

Showing the way

Operation Hope Foundation's Robert Kee says it's impossible to run a charity based on honesty, the system must instead prevent dishonesty

BY GENEVIEVE CUA



PHOTO: YEN MENG JIIN



PHOTO: OPERATION HOPE FOUNDATION

CHANGING LIVES

Mr Kee (with Hope Village children) founded and runs Operation Hope Foundation, which operates an orphanage in Prey Veng, Cambodia and an orphanage in Kathmandu, Nepal among others

DONATING rice to a poor village is a kind, charitable act – until you find that what you thought was pure rice was actually rotten and broken grains mixed with sand.

This was an early experience of philanthropist Robert Kee, who has been working in his own charities for nearly two decades. Mr Kee believes corruption dogs many charities and non-governmental organisations (NGOs) in developing countries. But donors do not know or care enough to ask the right questions, much less to monitor how much of their donations actually reach the beneficiaries.

“Corruption is pervasive. Countries are poor because of corruption. It’s almost a way of life. So how do you overcome this? Most charities’ accounting is based on receipts, but if you can’t trust the receipts, then how? Many give up.”

Mr Kee founded and runs his own charity, Operation Hope Foundation (OHF), which operates an orphanage in Prey Veng, Cambodia and an orphanage in Kathmandu, Nepal among others. Late last year he was a guest speaker at the Credit Suisse Philanthropists Forum. His experience as an entrepreneur stands him in good stead. He became managing director of a British electronics firm at 27; founded his own data communications company at 30; and expanded and ran his wife’s business, an electronics subcontracting firm. All these have given him a sharp eye for the economics of an enterprise and an internal radar attuned to the possibility of being cheated. In 2013, he authored a book – *Changing Lives: Hard truths about helping the poor*. He has since authored three more books.

“OHF can show a way for donors to see that there is a way to do charity, which is money well spent.”

All OHF’s programmes, which include an orphanage in Cambodia housing 95 children and a skills training centre; a children’s home in Nepal and an earthquake rebuilding project; and an orphanage and learning centre in Thailand – all that and more were supported by donations of just over S\$1 million in 2016. He says: “Of course I don’t get a salary. You can get a lot of bang for the buck if you make sure money is used properly.”

He recalls meeting the owner of a hotel in Nepal where he was staying. “The owner came to have breakfast with me. He said – ‘I have another bigger hotel and I run the biggest travel agency too. But I’m angry with my neighbour. He works in an NGO and his lifestyle is better than mine. How can this be?’ But this happens all the time.

“There are three types of organisations. The government – if it doesn’t do the work, the president is voted out; a business – if you don’t deliver the goods, the customer runs; and a charity – it has no feedback between the donor and beneficiary. The donor doesn’t know what the beneficiary gets; the beneficiary doesn’t know what the donor gives.

“The possibility of inefficiency is very high because there is no accountability or feedback. People think – as long as my public relations (PR) is good, I can raise funds and that’s all that matters. Most charities focus on PR and marketing. No one is like me – focusing on corruption.”

His orphanage in Cambodia, for instance, is run along the principles of a company, with policies and procedures for detailed aspects of the operations, such as recruitment, human resources, child admission and departures. Cash outflows for detailed expenditures such as food, cleaning materials and printing costs are carefully monitored and balanced with what remains in the bank. As the foundation is also a grantor, making grants to other charities, he also monitors how grantees spend the money monthly.

Challenges

He recalls the effort made to monitor fuel cost, for instance. “The driver says, here is my claim. He says he pumped \$80 worth of fuel, but maybe it’s just \$50. For every vehicle I record the mileage, and do a consumption test every six months of how many kilometres can be travelled per litre, and compare that with the actual claim.

“Eight years ago when I did a mileage test, the amount of diesel claim fell by 50 per cent. Just the thought that I was checking was a deterrent. I always feel it’s our job to make it hard to be corrupt. If you don’t check and make it easy, you are tempting people and it’s wrong.”

Monitoring food costs for the orphanage in Cambodia was another challenge. “I have 95 children, 14 staff and 14,400 meals a month. Is that a kitchen or a restaurant? It’s a restaurant. In the last 20 years, I visited so many children’s homes. I’ve never seen a weighing machine. The staff says they bought 20 kilogrammes of chicken, but maybe they only bought 15. If that represents 30 to 40 per cent of food costs, then you’re not managing and you have zero financial control.”

Some solutions, he says, are “very simple”. “Even if you have a weighing machine, you can still cheat. Who buys the food? The cook. If it’s always the cook she can cheat. So you have a problem.”

He created a menu system, detailing every ingredient in every dish, and listing the cost and required quantities. He also has a roster of people who do the purchasing. “I will have as many people buying as possible. Then

I compare the buying patterns of groups over six months. If one group is always higher than the rest, it’s cut off. The system must work without me having to keep an eye all the time.

“You can’t run an operation based on honesty. The system must prevent dishonesty.”

He says donors who give funds for building projects should ascertain the per square foot costs, and obtain snapshots of structures built with GPS coordinates. “About five years ago a foundation from the UK contacted me and gave us US\$100,000 to build wells in Cambodia. A year later he gave me US\$500,000 to build houses and toilets. For every house we built we gave a photo of the beneficiary and background on the family.

“What irks me is there is a simple solution but people don’t bother. In Tacloban (the Philippines), a donor gave funds for 700 houses. But how do you know 700 was built? Did you visit? If I ask someone to build 700 homes, I will not give the entire amount. Give funds for 20 houses first, and take pictures.”

He seeks to keep the cost/benefit ratio of donations to 20/80 – that is, 20 per cent is allocated to costs and 80 per cent for beneficiaries.

Yet not all his endeavours have been successful. For the Nepal earthquake victims he raised S\$200,000 in 2014 to build 350 rice bag houses by end-2015 for those left homeless by the disaster. But the plan hit snags – a severe fuel shortage made it hard to get materials to where the villagers were. And, villagers chose to wait for cash handouts from the government.

On wealth, he says he had a very wealthy friend who showed him his BMW 7 Series car. It cost twice the normal price because of its “long wheel base”. “What’s the point of boasting about this? I realise life is about experience, not money. I don’t regret all this; it has brought me a whole new world, new friends, a new way of thinking.

“I would say I’m comfortable (financially). It all depends on what you want to spend on. Life is about experience and it’s invaluable when you can help people.”

He checks into Facebook (FB) to keep in touch with his children – those who formerly stayed at his orphanage. “This boy has graduated, and he has a son,” he says, pointing fondly to pictures on his FB. “He just bought a house; he was with me from 15 and now he’s in his 20s. This girl married a Hong Konger. All orphans. All of them my children.” **W**