



collected" and refused to give more details.

But media organizations and Web users have questioned this, as it is rare for a regional charity organization to raise so much money for such a project.

The provincial government has formed a panel to investigate the allegations.

Employees from the foundation told China Daily on Wednesday that the officers authorized to answer media inquiries were out of office and could not be reached for comment. China Daily's later calls to the foundation went unanswered.

Xu Yongguang, secretary-general of the Narada Foundation, a private charity focusing on public welfare projects, argued that charity foundations should not be criticized for investment activities that maintain and enhance their asset value.

Given China's high inflation rate and low reserve interest rate, the value of donations shrinks if it is simply saved in banks, Xu said.

Deng Guosheng, director of the non-governmental organization research center at Tsinghua University, said that it is "vital" that Chinese charities make their work more transparent.

Liu Peifeng, an associate professor from the law school of Beijing Normal University, said that China should speed up legislation to regulate the commercial behavior of charity organizations.