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**Aid Group Reports Financial Lapses in Tsunami Relief**

**By Stephanie Strom**

Oxfam International, the global relief organization, said yesterday that a seven-week investigation of fraud in its operation in Aceh Province, Indonesia, had found evidence of \$22,000 in losses.

Although the fraud represents a tiny proportion of the organization's \$48 million budget for tsunami recovery in Aceh in 2005, and most of the losses have already been recovered, it is unusual for charities to reveal such problems.

Oxfam announced in March that a regular audit had identified financial irregularities in Aceh and has been widely praised in the nonprofit sector for its candor. Other organizations seem to have taken notice, and charity regulators in two states said they had noticed an increase in self-reported wrongdoing among the organizations they monitored.

The fraud involved discrepancies between payments made for materials ordered for the organization's shelter program and the amount of materials delivered. Oxfam said it had been able to recover about \$20,000 in materials, almost the entire amount of its losses.

The organization said it was considering disciplinary measures against 22 staff members, 10 of whom could face dismissal.

Oxfam said it had fully resumed all services in Aceh, the region hardest hit by the tsunami in December 2004. It scaled back its operations to water provision and waste collection pending the outcome of the inquiry.

"The public who gave so generously should be reassured that the money they donated continues to help change the lives of people who were so devastated by the tsunami," Raymond C. Offenheiser, president of Oxfam America, said in a statement.

The investigation found weak management and monitoring in some areas and high staff turnover.