

Report of the Verification Commission for the year 2007

The commission met in Athens on June 23rd and 24th 2008 . Present were Lakhdar Mazouz (Chairman) and Beatriz Marinello. Torstein Bae was absent with apologies.

1. Follow up on Verification Commission's recommendations for 2006 (See 2006 VC report)

1.1) WCC Match Topalov vs. Kramnik

The amount of \$16.082, 24 is still unpaid by the organizer.

1.2.) Turin Chess Olympiad

Financial matters concerning hotel bills still outstanding in spite of the efforts put by the treasurer to ensure payment back by the debtor.

1.3) CACDEC

Feedback concerning the distribution of equipment (for a total of 29 000 Euro) during the Olympiad in Turin has not been fully reported, recipients are not all recorded.

1.4) PR and Marketing Director (see item 7)

1.5) Staff contracts (see item 5)

2. Budget

The GA in Turin 2006 did not approve the budget as required by the statutes. However, the GA agreed that the "...budget would be dealt with at the first Presidential Board meeting following the congress". (see Turin minutes, page 10)

3. Revenues

The standard resources of FIDE, (mainly fees regarding register tournaments, rating , title application and tournament entry) remained stable over the years. In comparison to 2006, they have increased by 5.9 %.

Overall, this year show an increase of some 14% in revenues. This is mostly due to the following: World Championship Tournament, World Cup and World Youth Championships.

The World Youth contributed with 137 060 Euro to the income of Fide. Much attention should be given to this event when granting it to organizers.

4. Federation debts

The two-year arrears amounted to 18.631 euros. This shows significant improvements over the years due to the office reminding the federations and the threat of being suspended from receiving FIDE services.

5. Staff Contracts

FIDE does still not have contracts with its staff in Athens as it was recommended in our report in 2007.

A project has been prepared and is under study for implementation. It should enter into application as soon as possible.

6. Travel and Meeting Expenses

This item shows a very significant increase from 25 977 to 83 941 Euro, which means it has more than tripled . This is mainly explained by 2 factors:

-Fide finds it more and more difficult to receive, from organizers, enough financial support to cover travel costs for PB meetings.

-In conformity with a decision of the PB and its approval by the EB in 2007, PB members are allowed to travel business class when the flight takes more than 4 hours.

7. PR and Marketing Director

The matter has been already addressed to the EB of 2007 in Antalya. However no clear decision has been taken. The view of the Commission is the following:

- When approving the appointment of the PR and Marketing Director (see Turin minutes item 62, page 42), the GA did not authorize the payment of an “assignment fee” to this Official. It accepted only his designation to the position, like it did for all other Chairman of Commissions and Committees.
- There is no contract dealing with this matter, nor a precise decision assigning duties, obligations and rights to a fee.
- Either the PR or Marketing Director is an Official of Fide or an agent of a company (Unireg?) doing business with Fide. He cannot be both; otherwise we are in a conflict of interest situation.
- No receipts have been received by Fide regarding all expenses (equipment, travel, accommodation, travel...).
- There is a duplication of duties with Global Chess
- The costs of PR and Marketing amounted to 58 083 Euro

In view of the above points, the Commission recommends:

- Clarification of the relation between Fide and Mr Peter Rajscanyi

Lakhdar Mazouz

Beatriz Marinello

