

DanChurchAid

Corruption Report

Corruption Cases

2006



2006: **Cambodia**, DanChurchAid Regional Office, USD 1,740, DKK 10,500; the amount has been returned.

During 2006, DanChurchAid had to dismiss two programme secretaries at the Regional Office in Cambodia. They had embezzled funds from the Danida Frame Agreement, Operation Day's Work as well as DCA's own funds. Both employees returned the money to DCA. Danida and Operation Day's Work were informed about it.

As the whole amount was returned, DCA decided not to report the case to the police.

2006: **Cambodia**: Cambodia Protection Rights Women and Children Association (CPRWCA), USD 4,361, approx. DKK 26,000

In the autumn of 2006, DanChurchAid evaluated CPRWCA with a critical result. Based on that, DCA planned to terminate the project by the end of 2006 and awaited the final report and external audit according to the current DCA/Danida regulations. Price Waterhouse Coopers carried out the external audit, and it was obvious that some assets could not be verified (a vehicle, some office- and computer equipment plus unspent funds and interests amounting to USD 4,361).

The case was further complicated because the chairperson of the board belonged to one of Cambodia's very influential families, and consequently the local DCA employees feared for their safety. DCA decided not to report the case to the police.

The CPRWCA's annual accounts 2006 were not finished as the management never signed the documents. DCA has tried to get the signatures in question, but without success. The expenditure in 2006 is included in the financial reporting to Danida based on the draft annual accounts for 2006.

In July 2007, DCA reported the case to the Ministry of Foreign Affairs followed by submission of the evaluation report. DCA considers the case closed and has covered the loss amounting to approx. DKK 26,000.

2006: **Cambodia**, Violence Against Women and Children of Cambodia (VAWCC), USD 3,980, approx. DKK 24,000

A critical evaluation started the process. DanChurchAid followed the organisation closely and found certain obscure items regarding payment of house rent and allowances. On that basis, DCA decided to terminate the cooperation with VAWCC as per 31.12.2007. At the same time, we carried out an external audit that confirmed the main part of the expenditure reported by VAWCC, but expressed reservations regarding house rent amounting to DKK 17,500 and other items amounting to DKK 6,500. A copy of the audited accounts as well as an orientation about the case was submitted to the EU, which financed the project. The EU acknowledged the action taken.

DanChurchAid has covered the loss of the unverified expenses. Subsequently, all assets paid by DCA/Danida/the EU during the project period have been collected and handed over to other partner organisations.

2006: **Albania**, DanChurchAid, Humanitarian Mine Action, EUR 89,450, DKK 630,000, of which EUR 10,000/DKK 70,000 were returned

On 27 November 2006 approx. DKK 630,000 were stolen from DanChurchAid's Mine Action office in Albania in connection with a money transport from the bank in Gjakova. The money should be used as payment of salaries to the programme staff. Initially, the two employees who collected the money from the bank claimed that armed robbers had stopped them on their way back to the office. However, the police detained the two employees, and after two weeks in detention, they admitted to have stolen the money and submitted it to a third accomplice.

During the subsequent court case, the father of one of the defendants returned EUR 10,000. The two employees were sentenced to 2 and 2½ years in prison respectively, but were released on bail until the appeal case was brought to court. In the meantime, one fled abroad. The third accomplice was never found. The only thief sentenced avoided serving of his sentence due to a special provision regarding thieves with family and children receiving a sentence below five years. During the entire court case, DCA was in contact with UNMIK's legal inspection unit to ensure that the thief had a fair court case.

The Danish Ministry of Foreign Affairs was kept abreast of events. DCA covered the loss.