

Plan International Counter Fraud Report FY18 - Quarter 1

Date	Location	Allegation	Resolution	Initial loss (EUR)	Funds recovered (EUR)	Net loss (EUR)	Lessons learned and actions
2013-2015	West and Central Africa	Substantial fraud was perpetrated by 4 Plan International staff members and partners over a 32 month period. This involved manipulation of the financial payments system and fraudulent liquidation reports from several partners for the reconciliation of advances made.	The 4 former staff members and other third parties are currently on trial for corruption offences in relation to some specific transactions investigated by local authorities. Further internal investigations identified additional fraud by partners who have now been blacklisted. Affected institutional donors have been provided with full reports.	1,543,054	Recovery of funds is currently being sought through legal means and insurance.	Pending.	An extensive and fundamental remediation plan is in progress and a further review is pending.
Feb-17	East and Southern Africa	A staff member provided fuel for a partner's personal vehicle for private use at Plan International expense.	The staff member was dismissed.	50	50	0	Improved fuel purchasing and monitoring processes were introduced.
Mar-17	West and Central Africa	Staff of an implementing partner misappropriated per diem payments intended for community workers.	The partner dismissed the culpable staff member and returned lost funds.	476	476	0	Assistance was given to the partner organisation to improve their monitoring of cash distribution.
Mar-17	West and Central Africa	An anonymous report received via the staff hotline alleged corruption by a supervisory staff member.	The allegation was too unspecific to investigate and the reporter did not provide further information.	0	0	0	No further action was taken.
Apr-17	East and Southern Africa	A review of a data reconstruction exercise suggested overcharging.	Deficiencies were discovered in the exercise but no fraud was uncovered.	0	0	0	No payment was made for substandard work. Improved evaluation of potential consultants was introduced.

Apr-17	West and Central Africa	Discrepancies were identified in the distribution of food and non-food aid to beneficiaries leading to a suspicion of fraud.	Misconduct was identified by distribution staff but they didn't attempt or make financial gain. The staff member concerned was given a disciplinary sanction.	0	0	0	Field distribution monitoring was improved.
Apr-17	East and Southern Africa	An anonymous report received via the staff hotline alleged staff had solicited bribes from a partner.	The allegation was not substantiated.	0	0	0	No further action was taken.
Apr-17	Asia	A staff member submitted a medical expense claim under a Plan International policy that the insurer rejected as fraudulent.	An investigation was inconclusive as to whether the claimant or the medical provider was the party at fault.	0	0	0	There was no financial loss to Plan International. The staff member was advised to use a different medical provider.
May-17	East and Southern Africa	A local compliance review uncovered substantial procurement awards to vendors suspected of being un reputable.	Procurement irregularities identified payments made that were over the market rate. The principal staff member responsible resigned prior to a disciplinary process. Other staff members were sanctioned.	1,223	0	1,223	Procurement processes were reviewed and improved.
May-17	West and Central Africa	Field staff were suspected of misappropriating relief supplies for displaced persons.	Aid diversion was substantiated. Lost funds were recovered and 5 staff members were dismissed.	4,103	4,103	0	Field distribution monitoring was improved.
Jun-17	Americas	An air ticket was purchased by a third party fraudster on an office credit card account.	The credit card was cancelled and all lost funds were reimbursed.	359	359	0	Credit card security was improved.
Jun-17	Asia	A local audit of an implementing partner NGO uncovered unaccountable receipts.	An investigation found that the Director of the NGO had embezzled Plan International funds. The NGO was blacklisted.	2,411	Recovery of funds is currently being sought through legal means but success is unlikely.	2,411	Partner assessment and due diligence were improved.

Jun-17	West and Central Africa	An internal review of partner operations uncovered multiple instances where funds were misappropriated.	An investigation implicated 8 partners and the receipt of bribes by 7 current and former staff members. The partners were blacklisted and the remaining 4 staff members were dismissed. All identified lost funds were recovered.	36,437	36,437	0	Partner assessments and field monitoring were improved.
Jul-17	East and Southern Africa	Two Plan International staff were arrested by national authorities for allegedly selling relief supplies.	An investigation established that the staff were the subject of false allegations. A physical stock count found no missing items.	0	0	0	No further action was taken.
Jul-17	Asia	Community pre-school teachers did not receive due payments from an implementing partner.	A staff member from the partner organisation was found to have misappropriated the payments. They were dismissed and referred to police. Due payments were consequently made.	1,209	1,209	0	The partner organisation was assisted to improve their monitoring of cash distribution.
Jul-17	East and Southern Africa	Information was received that a staff member was soliciting bribes from implementing partners.	An investigation did not substantiate the allegation.	0	0	0	No further action was taken.
Jul-17	Asia	A former staff member of an implementing partner raised questions over the partner's integrity to external auditors.	Clarification of the allegations raised issues of transparency but not fraud.	0	0	0	Partner processes were reviewed and greater transparency measures were introduced.
Jul-17	East and Southern Africa	A report via the staff hotline alleged procurement irregularities by local staff.	An investigation discovered no fraud but confirmed failure to comply with due processes by 2 staff members. The staff members concerned did not have their contracts renewed.	0	0	0	Procurement processes were reinforced in the office concerned.

Aug-17	Americas	An HR staff member provided answers in advance to a candidate in a recruitment selection test.	The staff member was dismissed.	0	0	0	All HR staff were given appropriate advice.
Aug-17	Asia	An implementing partner conducted an internal investigation and found that their Finance Manager had embezzled funds, including those from Plan International.	A further Plan International review confirmed the findings. The Finance Manager was dismissed by the partner organisation and all lost funds were returned.	16,283	16,283	0	The partner organisation was assisted to improve their financial controls.
Aug-17	Asia	A report via the staff hotline alleged tax registration irregularities by a service provider contracted by Plan International.	Enquiries revealed an historic tax dispute that had been satisfactorily resolved. The report may have come from a competitor.	0	0	0	No further action was taken.
Aug-17	Asia	A staff member was suspected of procurement irregularities to favour a particular vendor of school books.	The staff member resigned prior to an investigation which found that the vendor selection was unjustified and prices paid were above market rate. The difference has been adjudged a loss to the organisation.	3,000	0	3,000	The lost funds were not recoverable. Procurement processes were reinforced.
Sep-17	West and Central Africa	Staff of an implementing partner were suspected of having to pay part of their salary to their Executive Director.	The staff were found to be subject to extortion, but there was no direct loss to Plan International. The partner was blacklisted.	0	0	0	Partner assessment processes and due diligence were improved.
Sep-17	West and Central Africa	A Plan International staff member was suspected of falsifying transport expenses and retaining part of payments due to be paid to community workers.	An investigation substantiated the fraud. Losses were recovered and due payments were made in arrears.	1,305	1,305	0	Cash payment monitoring was improved.