



FIFTY-THIRD SESSION
27 November – 2 December 2017
Lima, Peru

DECISION 7(LIII)

**RECONFIRMATION OF FURTHER MEASURES REGARDING THE
FINANCIAL IMPAIRMENT**

The International Tropical Timber Council,

Recalling Decision 4(LI), Decision 4(LI.1) and Decision 5(LII) dealing with the loss of 18.2 million USD of ITTO funds;

Noting the findings of the independent investigation carried out under Decision 4(LI);

Acknowledging that the total loss of 18.2 million USD had to be fully covered at the expense of the entire Membership in addressing the financial shortfall pursuant to Decision 6 (LII), of which concrete measures were finalized and approved by the Council as set out in document ITTC(LIII)/12;

Further acknowledging the recommendation of the Oversight Committee established by Decision 4(LI) that the Council consider further legal action against any of the involved parties, in particular civil claims against the former Executive Director and the two former ITTO staff involved in the loss of funds (hereinafter collectively referred to as “former ITTO employees”);

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

Also noting the reply from the former Executive Director to the request made in accordance with paragraph 1 of Decision 5(LII), which contradicts his own letter of apology addressed to the Council in June 2016;

Bearing in mind that the court case against the investment advisor filed in accordance with Decision 4(LI.1) is still ongoing;

Decides to:

1. Request the Executive Director, without prejudice to any legal recourse that ITTO may have, to further continue his efforts in requesting the former ITTO 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 according to the developments in the ongoing court case, to maintain the ability of ITTO to pursue further legal action by initiating a third party notice to the former ITTO employees as necessary and without delay; 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.