

Press release: “No evidence of charitable activity” by mismanaged Gaza aid charity, according to critical report

A charity set up to help people in Gaza may not have conducted any charitable activity or distributed any humanitarian aid, according to a highly critical report by the Charity Commission.

The charity regulator has published the [findings of its inquiry into Viva Palestina](#), and has concluded that its trustees put publicly donated funds at risk as a result of their mismanagement and/or misconduct.

The regulator finds that the trustees failed to fulfil their legal duties including to maintain proper financial records, safeguard the charity’s assets, provide financial accounts, and to address concerns raised by the regulator.

Whilst the inquiry saw some evidence that monies had been used to purchase medical supplies in line with the charity’s objects, the Commission concludes that the charity’s financial and other records were so poor that “it was difficult to establish with any certainty whether any charitable activity had taken place” and that the inquiry found “little or no evidence that humanitarian aid was distributed to those in need”.

The Commission did establish, however, that one of the charity’s former trustees had received payments from the charity and that mobile phones and radios were purchased with charity funds at “significant expenditure”. There are no records of where these assets are now held.

Viva Palestina began in 2009 as a large scale fundraising campaign to finance aid convoys to Gaza. Its founders did not originally apply to register the organisation as a charity; the Commission formed the view that it was a charity and must therefore be registered.

The Commission says it found a lack of clarity among the former trustees as to who was responsible for the charity’s day-to-day running. It concluded that the trustees “failed to act with reasonable care and skill in the control of their charity’s funds and the charity’s day-to-day management”, which it says amounts to misconduct and/or mismanagement.

Michelle Russell, Director of Investigations, Monitoring and Enforcement at the Charity Commission said:

Our investigation into Viva Palestina found that it was a wholly inadequately managed charity. A trustee is by its name a trusted

position, acting for the public benefit to help others. The public has a right to expect that those who serve as charity trustees take their responsibilities seriously, properly accounting for the charity's income, assets, activities and its expenditure. This didn't happen in the case of Viva Palestina. Our inquiry shows that the former trustees did not pay proper attention to the legal responsibilities involved in running a charity and handling funds donated by the public. We found little evidence that the intended beneficiaries received the support intended, despite the extensive fundraising by Viva Palestina. The former trustees thus badly let down the public to whom the charity is accountable.

Among the issues highlighted in the Commission's report are:

- unauthorised payments: one former employee claimed that they had been instructed to make financial transactions by one of the founders and a former trustee of Viva Palestina, who had no authority to do so
- lack of proper control over employment: the same individual also claimed that they had been instructed by the same founder and former trustee to resign as a trustee and assume duties as a paid employee. The Commission saw no evidence that the trustees made such an appointment properly
- lack of oversight over assets

As part of its inquiry, the Commission used formal investigatory and enforcement powers, including to:

- appoint an Interim Manager (IM) – an IM was appointed in 2014 to take over the management and administration of the charity. Her role included compiling accounts for years ending 2010, 2011, 2012 and 2013, taking control of the charity's bank accounts and examining further the financial management and controls at the charity
- obtain the charity's bank records – the inquiry exercised its formal information gathering powers to obtain the charity's bank account records
- freeze bank accounts – the inquiry also used its power to prevent the charity's bank from parting with funds without the Commission's consent
- direct the trustees to take action – including using its power to direct the trustees to provide the charity's overdue annual accounts and provide documents, records and explanations about the charity's expenditure, financial management and administration of the charity

The Charity Commission's investigation opened in June 2013, three years after it published a report on a previous investigation into the charity. The Commission initially sought to resolve its regulatory concerns outside of a formal inquiry, but opened a new inquiry when it was unable to obtain the necessary information.

ENDS

Notes to editors:

1. The report of the Commission's first inquiry into Viva Palestina is available on the website of the National Archives.
2. The Commission considered using its disqualification powers against the trustees and former trustees of the charity. Disqualification is not dependent upon a charity being in existence and regulatory action cannot be avoided by winding up a charity. However, as the charity had ceased to exist for a significant period of time, the absence of any meaningful records and the lack of clarity over who had control of the charity and its administration and who was a trustee, meant the Commission was not able to exercise its powers under section 181 of the Act to disqualify persons from acting as trustees.
3. The names of individuals who failed to co-operate with the inquiry or to clarify their role in its governance and administration have been noted on the formal records, in the event that they should seek to become trustees of charity in future.