



Operational Case Report

10 charities caught out for fraudulent applications

Silent Image (1155486), Ideal Ways (1155384), Link Effect (1154761), Capacity Building (1154871), Initiative Assurance (1152200), New Lead (1156381), Destiny Rescue (1150740), Angel Network (1150266), Out Care (1149598), Guide Watch (1156744)

About the charity

All of the charities were registered between November 2012 and April 2014. They all had similar objects to advance education by funding projects overseas and all listed Bhutan and Bangladesh as areas that they operated in.

Why the commission got involved

Recent pre-registration checks confirmed that fraudulent documents had been included in a number of applications to register with the commission. Those applications were denied.

Having identified a specific feature in the fraudulent documents, we wanted to establish whether previous applications had contained fraudulent documents of this kind¹.

The action we took

We undertook a check on the documents that all registered charities had submitted in their application for charity status. The check was designed to identify the specific feature of the documents that would indicate they were fraudulent.

What we found

The check pinpointed the fraudulent feature in the application documents of 10 registered charities.

The 10 applications had been submitted over a two year period but in looking at all of the information comparatively, we quickly identified a number of suspicious commonalities across all the documents. For example, in correspondence with each of the charities during the registration process they had all supplied identical information about the intended public benefit of their work.

¹ We are not disclosing the specific feature of the fraudulent documents to protect the effectiveness of our pre-registration checks.

All the evidence suggested that one person or group was behind the fraudulent applications to gain a charity registration number.

Two of the charities, Angel Network and Out Care, had been registered long enough to submit Annual Returns. Both submitted returns declaring they were below the £25,000 threshold to provide full accounts. Given the initial documents the charities had provided were fraudulent and that the charities had provided none (or very limited) financial information in their returns it was not clear whether, or how much, money was raised or why the charities had been set up.

These 10 charities have been removed from the public register on the basis that they do not operate. Meanwhile, our Intel team is working to identify those that were involved and we have informed Action Fraud about this case.

Lessons for others

It is a criminal offence under the Charities Act to provide false and misleading information to the commission and we will take steps to pursue those individuals that do so.

We can and do make pre-registration checks and we will spot fraudulent documents. Those applications will be refused charity status.