

# The Palestinian Charity Trap

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World Vision officials have professed to be “shocked” by the arrest in Israel last week of Mohammed El-Halabi, the head of the megacharity’s Gaza operations. Mr. Halabi is accused of repurposing over the course of 10 years up to \$7.2 million a year, in cash and materials, to Hamas. That’s approximately 60% of World Vision’s total aid to Gaza. In addition to money allegedly used for deadly weapons and the construction of terror tunnels, the charge sheet includes diverting unemployment payments, “2,500 food packages worth \$100 each” and “3,300 packages of cleaning supplies and personal hygiene products worth \$80 each . . . to Hamas units.”

According to the Israeli security agency that conducted the investigation into World Vision, Mr. Halabi admitted his role as a Hamas agent during interrogation, though his lawyer has since rejected this account and denied the allegations. World Vision has also denied the charges, claiming that the budget for its Gaza operations was smaller than the amount of the funds allegedly diverted. However, the annual reports of the Jerusalem-West Bank-Gaza (JWG) branch of World Vision fail to specify a separate budget for operations in Gaza alone, making it impossible to independently verify these assertions.

But it is impossible not to see in Gaza the massive construction of terrorist infrastructure everywhere, with humanitarian aid as the primary source of funds and materials. Terror is the territory’s only major industry, and if Hamas wasn’t stealing the aid, where were the sacks of cement, beams, pipes and other materials, as well as the cash to pay for the work, coming from?



Palestinian Mohammed Halabi, the Gaza director of World Vision, looks on during his indictment at a district court in the southern Israeli city of Beersheva on Aug 4.

*PHOTO:AGENCE FRANCE-PRESSE/GETTY IMAGES*

Instead, World Vision leaders such as Tim Costello of the charity's Australian branch, which provided a significant portion of World Vision JWG's 2014 budget of more than \$20 million, took refuge in distant accounting firms. "We have PricewaterhouseCoopers that audit us each year," Mr. Costello said.

But Mr. Costello and his peers at other aid groups should be aware that no international auditing firm can independently track funds in terror enclaves. In Gaza, there are no receipts for the numerous cash transactions that were conducted via World Vision. Even if there were, how would the auditors verify their authenticity? Indeed, the audit claim wasn't enough to convince the Australian government, which immediately froze the \$5.7 million annual budget granted to World Vision. Germany soon followed suit.

The broader problem is that due diligence for humanitarian aid in war and terror zones requires the allocation of significant resources and a professional staff capable of detaching itself from the pressures and sympathies of the local environment. World Vision, like most aid groups operating in Gaza, clearly failed in this respect.

For years, World Vision promoted the Palestinian cause, developed alliances and provided funds to some of the nongovernmental organizations active in demonizing Israel and promoting boycotts. In publications designed to bring in donations, the brutality of Palestinian terrorism is erased while images of victimization are highlighted. Children are depicted as harassed by "soldiers and settlers," and "suffer from lack of

adequate education facilities” due to “demolitions,” as World Vision’s website puts it. Palestinian corruption is whitewashed, as is the fact that Israel has been out of Gaza for more than a decade.

World Vision’s troubles in Gaza reflect the broader moral failures of the humanitarian-aid industry. The narrow vision of aid workers contribute to a willful blindness to terrorism. The competition for publicity and donations results in alliances with brutal regimes and corrupt warlords. But thanks to the NGO “halo effect,” many donors also neglect due diligence, instead relying on the pure reputation of the recipient organization.

World Vision is no exception. It was founded in 1950 by an American missionary and has grown into an international aid powerhouse, operating in more than 100 countries and with annual revenues of \$2.8 billion. While hundreds of millions come from individuals and private philanthropies, more than half of the NGO’s world-wide grants are funded by governments via the U.N., including Australia, Canada, Germany, the U.S. and the U.K. As revenues skyrocket and with thin-to-nonexistent transparency and accountability, due diligence is neglected and corruption festers.

Mr. Halabi’s arrest should be cautionary moment for other international aid organizations with operations in Gaza such as Care, Christian Aid, Oxfam and the United Nations Relief and Works Agency. The need to deal realistically with operations in a terror-controlled zone like Gaza, and the costs of failing to perform due diligence, should be apparent. World Vision’s auditing claims notwithstanding, cash payments in Gaza are a direct path to corruption and diversion to terror. They should be ended immediately.

Aid groups also need to obtain and use intelligence information, particularly regarding employees and their activities. Some of this can be developed internally, and some can be purchased from consulting firms. And instead of adopting the Palestinian culture of noncooperation with Israeli security, it is in the interests of these organizations to quietly open channels of communication and information sharing.

World Vision's failures in Gaza highlight the problems of a multibillion dollar NGO industry that remains largely unregulated and unexamined. With so much money involved, including private and public funds, and given the stakes in environments of terrorism and guerrilla warfare, the need for transparency, accountability and detailed guidelines is clear. If the officials who run organizations such as World Vision aren't willing to take the lead, then the governments that contract out their aid budgets must act.

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