

75th FIDE CONGRESS
CALVIA, MALLORCA, SPAIN
21-31 October 2004
Sol Antillas Hotel

Committee/Commission: Verification Commission

Chairman: L. Mazouz

Date: 24 October 2004, Venue: Sala Cabrera

Present: N. Freeman (BER), D. Jarrett (ENG), J. Stallings (USA), T. Bae (NOR), W. Arns (NED), M. Sand (NOR), D. Buthali (BOT), W. Kelleher (USA), N. Tabbane (TUN).

Mr Mazouz introduced the Meeting and produced the Verification Commission's (VC) Report (Annex 5), the letter from the Presidential Board (Annex5), the revised VC Report (Annex 4) and the Addendum to the VC Report (Annex 4A).

Mr Freeman said that the financial position today was a vast improvement on the situation as at the Halkidiki Meeting last year and as of June this year, the time of the last Meeting of the VC and that the Addendum reflected this.

Dr Arns suggested that the original Report should be the one to be presented to the General Assembly. Mr Mazouz advised that the FIDE Statutes required the VC to look at events in 2003 and Mr Freeman said that this was why the revised Report was written, but that the duties of the Commission were a grey area and that the Statutes should be amended to make the role of the VC clearer.

He further asked about the rent in Lausanne. Mr Jarrett replied that this rent will be paid until October 2005. He also said that contact will be taken with the Fide lawyer in order to negotiate with the landlord the possibility to terminate the contract before this date.

Mr Sand said that there was a move to amend the Statutes and that the Presidential Board (PB) welcomed such an amendment.

Mr Arns enquired as to whether the President was owing any more money to FIDE and Mr Jarrett explained exactly what the USD 500,000 consisted of, and added that the President had paid what he had promised.

Dr Arns asked as to why \$150,000 was being paid to the troika of Messrs Gelfer, Jarrett and Sand and said that he felt that one individual would be preferable. Mr Mazouz and Mr Freeman both said that this was a decision made by the PB and was not one for the VC to discuss, Mr Sand agreed with this, but said that this matter could be discussed after the conclusion of the Meeting.

Mr Buthali asked about the disposal of the car and Mr Jarrett advised that FIDE received an independent estimate of the value of the car from a firm in Lausanne and that the car was sold to Mr Omuku at that valuation. As the car was written down to nothing in FIDE's books, it therefore was a profit to FIDE.

Mr Tabbane asked three questions: Was the meeting legitimate without Don Schulz, shouldn't the Meeting be postponed until he arrived? Could he see the report showing the decrease in costs between Lausanne and Athens? What were the matters in his letter that were not relevant to the PC? He was advised that at present there were only three Members of the Commission and that therefore, two was a quorum. Also that Mr Schultz was aware that he was going to miss the Meeting and had given his apologies, as well as the fact that the VC had to meet and give its Report prior to the Meeting of the PB. Mr Jarrett gave Mr Tabbane a copy of his report regarding the decrease in costs. Mr Freeman advised Mr Tabbane that the matters raised by him which had not been discussed by the VC were ones that should be discussed at the PB.

Mr Tabbane then asked whether it was valid that the President had signed over his signature powers to Mr Sand, when the signatories according to Statutes should be the Treasurer, the President and the General Secretary. Mr Freeman said that as far as efficiency was concerned that there should be at least three signatories on the account and thus he believed that the current arrangement was correct. Mr Mazouz pointed out that the External Auditor was also happy with this state of affairs. It then became apparent that Mr Tabbane seemed to think that he had been removed as a signatory, but he was advised that this was not the case. It was confirmed that he was able to get electronically any details of the account that he needed and that the Treasurer asked for the second signature of whoever was the easiest to contact. Dr Arns said that all this was a matter for the PB, to which all, including Mr Tabbane, agreed.

Dr Arns was concerned that all money was being used for the administration of Fide and none going to the Commissions and this was hard to explain to the members of his federation. Mr Jarrett explained that Commissions activities are mainly financed through income derived from the WCC. He added that, as there was none in 2003, these activities were frozen and that they could not be funded from revenue received from regular revenue.

Mr Kelleher said that some of the problems in the past were caused by the erratic nature of payments from the President. Mr Freeman advised that future budgets and calculations were made on the basis that FIDE would not be receiving any money from the President.

In summing up, Mr Mazouz thanked those attending for their comments, which he said was very beneficial for the VC to hear and that the duties of the VC should be better defined and that a proposal has been made. Mr Freeman reiterated that the state of FIDE finances were much better now.

The Commission was thanked for their work.

L. Mazouz
Chairman

