

How to handle potential corruption cases involving DF

Well-founded suspicions of corruption or demonstrated corruption, must be handled properly. The main focus must be on minimizing the (potential) negative consequences by identifying what has happened and deal with the situation immediately in a professional manner.

DF Oslo, represented by the Director of the International Department will report to NORAD after the management (the Executive Director) has ensured the quality of the information.

Always report when suspecting possible corruption

If a member of DF staff, in Norway or abroad suspects that DF or someone acting on behalf of DF is involved in corruption, the management of DF must be notified immediately. Communicating suspicion of corruption should be done in a discrete and safe manner. At this stage it shall be decided how to deal with this particular case, and a plan for the way forward shall be agreed. It will depend on the nature of the situation in each case.

It is of outmost importance that the management is reacting against and taking all potential corruption cases they are made aware of seriously. At the same time, the reaction must in each case be proportional to the dimension of the situation.

Before reporting can begin, information and evidence must be obtained which validate the claim of corruption and justify further investigation.

. The reporting shall emphasize the following information:

- Describe which kind of corruption has taken place.
- For how long has corruption taken place?
- How was the misuse/embezzlement detected?
- Is it possible to detect a pattern in the case?
- What actions have been taken?
- Conclusion

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The following guidance is intended to help those receiving information react properly to safeguard the interests of those raising concerns and those allegedly involved in any irregularities. Although the

action points are numbered, it is not necessary for all points to be followed in the order set out below:

1. Keep the information as confidential as possible (“need to know” basis). The corruption charges and/or investigation could often involve powerful people in the local community, and these persons can pose a threat to the staff member, if such an investigation is known. Remember to always keep your line manager informed.
2. Start logging all developments in the case.
3. Seek advice and help regarding finding more information. Possible sources of help:
 - External auditor
 - Accountant
 - Members of DF board
 - Other competent persons outside DF, lawyers or auditors familiar with national laws, other donors, other NGO’s or embassy
4. Secure the evidence and prevent further losses
 - Protect all possible documents
 - Ensure technological evidence is left untouched and isolated
 - Secure that further losses will not occur, such as with banking authorizations
5. Decide whether to use external resources.
6. Draft an interview list for persons working with or near the affected irregularities, to be used in an eventual investigation.
7. Inform those bringing the issue to your attention that their message has been received and that action is being taken, without forgetting confidentiality considerations. It would not help the investigation if the informer felt frustrated by inaction from management and therefore turned to external targets to release this frustration.
8. Identify the procedures implemented for fighting corruption in the project.

9. Make plan for learning from the issue within DF and project partner, to mitigate the risk of something similar happening elsewhere.

Sanctions

The contract between DF and project partner says that DF will demand a refund, full or partial, of the grant if the grant recipient fails to fulfil its obligations in the contract. Should the project partner administration(s) fail to fulfil its obligations, the project partner is to be held responsible towards DF.

1. The support of a project in which corruption has been demonstrated will normally be suspended immediately by DF. The board in DF will also be informed. A continued support of the project will depend on the following:
 - Routines must have been established to counteract corruption in the future, and an evaluation must have been made by an independent party so as to confirm that the routines are in place. DF must have received such a report before the project is allowed to receive funds from DF again.
 - A plan must have been presented regarding which measures are taken to solve the situation, and in case of corruption how the disappeared amount is to be made up for.
2. The financial support from DF will normally stop for projects which are being investigated. If the suspicion of corruption is not confirmed, the project support will be reinitiated. If the suspicion is confirmed, the measures described in point 1 are to be implemented.
3. A decision regarding to restart the support when the irregularities have been sorted out is to be made by DF board.
4. Regarding the reimbursement of embezzled funds:
 - The South partners are responsible for making up for the funds lost due to corruption. They have to pay the lost funds to DF secretariat.
 - DF must pay back the lost funds to NORAD.

Information strategy

If a corruption case is discovered, it is necessary that DF makes an information strategy before any public disclosure or statement is made to the media. In the DF the Executive Director or the person he delegates will inform the media on all cases involving corruption cases.