

# DanChurchAid

## Corruption Report

### Corruption Cases

#### 2005



2005: **Sudan**, Humanitarian Mine Action, approx. DKK 329,500

In 2006 DanChurchAid lost money in our humanitarian mine action programme in Sudan. Firstly, DKK 120,000 (USD 20,000) disappeared in connection with transport of money. Secondly, it turned out that employees responsible for purchases had bought the items at artificially inflated prices. Naturally, it is difficult to put an exact figure on the inflated prices, but based on an investigation by the end of 2006 we estimated the amount to be DKK 157,000. In addition, we estimated lost equipment to approx. DKK 52,500.

All employees involved were dismissed. DCA went to court in an attempt to retrieve the amount that disappeared with the money transport, but we lost the case despite quite strong evidence.

Consequently, the internal procedures for transport of money and purchases were tightened.

Danida supported the project and was informed about the situation. DanChurchAid covered the loss.

2005: **Burma**, Myanmar Council of Churches (MCC), DKK 200,000

In the autumn of 2005, our sister organisation Norwegian Church Aid discovered irregularities at the Burmese partner organisation MCC.

As DanChurchAid was also a donor, we decided together with all the donors to ask an external team to go deeply into the case. The team found that MCC could not account for approx. DKK 2 million. DanChurchAid's loss amounted to approx. DKK 200,000 (DCA own funds). The money was spent on assisting Burmese students studying abroad and on the purchase of two flats, of which one was for the General Secretary. However, eventually the swindle got completely out of control; the General Secretary tried to make up for it and fell for a so-called Nigeria-swindle email. He transferred more than one million Danish kroner (USD 217,095) to Italy, and the money was lost.

The report concluded that only the General Secretary was involved in the fraud. He was dismissed immediately and an interim General Secretary was appointed who made an extensive tightening of procedures for management of financial assistance. DanChurchAid continued to assist MCC.

DanChurchAid informed the Ministry of Foreign Affairs even if no government funds were involved in the case. The group of donors agreed not to publish the case due to the security of the local partner and staff in Burma. In 2007, the press learned about it anyway, and in the autumn of 2007 DanChurchAid and the other donors decided to publish parts of the case on their respective websites, but in such a way as to keep the risk of the partner and staff at a minimum.

2005: **Uganda**, Zeulia Family Alliance for Development (ZEFAD), Uganda Shilling 4,000,000, DKK 15,000

DanChurchAid discovered excess expenditure on several budget lines in the project, and when going through the invoices it was revealed that ZEFAD paid inflated prices for office supplies. An employee at the DanChurchAid Kampala office paid a monitoring visit to the organisation and found further evidence of the irregularities.

The annual externally audited report from the partner concluded that there was no documentation for purchase of office supplies amounting to DKK 15,000. The partner organisation agreed to return the money. It never happened, and DCA terminated the cooperation.