

Annual Report on strengthening integrity, anti-corruption activities and dealing with fraud cases for 2022

Norwegian Red Cross (NorCross) activities take place in a multitude of crises related contexts many which are in challenging and prohibiting environments. To fulfil its mission which is to prevent and alleviate human distress and suffering in Norway as well as internationally and as a member of the International Red Cross and Red Crescent Movement (The Movement) NorCross has developed several processes and systems to reduce the risks and maximize possible adverse impact on its resources and programs. To that effect NorCross supports the many 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 in various countries around the world. In 2022, NorCross allocated over NOK 1,700 million to humanitarian work all over the world.

As a whole the Movement has set a high ethical framework which guides and delineates NorCross activities and operations, and which has an increased focus on preventing and dealing with corruption, fraud, abuse, waste and unethical behaviour. As such NorCross has zero tolerance approach to corruption, fraud and abuse. NorCross is regularly working to adopt and adapting its policies and procedures to improve its institutional efficiencies. This report focuses on NorCross' international operations only and provides an overview of reported cases pertaining to fraud and corruption in 2022.

NEW CASES IDENTIFIED IN 2022

COUNTRY/LOCATION	NATURE OF CASE
Afghanistan	Allegation pertaining to the possible misuse of funds has been received and is being investigated. MFA and NORAD have been informed of the case. The case remains open.
Kenya	Allegations of embezzlement were investigated. The matter was referred to MFA and NORAD. The Kenyan authorities were informed. The case remains open.
Lebanon	NorCross was informed of possible irregularities in procurement processes the allegations are being investigated. The case remains open.
Moldova	Information has been received relating to the possible mismanagement of funds. The matter is being investigated. The case remains open.
Pakistan	Allegations were received in respect to irregularities in procurement processes, the matter is being investigated. The case remains open.
Yemen	NorCross was informed of the misuse of funds which took place in 2021. The MFA was informed. The case remains open.

CASES CLOSED IN 2022

COUNTRY/LOCATION	NATURE OF CASE
South Sudan	In a region of the country affected by an ongoing situation of armed violence some of the clinics that had been provided with medical equipment were attacked and equipment stolen. Although no Norwegian equipment or funds were affected the MFA was informed of the situation. The case has been closed given the situation fell outside the scope of fraud and corruption.
Nepal	Allegations pertaining to the Nepalese Red Cross were received and investigated. No evidence was found to indicate any irregularities in procurement. The case has been closed.

ONGOING CASES

Madagascar:

In August 2018 Norwegian Red Cross raised a formal complaint with the authorities in Madagascar pertaining to the misuse of funds by some of the personnel of the Malagasy Red Cross as determined through a forensic audit. The audit report indicated that fraud had taken place with funds provided by NorCross by some of the personnel of the Malagasy Red Cross spanning over several years. In late 2019 the Malagasy Courts found several of the former senior personnel of the Malagasy Red Cross guilty of fraud and sentenced these individuals to jail. The verdict has since been challenged in the local court of appeals and to-date the appeal process remains underway – there has been several delays in the appeal process which have been partially influenced by global pandemic. In October 2020 the Malagasy authorities opened a second case against some of the people who had already been prosecuted. The court found some of the accused also guilty of the charges and added sentences accordingly. The ruling has also been challenged in the court of appeal. The matter is currently under consideration by the court of appeals. The case remains open internally as long as the court proceedings are not finalized. All claims by Norwegian donors were settled in 2018.

Nigeria:

In June 2020 NorCross was made aware about allegations of possible financial irregularities in Nigeria. An initial assessment identified some discrepancies with regards to the transferred funds, with a total loss of approximately NOK 920. The case is yet to be concluded due to assignment of resources to other and more pressing priority cases. The case remains open.

South Sudan

In early January 2021, NorCross was informed about a possible fraud case expanding from 2016-2020. More specifically, the allegations referred to fraudulent practices suspecting the involvement of several former employees in forging working cash advances. An investigation found that Norwegian funds may have been misappropriated. The MFA has been kept abreast of the situation. The case remains open whilst the exact amount of funds which may have been affected as the operating budget is pooled from many donors.