

Poverty charity 'intentionally abused for criminal purposes' by two of its trustees, investigation finds

[In a report published today](#), the regulator finds that two former trustees of Afghan Poverty Relief mismanaged the charity and stole hundreds of thousands of pounds intended for those the charity was established to help. They were ordered by the courts to repay over £400,000 to the charity.

The inquiry opened in 2011, following a referral from the Metropolitan Police, to investigate concerns about the charity's governance and management, and specifically to examine the charity's finances. The regulator was concerned about transactions between the two trustees and the charity and that it appeared the charity was being misused for personal gain.

During its investigation, the regulator analysed the charity's bank accounts, as well as personal and business accounts associated with two of the charity's former trustees. It found that during the 4 years to 2011, over £254k was withdrawn from the charity's accounts, and over £215k was paid into personal and business accounts linked to two of the charity's former trustees.

As part of its investigation, the Commission found that the charity's trustees failed to keep adequate records; it found, for example, that many of the receipts and records it scrutinised were undated, and that it was not possible to reconcile donations recorded as having been received by the charity with deposits into the charity's accounts.

One trustee was also found to have breached an order of the Commission, including not to accept donations from members of the public on behalf of the charity.

The Commission supported the Metropolitan Police's investigation and this information, alongside witness statements provided to the courts by Charity Commission officials, helped secure the conviction of the two trustees in 2014. One trustee was found guilty of theft and sentenced to 5 years; the other was found guilty of one count of theft and four counts of fraud and sentenced to 3 years in prison. As a result, both are disqualified from serving as charity trustees or from holding an office or employment in a charity with senior management functions.

In 2014, and following the former trustees' convictions, the Commission appointed an interim manager (IM) to identify the charity's assets and liabilities, represent the charity during confiscation proceedings brought by the police following the trustees' convictions and to determine the charity's future.

The IM has wound the charity up, transferring remaining assets to another

charity for the purposes of funding an orphanage in Ghazni, Afghanistan, which had previously been supported by the charity.

Tim Hopkins, Assistant Director of Investigations and Inquiries at the Charity Commission, said:

Charity represents the best of human characteristics – that’s why the behaviour and conduct of those involved in charities matters. This charity was set up to support vulnerable and disadvantaged people, including orphans in Afghanistan. Instead of ensuring donations received by the charity were applied for charitable purposes, two of its then trustees abused and exploited it for criminal purposes. In doing so, they committed criminal offences, breached charity law and exhibited behaviours which fell far below the legal and public expectations of how trustees should behave.

I am pleased that our investigation has helped bring those individuals to justice, and that, together with the Police and the interim manager, we have ensured significant sums, that would otherwise have been lost, were returned to charity”.

The Commission acknowledges the long-running nature of the inquiry. This results from complexities experienced by the IM in transferring the charity’s remaining assets, and then winding the charity up.

The full inquiry report is [available on gov.uk](#).

Ends

Notes to editors

1. The Charity Commission is the independent, non-ministerial government department that registers and regulates charities in England and Wales. Its purpose is to ensure charity can thrive and inspire trust so that people can improve lives and strengthen society.