



FIFTY-SECOND SESSION  
7-12 November 2016  
Yokohama, Japan

**DECISION 5(LII)  
FURTHER MEASURES REGARDING THE FINANCIAL IMPAIRMENT**

The International Tropical Timber Council,

Recalling Decision 4(LI) and Decision 4(LI.1) dealing with the loss of 18.2 million dollars of ITTO funds;

Noting the findings of the independent investigation;

Acknowledging the recommendation of the Oversight Committee that Council consider further legal action against any of the involved parties, in particular civil claims against former ITTO employees, i.e. the ED and the staff;

Noting the summary dismissal, as per the terms and procedures of the ITTO Staff Regulations and Rules, of two former ITTO staff involved in the loss of funds;

Also noting with appreciation the letter of apology addressed to Council from the former Executive Director;

Bearing in mind the need to respect ongoing legal proceedings;

Decides to:

1. Request the Executive Director, without prejudice to any legal recourse that ITTO may have, to invite the former employees, without any declaration of liability, to contribute to meeting the financial shortfall, including by returning to the Organization its contributions plus interest to their Provident Funds;
2. Request the Executive Director, if so professionally advised in legal proceedings, to maintain the ability of ITTO to pursue further legal action by initiating a third party notice to the former ITTO employees; and
3. Request the Executive Director to provide regular updates on the implementation of this Decision to the Chair and Vice-Chair of the Council.