



Independent observer
of the Global Fund

Global Fund Hires Investigator

[The following article, reproduced in its entirety, was published in the Wall Street Journal on 3 August 2005.]

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By Michael M. Phillips, staff reporter of the Wall Street Journal

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The allegations, brought by two Global Fund employees, include charges that officials issued contracts without following proper procedures, hired a middle manager without going through a competitive screening process and allowed the wife of the executive director, Richard Feachem, to work on its procurement system.

"We have taken these allegations very seriously," the chairman of the Global Fund board, Carol Jacobs, wrote last week to the other directors in an internal email co-signed by her vice chairman and Mr. Feachem himself. "It is our shared belief that it is in the best interest of the fund to have an independent party review the allegations and provide an assessment of the facts as well as the veracity of the assertions."

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The Global Fund board asked the World Health Organization's Office of Internal Oversight Services to carry out the investigation. Jon Liden, a Global Fund spokesman, said it likely would begin in a few weeks because of vacation schedules.

Mr. Liden said Global Fund managers believe the allegations are "overblown" and said none involve charges of corruption. "I would hazard to say a lot of this is nonsense," he said. "Some of it has some substance, but none of it is sensational."

The widespread use of single-source contracts, he said, is the result of the Global Fund's desire — under pressure from donor nations and AIDS activists — to move money to developing-world AIDS patients quickly. Mr. Feachem's wife, Neelam Sekhri, a health specialist, helped work on a computerized procurement system, he said. "As far as I understand, she was never paid any compensation at all for this," Mr. Liden said. "It was unpaid voluntary advice." She left the position after questions were raised about the propriety of her working at the organization that her husband ran.

Bernard Rivers, a New York AIDS advocate who runs the watchdog Global Fund Observer newsletter, brought the allegations to the attention of senior Global Fund officials last month but didn't publish them. In an interview, Mr. Rivers confirmed his role but declined to give further details about the allegations.

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