

DanChurchAid

Corruption Report

Corruption Cases

2007



Closed Cases

2007: **Sudan**, The Relief Organisation of Fazugli (ROOF) USD 8,298, approx. DKK 41,500

The case is about support to a food security project channelled through the organisation Church Ecumenical Action in Sudan (CEAS), which was responsible for implementation of the project in cooperation with the local Sudanese organisation ROOF.

The swindle took place in ROOF that has admitted the facts. An audit computed the total loss to approx. DKK 41,500. DanChurchAid submitted the final statement to Danida on 30.11.2007. DCA terminated the cooperation with ROOF when the swindle was revealed.

The facilitating organisation CEAS was not directly involved in the corruption and misappropriation. After thorough consideration and based on an assessment of the consequences for CEAS' continued work for the very needy beneficiaries in the area, it was decided not to file a lawsuit.

Based on the specific case, CEAS has realized a need for strengthening the monitoring. CEAS will go through all financial procedures and management systems in order to reduce the risk for further misappropriation. In addition, DanChurchAid has appointed a Programme Area Facilitator who will monitor the activities in close cooperation with CEAS.

It has not been possible to collect the funds, and consequently DCA had to cover the loss.

2007: **Uganda**, Rakai Children's Trust (RACT), Uganda Shilling 6,350,000 equivalent to approx. DKK 25,000

Monitoring visits to the beneficiary schools in cooperation with RACT revealed that RACT had not paid the amounts agreed upon. RACT had forged the documents showing payment to the schools, but in reality no funds had been transferred. In a few cases, a much smaller amount than agreed upon had been transferred.

The total fraud amounted to approx. DKK 25,000.

The cooperation with RACT was terminated, but the project activities were transferred to other local organisations, so that the support towards e.g. scholarships could continue.

Unfinished cases

2007: **DR Congo**, Nyunzu Rural Economic Recovery Project (NRERP), USD 75,658.58, approx. DKK 380,000

The project is part of the Relief Grant of DKK 3 million to DR Congo, UMF. nr. 605.1909.01/j.nr. 46.H.7-2-149.a.

DanChurchAid staff broke the rules in DCA's internal 'Procurement Manual' and at the same time bypassed the usual control- and quality assurance systems. Specifically, it is a case of fraud in connection with making contracts for purchase of seeds and a vehicle in the form of inflated prices of the items as well as family relations to the tenderer.

Based on well-founded suspicion, DCA initiated a thorough external audit. The audit confirmed the suspicion, and the responsible employees were dismissed. One consequence of this is an upgrading of the human resources in the office as well as tightening of the administrative procedures. The project activities continued in 2008.

The loss has been calculated and disciplinary steps taken (dismissal). DCA is still contemplating a lawsuit against the dismissed employees, assessing the costs and time aspect of the court case. So far, DCA has covered the loss.

DCA informed the Ministry of Foreign Affairs as soon as a well-founded suspicion was aroused (10.01.2008). On 28.01.2008, the case was mentioned on the DCA website, and on 18.08.2008, a more elaborate description could be found on the website.