FOR JUSTICE
AND
DEVELOPMENT

IAAC
HALF YEAR REPORT
2026

Ulaanbaatar, Mongolia

Memorandum of Understanding signed with The Anti-Corruption Agency of the Republic of Uzbekistan to strengthen cooperation in Corruption prevention and public awareness

The Head of the IAAC, General Commissioner Dashdavaa Z. and the Director General of Anti-Corruption Agency of the Republic of Uzbekistan Akmal Burkhanov signed a Memorandum of Understanding with a view to strengthening cooperation in the prevention of corruption, public awareness, and education, ensuring transparency in public institutions, exchanging good practices, enhancing the capabilities of public officials, and organizing joint trainings and research.





Delegation of the IAAC, led by the Head of the IAAC, General Commissioner Dashdavaa Z., attended the 6th Anti-Corruption Forum of the ACI LEN (Anti-Corruption Initiatives Law Enforcement Network) held in Tashkent, Republic of Uzbekistan on May 12-14, 2026. In addition, a delegation led by Chief Commissioner Baasannyam Z., Head of the Administration Department of the IAAC, participated in the "GovHR Forum 2.0: Human. Potential. Public Value in the Era of Digitalization and Artificial Intelligence", in Astana, Republic of Kazakhstan on June 19, 2026. Throughout these events, the delegations actively contributed to discussions on enhancing public institution transparency, leveraging digital transformation for corruption prevention, promoting regional cooperation, anti-corruption education, as well as fostering social partnerships.

Draft action plan being developed to implement recommendations of the istanbul anti-corruption action plan fifth round monitoring report

A new framework is being developed to address the recommendations set out in the Fifth-Round Monitoring Report of the Istanbul Anti-Corruption Action Plan. The report was formally presented during the OECD Anti-Corruption Network (ACN) Plenary Meeting for Eastern Europe and Central Asia.

UNCAC resolution on financial transparency of political parties, electoral candidates, and election campaigns



At the 11th Session of the Conference of the States Parties (CoSP11) to the United Nations Convention against Corruption (UNCAC), held in Doha, Qatar, from December 15-19, 2025, Mongolia, together with Albania, Ghana, and Norway, co-sponsored the United Nations resolution entitled "Enhancing Transparency in the Financing of Political Parties, Electoral Candidates and Election Campaigns to Prevent and Combat Corruption". The resolution was adopted by consensus with the support of all 192 States Parties to the Convention.



The resolution establishes, for the first time at the global level, the principle that the public has the right to access information on the financing of political parties, electoral candidates, and election campaigns as an internationally recognized standard.

Representatives of the IAAC actively contributed to the adoption of the resolution. Furthermore, Mongolia submitted key proposals for the draft action plan, which were incorporated into the implementation measures approved by **Government Resolution No. 220 of 27 May 2026.**

Meetings and activities in the area of cooperation

In an effort to expand international relations and cooperation, introduce the policies, activities, and achievements of the IAAC in the areas of corruption prevention, public awareness and education, and combating corruption-related crimes, as well as to exchange views and information on future cooperation, the following meetings were held:





The IAAC General Commissioner Dashdavaa Z. and Deputy Commissioner General Azjargal G. hosted Clifford Kitto, Investigator of the U.S. Embassy's Diplomatic Security (DS), alongside Law Enforcement Advisor Davaajargal P. on January 15 and 29, 2026, to discuss mutual interests and future bilateral cooperation.

On April 30, 2026, the IAAC welcomed Sarah Beth Mashl, U.S. Embassy Regional Security Officer, and Erdenekhishig Ts., Program Specialist for the Bureau of International Narcotics and Law Enforcement Affairs (INL). The meeting focused on submitting proposals for the next phase of the U.S. Department of Justice Rapid Response Fund and expanding the C4ADS project.





IAAC officials met with Duc Long Nguyen, Head of the UNODC Office in Mongolia on May 13, 2026, to establish a partnership for implementing the project "Critical Resources Enforcement and Supply chain Transparency in Asia".

A high-level delegation, including U.S. Embassy Beijing Legal Attaché Thomas Powell, Assistant Legal Attaché Hsian Wang, and George Babykutty Regional Deputy Attaché of the Internal Revenue Service (IRS) Criminal Investigation U.S. Consulate General Hong Kong, was received at the IAAC on June 2, 2026, where both sides agreed to scale up joint training, capacity building, and professional experience-sharing.

On June 16, 2026, the IAAC briefed the International Monetary Fund (IMF) mission during Mongolia's Article IV Consultation, highlighting the agency's latest anti-corruption strategic reforms, policy outcomes, and governance metrics.

The IAAC exchanged insights on its ongoing anti-corruption initiatives with an IMF delegation led by Tahsin Saadi, Deputy Division Chief of the Asia and Pacific Department and Mission Chief for Mongolia.



IAAC received a clean opinion from the national audit office

The IAAC received an **"unqualified" (clean) audit opinion** following the audit conducted by the **National Audit Office of Mongolia** on the 2025 budget execution and consolidated financial statements of the Chief Budget Governor.

IAAC successfully passed the state inspection on archives, records management, and Organizational administration of Government Agencies

Pursuant to **Government Resolution No. 23 of 2025** on the conduct of state inspections, the IAAC successfully underwent the **State Inspection on Archives, Records Management, and Organizational Administration of Government Agencies,** receiving a score of **92.5 points (Grade A).**

Monitoring completed for 2025 national anti-corruption strategy implementation

The IAAC is responsible for coordinating the implementation of the **National Anti-Corruption Strategy (2023–2030)** and its implementation plan. This includes overseeing implementation, coordinating the activities of implementing agencies nationwide, providing recommendations and methodological support, consolidating progress reports, and conducting monitoring and evaluation.

The 2025 implementation plan of the National Anti-Corruption Strategy included 150 **activities and measures.** Based on the reports submitted by the implementing agencies, the IAAC consolidated the information and conducted monitoring and evaluation of the overall implementation. The average implementation rate for **2025** was assessed at **66.8%.**

To present the results of the **2025 implementation assessment,** accelerate implementation in **2026**, and provide professional and methodological guidance, the IAAC is holding consultative meetings with authorized officials of the implementing organizations and continuing close cooperation to support the effective implementation of the Strategy.

Recommendations submitted to the Government

The IAAC conducted research and submitted recommendations to the Government on implementing policy measures to increase the share of cashless payments in circulation, expand the tax revenue base, reduce the size of the informal economy, and establish a transparent, independent, and publicly accountable system for the management of health and social insurance funds. The recommendations also addressed strengthening the mandates, oversight mechanisms, and accountability of relevant ministries, agencies, and national councils.

Recommendations submitted to the prime minister of Mongolia

The IAAC submitted recommendations to the Prime Minister of Mongolia on measures to increase the share of cashless payments, expand the budget revenue base, reduce the size of the informal economy, and identify ways to increase the assets of the Social Insurance Fund.

Following these recommendations, the General Authority for Social Insurance reported that in 2026 it purchased Government domestic securities using **MNT 150 billion** *(approximately USD 41.90 million)* from the free balance of the Social Insurance Fund and **MNT 85 billion** *(approximately USD 23.74 million)* from the assets placed in the pension reserve fund. By investing the Social Insurance Fund's assets in secure and reliable financial instruments, the Authority is working to generate interest returns and increase the Fund's assets while ensuring sound and prudent management of social insurance resources.

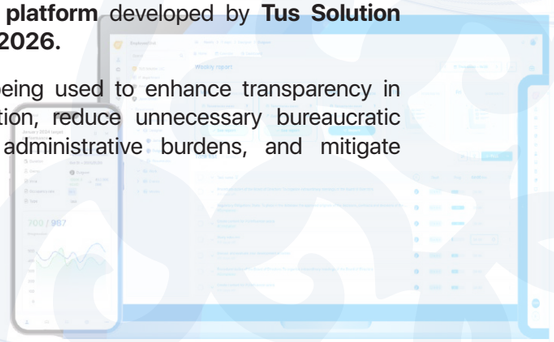
(As of June 30, 2026, based on the Mongol Bank USD exchange rate of 3579.97 MNT)

AI introduced to review rules and regulations

TUSS.io

In accordance with the mandate provided under Article 18.4.2 of the **Law on Anti-Corruption,** which requires the review of orders, decisions, rules, and regulations issued by public institutions and officials that are considered to have created conditions conducive to corruption, and the preparation and submission of proposals to competent authorities for their amendment or repeal, the IAAC introduced and has been utilizing the **tuss.io artificial intelligence (AI) platform** developed by **Tus Solution LLC** since **March 2026.**

The platform is being used to enhance transparency in public administration, reduce unnecessary bureaucratic procedures and administrative burdens, and mitigate corruption risks.



AI BASED INTEGRATED OPERATIONS PLATFORM

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Авлигыг мэдээлэх утас

Recommendations submitted following review of rules, regulations, and contracts

Within the scope of its authority to review orders, decisions, rules, regulations, and contracts issued by public institutions and officials that are considered to have created conditions conducive to corruption, and to submit proposals to competent authorities for their amendment or repeal, the IAAC reviewed **75 decisions, rules, regulations, and contracts across 10 sectors.**

Following the submission of recommendations to ensure compliance with legal requirements and to repeal provisions that create corruption risks, competent authorities have taken measures regarding **43 administrative normative acts,** including introducing amendments to 43 acts, recognizing **11 acts as invalid,** adding supplementary provisions to **9 acts,** and fully repealing **5 acts.**

The IAAC continues to monitor the implementation of the submitted recommendations.

Complaints, reports, and information submitted by citizens, businesses, and organizations increased by 331 cases or 21.9 percent

During the first half of **2026**, the IAAC received a total of **1,844 complaints, reports, and information** submitted by citizens, business entities, organizations, and public officials. Compared with the same period of the previous year, the total number of submissions increased by **331 cases, or 21.9 percent,** while complaints and reports containing indications of criminal offenses increased by **82 cases, or 10.5 percent.**

The received complaints, reports, and information were distributed for review and examination as follows:

- **988 cases (53.6%)** were assigned to the Investigation Department;
- **637 cases (34.5%)** were assigned to the Inspection and Analysis Department;
- **101 cases (5.5%)** were assigned to the Operations Department;
- **82 cases (4.4%)** were assigned to the Prevention and Public Awareness Department;
- **29 cases (1.6%)** were assigned to the Security, Inspection and Confidentiality Division;
- **7 cases (0.4%)** were assigned to the Administration Department.

Trainings on preventing corruption and conflicts of interest (conducted)



To raise public awareness of the risks and consequences of corruption and promote anti-corruption legislation, the IAAC conducted **292 training sessions** for public institutions, with a total of **24,980 participants.** Compared with the same period of the previous year, the number of participants increased by **8,973 people, or 56.0 percent.** In particular, participation in training sessions targeting employees of the private sector doubled.



To increase the accessibility of training and reduce the workload of officials, the IAAC launched the "**4/10 Programme,**" a new online unified training initiative held every Thursday at **10:00 a.m.** Under this programme, **1,940 participants** took part in **9 online training sessions,** while duplication of Zoom access accounts was eliminated.

A **training-of-trainers programme** was organized in the areas of corruption and conflict-of-interest prevention, public awareness, and education. As a result, **31 officials from public institutions** were trained and certified as trainers.





To raise corruption awareness and prevent conflicts of interest, the IAAC produced 26 short Reels, 4 podcasts, and video spots, all utilized across public training and advocacy campaigns.

IAAC officials conducted on-site inspections to follow up on 34 of the 51 investigator notifications and 24 official letters issued to enforce corruption prevention and disruption measures.



Digital system advancements completed



- The second phase of the digital infrastructure project is currently underway, funded under the Smart Government Project framework between the World Bank and the Government of Mongolia. This initiative integrates internal systems including meduuleg.iaac.mn, iad.iaac.mn, e-office, smart.iaac.mn, search.iaac.mn, and xasxom.iaac.mn, to streamline operations, upgrade hardware networks, and solidify robust data security standards.

- Through these technical upgrades, in April 2026, the IAAC launched the digitized subsystem for submitting, reviewing, and responding to Preliminary Declaration of Private Interests (PDPI) of public officials. This milestone was followed in May 2026 by the full deployment of the online Declaration Transparency System.

The deployment of these platforms has driven critical advancements in declaration management, including:

- Public officials now submit, register, and store all declarations, disclosures, and explanations entirely online.
- Digitizing the PID process and automating data exchanges with appointing authorities eliminated paper dependencies. This streamlined workflow cut processing backlogs and is projected to save over MNT 100 million (approximately USD 28,000) in routine administrative and postal expenses.
- The inspection division deployed an algorithmic risk-scoring system that flags anomalies automatically. The platform now drafts core sections of inspection summaries and handles case assignments digitally, minimizing human intervention while saving operational hours.
- Upgraded field validation standards drastically reduce human input errors, preventing declarants from making common numerical or formatting mistakes.
- Simplified interface layouts (UI/UX) provide an easier navigation experience for both declarants and authorized oversight officials.
- Instant Supervisory units can instantly generate consolidated institutional reports directly from a centralized, highly secure data repository.
- Citizens can now freely access and download asset and income declaration datasets in machine-readable formats. This allows for seamless comparative analysis, establishing genuine, data-driven public oversight against corruption.

(As of June 30, 2026, based on the Mongol Bank USD exchange rate of 3579.97 MNT)

Nationwide registration of asset and interest declarations completed

The IAAC successfully managed the nationwide annual registration of the 2025 Declarations of Private Interest, Assets, and Income (DPIAI). This process applies to all public officials under the jurisdiction of the Anti-Corruption Law and the Law on the Regulation of Public and Private Interests and Prevention of Conflict of Interest in Public Service.

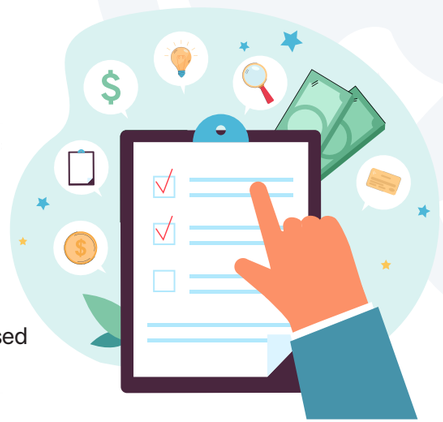
During the statutory filing period, a total of **50,236** declarants across **131** state and local government institutions successfully submitted and verified their declarations through the updated system.



Over MNT 964 million (approximately USD 269,276) in back taxes and fines imposed following asset declaration audits

Oversight inspections of public officials' asset and income declarations uncovered potential discrepancies regarding underreported taxable income by certain officials and their family members. Acting in accordance with Article 34 of the General Taxation Law, the IAAC transferred the case files of 13 declarants to the General Taxation Authority.

The subsequent tax audits exposed a total of MNT **12,7 billion** **(approximately USD 3,5 million)** in tax violations, resulting in MNT **964 million** **(approximately USD 269,432)** being imposed in back taxes, penalties, and late fees.



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Actions enforced to resolve compliance violations and confiscate illicit assets

Following an income and asset declaration inspection, the IAAC discovered a named official could not verify the lawful source of MNT **45 million** **(approximately USD 3,5 million)** in assets, constituting an "illicit enrichment" violation. The case was transferred to the judiciary, resulting in a forfeiture order by the District Court under simplified proceedings to confiscate the illegal funds as state revenue.

Investigations into corruption and conflict-of-interest complaints revealed that a public official abused their authority to grant illegal privileges to third parties. Consequently, MNT **35,5 million** **(approximately USD 9,927)** in unlawfully issued subsidized loans and cash benefits was successfully recovered and returned to the state budget.

Inspections uncovered MNT **2.6 billion (approximately USD 726,263)** in irregular pension disbursements paid out of the Social Insurance Fund under the names of **721** deceased citizens. To fix this, Social Insurance State Inspectors issued official recovery acts against **380** individuals to claw back MNT **1,8 billion (approximately USD 511,624).** To date, MNT **1,1 billion (approximately USD 315,422)** tied to **233** individuals has been fully or partially recovered. The IAAC is currently collaborating with the General Authority for Social Insurance to identify the liable parties responsible for the remaining MNT **758.9 million (approximately USD 211,985)** across **341** cases. To prevent systemic recurrence, comprehensive policy recommendations to improve the national oversight and accountability framework were submitted to the Cabinet Secretariat and formally approved during a regular Government meeting.

The IAAC analyzed the causes behind delayed enforcement proceedings regarding court-ordered debts owed to the Development Bank of Mongolia. A strategic roadmap detailing actionable asset recovery models was developed and officially presented to the Prime Minister of Mongolia.

The IAAC investigated compliance regarding the privatization and contractual terms of children's summer camps to eliminate non-purpose land use and recover damages. Following the inquiry, the IAAC partnered with competent authorities to initiate legal proceedings to revoke the unlawful privatization of the "Soyol" and "Olziit" youth camps.

(As of June 30, 2026, based on the Mongol Bank USD exchange rate of 3579.97 MNT)

9,862 preliminary declarations of private interests reviewed

The IAAC received 9,603 Preliminary Declarations Of Private Interests from candidates nominated for public office. Combined with 327 pending cases from the previous year, the agency reviewed and processed a total of 9,862 pre-appointment declarations, formally issuing clearance or advisory responses to the respective appointing organizations.

Structural reviews revealed that 87 nominees had clear conflicts of interest that legally barred them from their prospective positions, prompting immediate notifications to their respective appointing authorities. Following these interventions, 11 candidates successfully resolved their outlined conflicts, underwent re-evaluation, and were subsequently cleared for appointment.

Administrative accountability was enforced against 8 officials who violated statutory procedures by appointing nominees to public office without first submitting their PDPIs to the IAAC for mandatory legal review.

Resolution of complaints and reports on corruption and conflicts of interest increased by 22%

In the first half of 2026, the IAAC resolved 598 complaints and reports filed by citizens, businesses, and organizations regarding public officials. Compared to the same period last year, this represents an increase of 108 cases, or a 22.0 percent growth in processing volume.

Investigations into these reports uncovered actionable violations involving 112 public officials. Consequently, 67 cases with potential criminal elements were forwarded to the competent investigative division, 109 were transferred to other agencies based on legal jurisdiction, 1 was rerouted internally, and 53 were rejected or returned in compliance with statutory limitations.

Following verified violations, administrative accountability mandates were issued under Article 13.8.3 of the Anti-Corruption Law against 47 officials. To date, disciplinary sanctions have been successfully enforced against 34 of these individuals, while the IAAC continues to monitor compliance for the remaining actions.

INVESTIGATIVE ACTIVITIES

Criminal complaint resolution rates rise by 1.2% compared to previous year

During the first half of 2026, the IAAC processed a total of **1,091** complaints and reports regarding alleged criminal offenses. Of these, **233** filings were transferred to their respective competent authorities in compliance with the Law on Resolving Petitions and Complaints Filed by Citizens to State Institutions and Officials. Overall, the volume of resolved criminal complaints grew by **1.2** percent compared to the same period last year.

Out of the **858** complaints that underwent formal criminal inquiry, case files were referred to the prosecution with the following recommendations:

- **362 cases** (42.2%) were recommended to open formal inquiries or full criminal investigations.
- **346 cases** (40.3%) were recommended for refusal to open a criminal inquiry.
- **18 cases** (2.1%) were recommended for transfer to other law enforcement bodies based on legal jurisdiction.

Investigation cases have increased by 5.5%

Criminal inquiries, registrations, and full investigations were conducted into **1,500** active cases involving **1,769** legally mandated criminal acts and **1,034** linked suspects, resulting in the following outcomes:

- **206 cases** (13.7%) transferred to the prosecutor with a recommendation for indictment/trial;
- **243 cases** (16.2%) forwarded with a recommendation for case closure or dismissal;
- **31 cases** (2.1%) transferred to the prosecutor with a recommendation to change jurisdiction;
- **48 cases** (3.2%) consolidated and merged for joint investigation;
- **38 cases** (2.5%) officially suspended or paused.

Classification of investigated criminal cases

1,108 cases (62.6%)
Article 22.1 (Abuse of Power or Official Position)

215 cases (12.2%)
Article 22.4 (Receiving a Bribe)

128 cases (7.2%)
Article 22.5 (Giving a Bribe)

18 cases (1.0%)
Article 22.8 (Misappropriation of Budget Funds)

51 cases (2.9%)
Article 22.10 (Illicit Enrichment)

32 cases (1.8%)
Article 22.12 (Abuse of Power by a Legal Entity)

227 cases (12.3%)
Other Crimes

Estimated damages and asset recovery

During the first half of 2026, criminal investigations identified a total of MNT **33,1 billion (approximately USD 9,2 million)** in damages, resulting in the following recovery and preservation actions: MNT **6,4 billion (approximately USD 1,8 million)** successfully repaid during the investigation process; MNT **9,4 billion (approximately USD 2,6 million)** worth of cash, real estate, apartments, vehicles, and equipment frozen and secured.

(As of June 30, 2026, based on the Mongol Bank USD exchange rate of 3579.97 MNT)

IAAC HALF YEAR REPORT 2026

Criminal cases resolved by the courts

In the first half of 2026, 206 cases were transferred to the prosecutor with a recommendation for indictment, and **115** cases were finalized and resolved by the courts.

Classification of public officials involved in criminal cases

292 (28.2%)
Public Administration Officials

189 (18.3%)
Other Individuals

162 (15.7%)
State and Locally Owned Corporate Officials

152 (14.7%)
Political Service Officials

124 (12.0%)
Special Service Officials

115 (14.2%)
Public Support Service Officials

Mutual legal assistance requests processed

In the first half of 2026, 5 Mutual legal assistance (MLA) requests were transmitted through the Prosecutor General's Office to competent authorities in Australia (1), the Department of Justice of the Republic of Ireland (1), the United Kingdom (1), the United States (1), and the Russian Federation (1) to execute specific investigative actions abroad.

A formal response has been successfully received from the United States authorities regarding an MLA request originally submitted back in 2025.

Research and analysis

In accordance with the duties defined by the Anti-Corruption Law and internal organizational action plans, the agency executes policy-oriented and targeted research. Pursuant to Article 5, Paragraph 5.1.3 of the Anti-Corruption Law, non-governmental organizations are actively engaged in academic research to broaden public participation.

As of the first half of 2026, the following research projects, assessments, and methodological developments are underway:

- Comprehensive survey to gauge public understanding and awareness of corruption dynamics;
- "Corruption in the Business Environment";
- Evaluating and analyzing structural factors that negatively influence or undermine ethical integrity among children;
- Performing a comparative data analysis of public sector integrity assessment surveys collected from 2015 to 2025;
- Testing and deploying an updated risk assessment methodology tailored specifically to target corruption risks within the mining sector;
- Designing specialized corruption risk assessment methodologies for the healthcare and education sectors;
- Developing proactive methodologies to identify, map, and assess emerging, future corruption risks and systemic vulnerabilities.

IAAC HALF YEAR REPORT 2026