC forged a new path forward.

In times of change, while some show their best selves, others try to take advantage of the situation for personal gain. I applaud the staff and others who reported concerns about wrongdoing, and hope that our response to those allegations has reinforced one of our core values, accountability. I hope that all our work – investigations, training and communications, fraud prevention and compliance risk management overall – has helped to uphold that value as well as our other values – service, equality, and, above all, integrity.

Sincerely,



A handwritten signature in blue ink that reads "Katrina Campbell".

Katrina Campbell
Chief Ethics and Compliance Officer

About the Ethics and Compliance Unit

The International Rescue Committee's Ethics and Compliance Unit (ECU) works collaboratively with all IRC leaders, staff, donors, clients and other third parties to promote and implement a global ethics and compliance program for the IRC.

The ECU's mandate is to help ensure that the IRC and its partners prioritize maintaining, promoting and implementing an ethics and compliance program. We do this by focusing on the prevention, detection, investigation, and deterrence of potential violations of:

- ▶ *The IRC Way: Our Standards of Professional Conduct (The IRC Way)*;
- ▶ Applicable laws or regulations; and
- ▶ Material failures to meet obligations under contracts, grants, or agreements.

The ECU directly supports the IRC's ability to serve its clients and to meet donor requirements, as trusted stewards of their resources.

ECU works to:

- ▶ Ensure IRC integrates a culture of ethics, integrity, and compliance into its business practices at all levels of the IRC, in accordance with *The IRC Way*, our values, policies, national laws and regulations
- ▶ Provide advice and subject matter expertise on ethics and compliance issues
- ▶ Promote *The IRC Way* and educate staff on *The IRC Way* and related policies
- ▶ Support compliance risk management through leadership of the Compliance Working Group
- ▶ Embed fraud and corruption prevention activities and strategies throughout the IRC
- ▶ Develop and implement training and communications to raise awareness on integrity issues, prevent potential misconduct, and share lessons learned throughout the IRC
- ▶ Manage IRC's reporting hotline and investigate potential violations of *The IRC Way* and policies, laws or regulations, and material failures to meet obligations under agreements
- ▶ Work with IRC leaders and offices to ensure corrective actions are undertaken in response to investigation findings

Led by the Chief Ethics and Compliance Officer (CECO), the ECU functions as an independent unit. The CECO reports functionally to the General Counsel and is accountable to the IRC President and the Chair of the IRC's U.S. Audit Committee.





4
updated policies
and guidelines issued



634
total reports received
(allegations and inquiries)



1,086
people
attended ECU awareness
raising sessions



43%
of allegations
investigated were substantiated



10%
improvement in high-priority
investigation closure times



22%
of investigations
were related to IRC partners

Ethics and Compliance Program Activities

Fraud Prevention

The IRC's anti-fraud and corruption program focuses on prevention, detection, remediation, and risk management. ECU works with staff across the IRC, engaging on targeted initiatives as well as providing regular advice and guidance. In FY25, ECU led and cooperated with partners on multiple projects, some of which are summarized below.

ECU's new Director of Anti-Fraud and Corruption continued the ongoing work of improving IRC's global anti-fraud and corruption program. The Director provides practical leadership on fraud prevention efforts and supports deep collaboration across departments to ensure consistent implementation of anti-fraud and anti-corruption practices across the IRC.

In FY25, ECU collaborated with the Finance Department to provide technical guidance to strengthen fraud and corruption risk management in the Resettlement, Asylum and Integration (RAI) cash assistance program. Efforts focused on enhancing risk identification and control measures to safeguard cash delivery mechanisms and ensure accountability in beneficiary targeting and fund distribution.

ECU continued to lead the community of practice for Crisis Response, Recovery and Development (CRRD) country program-based Compliance Coordinators. The group shared best practices, lessons learned, and innovative approaches to risk mitigation and anti-fraud and corruption prevention, promoting a stronger culture of accountability across the organization.

Additionally, ECU initiated the development of tailored tools to support systematic anti-fraud and internal controls risk assessments in the IRC. These tools will enable teams to proactively identify, evaluate, and mitigate potential risks within programmatic and operational contexts.

Policies, Advice, and Guidance

ECU made headway on launching and updating relevant policies and procedures throughout FY25. This included the launch of an updated **Conflicts of Interest Policy** and a communications campaign to educate staff about how to identify, disclose and address conflicts of interest. Conflicts of interest primarily involve activities or interests that are in the interest of the staff member, but which may conflict with the interests of the IRC. The campaign included an intranet blog post, video, and establishment of a conflictofinterest@rescue.org inbox where advice can be requested and decisions documented.

As part of this campaign, ECU advised staff and management about potential conflicts of interest including those related to, for example, receipt of honoraria, serving on advisory boards and programmatic decisions. ECU also assisted in updating the conflict-of-interest attestations which are completed annually by Global Supply Chain staff.

Additionally, in FY25, ECU issued a **Global Reporting Policy**, which replaced its Global Reporting Guidelines. The Policy explains the duty of all IRC Persons to report suspected wrongdoing and provides detailed information about reporting various types of wrongdoing. A special section is devoted to reporting safeguarding harm, given the importance of taking a victim/survivor-centered approach to such reports and investigations.

ECU also updated its **Investigation Guidelines**, which summarize ECU's investigations process. They are available internally to all IRC Persons and aim to ensure transparency in how ECU conducts investigations.

Lastly, ECU collaborated with staff throughout IRC to update and translate ***The IRC Way: Our Standards of Professional Conduct***. The document, which serves as IRC's code of conduct, was published in 18 languages in Q1 FY26. It reaffirms our core values, restates our commitment to our mission, and gives updated examples and scenarios to highlight important ethics and compliance issues.

Learning and Communications

An integral part of ECU's work is developing and delivering training and communications to staff, as it is important to socialize key policies and ethics and compliance related information. Each year, ECU is responsible for developing and disseminating annual IRC Way code of conduct training. Given the unique challenges IRC, and the entire humanitarian sector, experienced throughout FY25, ECU decided to pause annual IRC Way code of conduct training and use that time to reconceptualize the training for future fiscal years. However, in FY25, all *new* IRC staff received code of conduct training as part of onboarding. In addition, the previous year's training remained available online to any staff who needed a refresher.

ECU also conducted 32 awareness raising sessions for 1,086 IRC staff, consultants and partners. Topics included ethics and compliance, safeguarding, and how to report wrongdoing.

Investigations

The ECU serves as the central point for receiving and managing all reports of alleged misconduct other than those involving staff-to-staff misconduct. This includes serious ethics and policy breaches by internal and external parties. It investigates violations of *The IRC Way* and related IRC policies, with particular attention to matters deemed "significant." These include allegations regarding any of the following:

- ▶ Abuse, exploitation, or harassment of clients or third parties affiliated with IRC, including sexual exploitation, abuse and harassment (SEAH);
- ▶ Threats to fiscal integrity such as fraud, corruption, bribery and collusion;
- ▶ Conflicts of interest;
- ▶ Commission of a crime by the IRC, its staff, consultants, contractors, representatives or contractual partners;
- ▶ Egregious, repeated, willful, or material regulatory violations; or
- ▶ Any situation that is likely to significantly harm the IRC's reputation.

The ECU's authority to investigate extends beyond IRC staff to include partners, contractors, vendors, consultants, and any individuals or entities with whom IRC engages, contracts, or does business. The ECU is empowered to examine allegations across IRC operations.

The ECU works in partnership with the Global Employee Relations Unit (GER) in the People and Culture Department (P&C). GER oversees investigations of employee relations matters, including safeguarding allegations that involve only staff (thus, GER-led investigations are not included in this report).

Whenever possible, ECU also partners with Compliance Coordinators in CRRD country programs to investigate lower-value fiscal integrity allegations and economic exploitation safeguarding allegations within

their countries; those investigations are included in the information provided in this report. Compliance Coordinators play an important role in ensuring investigations are conducted efficiently and with knowledge of local standards, practices, and culture.

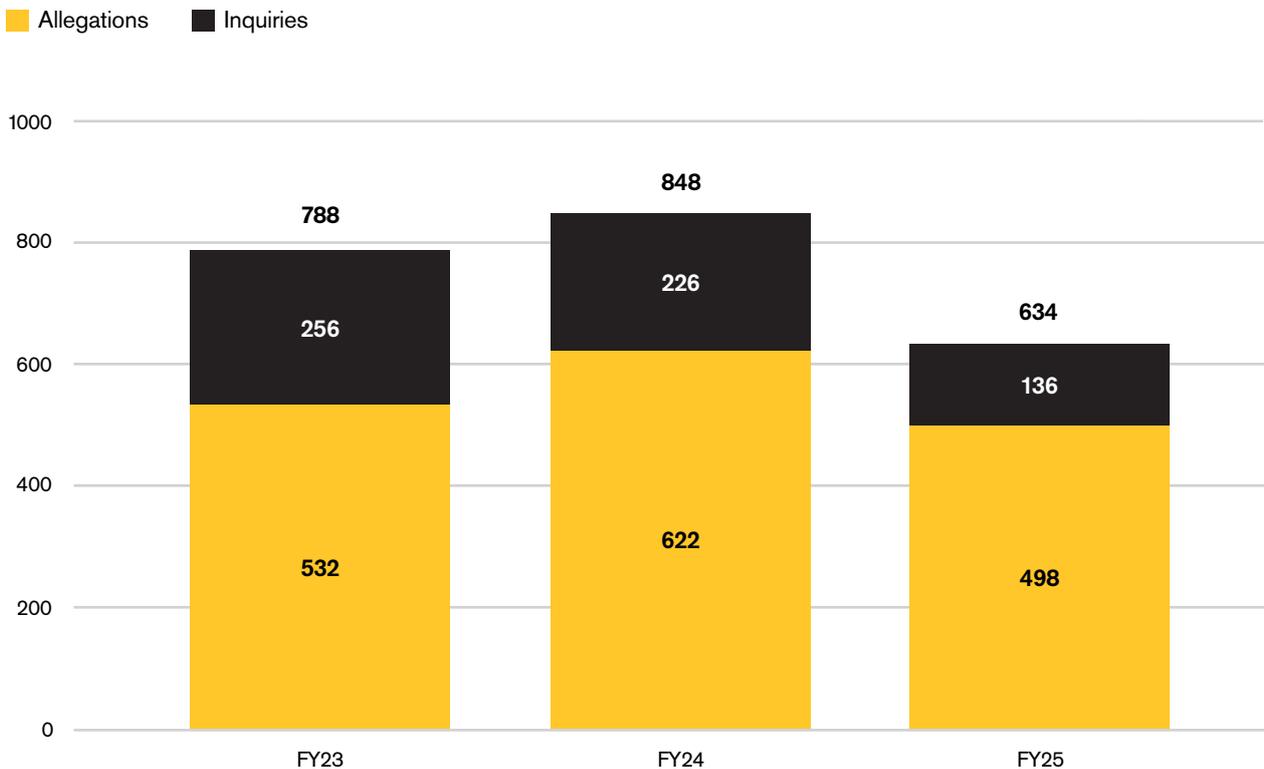
In FY25, the IRC continued to experience a strong culture of speaking up. ECU received 634 reports (498 of which constituted allegations of wrongdoing and 136 of which were programmatic and other inquiries). The 498 allegations represent a 25% decrease from FY24. Some reduction was expected given the reductions in staff throughout the IRC in FY25. About half (319) of the total reports ECU received were escalated to formal investigations.

Most reports of wrongdoing continued to originate from staff members (78%). Of all allegations received, 74% came through the Integrity@rescue.org email, up from 68% in FY24. Having a strong speak-up culture allowed the IRC to prioritize early intervention to prevent wrongdoing from becoming entrenched and damaging the IRC's operations and reputation.

ECU closed 414 investigations and ended the fiscal year with 228 active cases. Notably, only 15% of active cases were aged beyond one year, a significant improvement from FY24, when 27% of the caseload was aged at year-end. This indicates improved case-resolution efficiency. ECU closed out nearly all cases that were more than one year old at the beginning of FY25.

High-priority ECU investigations are termed "Category 1" cases and include high-risk sexual misconduct cases, high-value fiscal integrity cases, and serious safety and security risks. Category 1 cases declined by 20% in FY25, decreasing from 79 cases in FY24 to 63 cases.

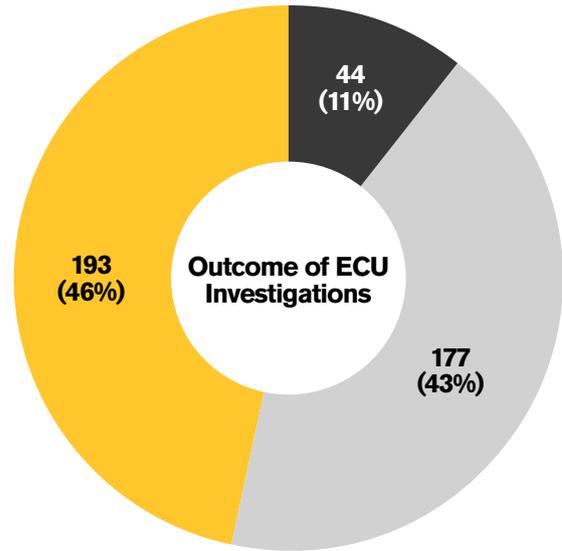
ECU New Matters Received



Most financial losses from substantiated fraud cases in FY25 are attributable primarily to a small number of cases. Where significant losses were confirmed via an ECU investigation, ECU worked with business and operational units to strengthen internal controls and mitigate the risk of future similar wrongdoing.

Improved Closure Times, Outcomes, and Disclosures

Overall, the average case closure time for investigations (taken from when the allegation was received to when the report was issued) fell by 127 days to 330 days. For the more serious Category 1 cases, the ECU continues to improve closure rates, which take on average 254 days (10% faster than FY24).



■ Unsubstantiated ■ Substantiated ■ Inconclusive

Of the investigations that were closed in FY25, 43% had allegations that were all or partially substantiated. This is a positive sign that reports continue to be high quality and substantive.

Agreed Management Actions: Helping the Organization Mitigate and Respond to Risk

During FY25, ECU investigations led to 596 Agreed Management Actions (AMAs).

AMAs are corrective measures that management commits to implementing in response to findings from investigations. They serve as a critical bridge between identifying problems and implementing meaningful organizational improvements. Each AMA includes specific actions to address identified issues, responsible parties, completion timelines, and expected outcomes, such as policy revisions, enhanced internal controls, staff training, improved documentation procedures, or system improvements.

AMAs are intended to strengthen organizational controls, transform findings into lessons learned and opportunities for institutional learning, and demonstrate responsiveness to donors, oversight bodies, and beneficiaries by showing that identified issues receive concrete action.





AMAs prevent recurrence by addressing root causes rather than merely documenting issues, creating accountability through measurable commitments. These commitments will be tracked quarterly beginning in FY26, thus ensuring accountability for corrective measures is with program or functional leadership.

Safeguarding Trends

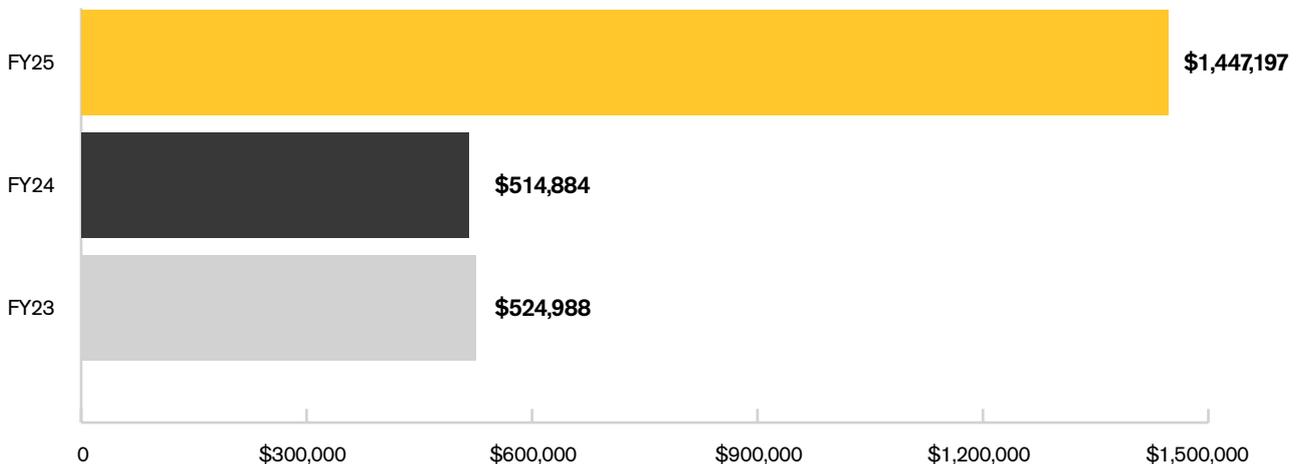
ECU oversaw 240 safeguarding cases during FY25 (17% fewer than in FY24). The ECU opened 138 new safeguarding investigations in FY25. The rest were carryovers from FY24. Economic exploitation was the largest issue, representing 62% of the portfolio, while SEAH cases accounted for 37%. The IRC offered support services, including psychosocial support, in all SEAH cases.

The average closure time for Category 1 safeguarding cases was 225 days, an improvement over FY24. Of the cases closed, 42% were substantiated.

Increased Financial Losses

Fiscal misconduct remained a persistent risk. Total confirmed losses for the period reached \$1.45 million across 50 cases. While the total number of cases decreased in FY25, financial losses increased by 181% compared to FY24 due to a small number of significant fraud losses. Some of these losses occurred in prior years but were discovered and reported in FY25.

FY23-25 Financial Losses



Looking Ahead to Fiscal Year 2026

In Fiscal Year 2026, ECU will continue to protect IRC's integrity and resources through sound ethics and compliance practices. ECU will partner with IRC leaders to ensure implementation of agreed management actions following investigations. We will continue to reduce timelines for and strengthen ECU investigations. We will partner with operational and oversight offices to identify, assess, and recommend solutions for compliance risks. We also will continue to update aging policies to ensure they reflect current areas of risk and regulatory requirements.

All of this will inform our learning and communication processes, as well as strengthen other core ethics, compliance, and fraud prevention program activities for the prevention of wrongdoing and promotion of an ethical culture at the IRC. To achieve these goals, we will need to find further efficiencies to continue to improve donor relations and meaningfully partner with colleagues.

Some specific goals include:

Ethics and Compliance Program

- ▶ Leverage lessons learned from investigations and policy advice provided by ECU to further mitigate fraud and safeguarding risks across the organization.
- ▶ Lead and collaborate with the IRC Compliance Working Group to identify and address compliance risks throughout the IRC.

The IRC Way

- ▶ Launch a refreshed code of conduct, *The IRC Way: Our Standards of Professional Conduct* in 18 languages (completed prior to publication of this report).
- ▶ Publish an updated IRC Way training in partnership with the P&C Department and offer it to all staff. The course reinforces *The IRC Way's* standards for how staff are expected to conduct themselves with integrity, act ethically, and meet the highest professional standards.
- ▶ Partner with the P&C Department to plan regular IRC Way related communications and educational opportunities for all staff.

Fraud Prevention and Awareness

- ▶ Publish a new mandatory fraud and corruption prevention training, *Fraud Awareness: Detecting Red Flags*.
- ▶ Continue to assess and mitigate fraud risk through coordination with internal stakeholders, including the IRC Compliance Working Group and Compliance Coordinators.
- ▶ Pilot an internal controls self-assessment questionnaire for select country programs.

Investigations

- ▶ Reduce aged cases to 10% or less of the total caseload.
- ▶ Accelerate closure timelines for high-priority investigations.
- ▶ Enhance tracking and reporting mechanisms to monitor the implementation progress of Agreed Management Actions.
- ▶ Maintain expedited donor disclosure and reporting protocols to ensure timely transparency and accountability.

ECU is committed to continuously improving its ethics and compliance program for the sake of IRC's clients, staff, partners, and donors. Questions about this report should be directed to Integrity@rescue.org.

The International Rescue Committee (IRC) helps people affected by humanitarian crises to survive, recover, and rebuild their lives. In 1933, Albert Einstein and a small group of humanitarians formed what would become the International Rescue Committee. Today, we deliver lasting impact by providing health care, helping children learn, and empowering individuals and communities to become self-reliant, always with a focus on the unique needs of women and girls. Our work spans more than 40 crisis-affected countries, and we provide resettlement, asylum, and integration services in communities across the United States and Europe.

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International Rescue Committee

122 East 42ND Street
New York, NY 10168-1289
USA

Integrity@Rescue.org

