



Independent observer
of the Global Fund

Investigation of the Global Fund

A recently-concluded three-month official investigation of the Global Fund Secretariat found no evidence of fraud or misuse of funds. However, the investigation did conclude that the Secretariat has violated certain rules mandated by the Fund's Board regarding contracting and payments. None of the findings related to uses of Global Fund grants; the investigation was entirely into internal practices within the Geneva-based Secretariat, and uses of Secretariat money.

The investigation was jointly called for by the Global Fund Chair, Vice Chair and Executive Director in July after they received a confidential letter from Aidspan, publisher of GFO, alleging mismanagement within the Secretariat. (See "Aidspan's Role in the Investigation of the Global Fund Secretariat," below.)

The investigation was carried out by the WHO Office of Internal Oversight Services (IOS). IOS was used because certain aspects of Global Fund administration are carried out under the oversight of WHO.

The investigation was completed in late November. The report of the investigation was first evaluated by the Board's Ethics Committee, and then by the full Board at its meeting on December 15-16.

The Ethics Committee agreed with the investigation report that "there is no evidence of fraud and misuse of funds." However, the committee said that in the report of the investigation it found "areas of considerable concern that require attention, including evidence of real or perceived conflict of interest." The Ethics Committee also noted that "consistent adherence to contracting and procurement procedures was not upheld. In the specific cases cited, established procedures were shortcut for the sake of speed and convenience, causing vulnerability of the Global Fund operation. Contracts may have been made in ways that do not rule out conflict of interest." Also, there were "concerns regarding fair and open recruitment of secretariat staff." In addition, the committee found that "the participation of a family member in Global Fund activities was left to diverse interpretations both internally and externally," that there have

been “management weaknesses compounded over time,” and that the report showed a “composite picture of longstanding issues related to sound management practices.”

In the meeting of the full Board that ended on Friday, the Board essentially agreed with the Ethics Committee’s findings. The Board concluded that within the Secretariat, “there were instances of violation of established Global Fund and WHO rules and procedures.” However, “there was no evidence of fraud and misuse of funds.” It added that “there was no evidence of violations of the Policy on Ethics and Conflict of Interest for Global Fund Institutions, though there were actions that created concerns about lack of transparency.” Also, the Board noted that it had separately “received concerns about Secretariat culture and morale, which it takes seriously.”

The Board set up a small Oversight Committee to monitor the actions that the Secretariat has promised to carry out to correct the problems. The Board also asked the Secretariat to determine who within the Secretariat “is responsible for any improprieties,” and noted that “in this process, protection of whistleblowers is also essential.”

The Board did not authorize release of the report of the investigation, even in summary form. The report was treated as extremely confidential; each Board member had to sign a confidentiality agreement before reading it, and was not allowed to retain a copy.

[Note: The quotes above represent the entirety of what the Board and its Ethics Committee have revealed about what was investigated. The quotes are taken from the Board’s Decision Points and a Board statement, both available at www.theglobalfund.org/en/files/boardmeeting12/GF-B12-Decisions.pdf, and from the report of the Ethics Committee.]

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