



## **Annual Report on anti-corruption activities and cases of Fraud and Corruption for the year 2021**

The Norwegian Red Cross (NorCross) works to prevent and alleviate human distress and suffering, in Norway and internationally as a member of the Red Cross and Red Crescent Movement (The Movement). NorCross supports the activities of the International Committee of the Red Cross (ICRC), the International Federation of Red Cross and Red Crescent Societies (The Federation) and several partner Red Cross and Red Crescent National Societies operating in various countries around the world.

In 2021, NorCross spent over one billion Norwegian Kroner on humanitarian work internationally.

Given the nature of the contexts in which NorCross operates in, the institution is regularly developing, adopting, and adapting measures and practices to improve institutional efficiencies and increase the impact of our humanitarian endeavours. NorCross aims to alleviate and prevent human suffering wherever it is found, by being as local as possible and as international, as necessary. The Movement has a high ethical framework which guides and delineates our activities and operations and has applied an increased focus on preventing and dealing with corruption, fraud, abuse, waste, and unethical behaviour.

NorCross has a zero-tolerance approach to corruption, fraud, and abuse. To this effect NorCross has organised awareness raising sessions which have seen wide-ranging participation by personnel involved in international activities. Additionally, NorCross has supported the International Federation (IFRC) to strengthen a global alert/whistle blower available in multiple languages.

This report focuses on NorCross' international operations only, providing an overview of reported cases pertaining to instances of fraud and corruption for the year 2021.

### **NEW CASES IDENTIFIED IN 2021**

- **Senegal:**

In January 2021 the IFRC alerted NorCross of a possible misappropriation of funds for a period of several years which could have involved Norwegian funds. Whilst the initial investigations did not find evidence that Norwegian funds were involved; given the extensive period covered by the original allegations further assessments are planned to determine if Norwegian funds have been affected.

- **Somalia**

NorCross learned of possible misappropriation of funds through the falsification of HR records in January 2021. Due to the timely actions undertaken by the ICRC in response it was determined that no funds were affected and as such, no further actions would be applied.

## CASES CLOSED IN 2021

- **Nepal:**

In June 2019, NorCross notified the MFA and Norad that the Nepalese Red Cross was the subject of an investigation on the management of funds related to the Earthquake Response of 2016. NorCross phased out its partnership with the NRCS in 2018, and it no longer supports any programmes in Nepal. There is no indication that historical funding was affected. An investigation was conducted on behalf of the IFRC by a private firm which concluded that there was no evidence to demonstrate the misuse of Norwegian Funds. Furthermore, there was no claims of fraud or corruption were substantiated. The case has been closed.

## ONGOING CASES

- **Madagascar:**

This is a case which dates-back to August 2018 when the Norwegian Red Cross raised a formal complaint with the Madagascar authorities pertaining to the misuse and misappropriation of funds by some personnel of the Malagasy Red Cross Society (MRCS) as determined through a Forensic audit. In 2019 the Malagasy courts found several of the former personnel of the Malagasy Red Cross guilty of fraud and sentenced these individuals to jail. These people then appealed the judgement. Since then, the local court of appeals has been reviewing the case having partially ruling on some of the elements of the case which saw the reduction of penalties and which in turn triggered a counter appeal at a higher court which continues to-date.

In late 2020, the local Malagasy authorities opened an additional case against some other former employees of the MRCS. In 2021 the court found the accused guilty of misappropriation a decision which saw the matter raised also to the court of appeal. NorCross as one of the affected parties is also involved in this case which remains before the courts.

The pandemic has had an impact on the legal processes in Madagascar, at this point in time both cases remain before the court of appeal.

- **Nigeria**

In May, NorCross informed the Norwegian Ministry of Foreign Affairs (MFA) that there was suspicion of possible fraud (misappropriation of funds y manipulation of HR records) involving partners operating in country. An investigation was completed, and it was determined by the ICRC that the situation arose from irregular financial transfers amounting to approximately NOK 920. It was decided that given the relatively small amount involved and due to competing priorities for the investigations unit the matter will be followed up at a later date.

- **South Sudan**

NorCross became aware of allegations pertaining local employees forging cash advances. Investigations were conducted. A number of employees were subsequently suspended as a result of the findings. Nevertheless, it was determined that the nature of the fraud would potentially be larger than originally thought. Follow-up investigations are being undertaken to clarify the time-period impacted, and the actual number of staff implicated.