

## The need to acknowledge and address the risks of fraud and corruption

The articles linked below discuss why many international organizations are reluctant to acknowledge the problem and invest in anti-fraud measures, and the unfortunate consequences thereof.

### 1. "It's time to talk about fraud in aid agencies"

*"Too many NGOs avoid investing in counter-fraud programmes for fear of increased administrative costs and upsetting the public"*

*Oliver May, former head of counter-fraud for Oxfam GB.*

<https://www.theguardian.com/global-development-professionals-network/2016/aug/25/fraud-aid-agencies-upset-public>

### 2. "Corruption: What NGOs don't want you to know"

*"In a 2014 survey into fraud in the Australian NGO sector, 54% of respondents advised that they did not report fraud to the Police because of "concerns relating to the impact of future funding opportunities, and potential damage to the organisations reputation..."*

<https://integritas360.org/2015/03/corruption-what-ngos-dont-want-you-to-know/>

### 3. "Exclusive: Aid charities reluctant to reveal the full scale of fraud"

*"With fraud rife in conflict and disaster zones, aid charities are under pressure to be open about corruption but one third of the world's 25 biggest aid charities declined to make their fraud data public in a Thomson Reuters Foundation investigation."*

<https://www.reuters.com/article/us-aid-business-fraud/exclusive-aid-charities-reluctant-to-reveal-full-scale-of-fraud-idUSKCNOPP00V20150715>

### 4. "Interview: After Oxfam, charities are no longer untouchable"

*Vicky Browning, head, [Association of Chief Executives of Voluntary Organisations \(Acevo\)](#)*

*"... the public ... wants [charities] to be transparent, but reacts badly to what they disclose; that it expects them to have rigorous internal processes, but resents their spending on administration..."*

<https://www.theguardian.com/society/2018/feb/20/oxfam-charities-untouchable-voluntary-sector-zero-tolerance-abuse>

5. “Corruption: A challenge that doesn’t escape humanitarian organizations”

*“... Ban Ki-moon, Secretary-General of the United Nations, publicly announced in 2012 ... that 30% of developmental aid failed to reach its final destination owing to corruption”*

*This astounding statement was however insufficient to arouse awareness and drive States, UN agencies, and national and international NGOs to better tackle corruption. Discussions on the risks of corruption in the humanitarian sector simply do not take place, and the 17 UN Sustainable Development Goals of the United Nations for 2030 barely mention them...*

*...benefactors are placing increasingly stringent requirements in programming, control, and compliance with existing standards. They are demanding that NGOs implement more technical, more transparent, and more effective procedures against all types of corruption.”*

<http://alternatives-humanitaires.org/en/2016/11/23/corruption-a-challenge-that-doesnt-escape-the-humanitarian-sector/>

6. “Corruption in the NGO world: what it is and how to tackle it ...”

*“NGOs are often reluctant to talk about corruption for fear that it will lead to bad publicity and loss of funding...”*

*...DanChurchAid (DCA) has a website page detailing corruption cases within the organisation and how they were dealt with. Despite the financial crisis that began in 2008, DCA increased its 2009 budget to 498 million DKK (about \$123m), a third of which came from private donors (the same proportion as in 2008). Being transparent about corruption does not appear to have negatively affected donor perceptions of DCA.”*

<https://odihpn.org/magazine/corruption-in-the-ngo-world-what-it-is-and-how-to-tackle-it/>

7. “U4 Countering NGO Corruption: rethinking conventional approaches”

<https://www.cmi.no/publications/file/3969-countering-ngo-corruption.pdf>

8. “An Investigation of Fraud in Nonprofit Organizations: Occurrences and Deterrents”

*Harvard University, 2006*

[https://cpl.hks.harvard.edu/files/cpl/files/workingpaper\\_35.pdf](https://cpl.hks.harvard.edu/files/cpl/files/workingpaper_35.pdf) Research paper on fraud in NGOs

9. “Charities hire criminal investigators as pressure mounts over fraud”

*“...Plan International, Oxfam GB, Americares and International Medical Corps are among those to have appointed trained counter-fraud directors at their head offices.*

*Others, such as Medicins Sans Frontieres, Handicap International and Action Against Hunger use auditors and finance officers to handle cases of fraud...”*

<https://www.reuters.com/article/us-aid-fraud-investigators/criminal-investigators-hired-by-charities-as-pressure-mounts-over-fraud-idUSKCN0R22J120150902>