

It is clear that the Authority's way of thinking is based on finding reasons to hold funds, but is this holding as a public institution or private company?

Part 5: Ali Baba's Treasure

"The Board of Directors of the Authority may decide to deduct up to 5% of the net investment income of the funds managed by it, to be allocated for the public benefit for all purposes for which it was established." (Article 22).

Khosh! Excellent! A great article, but the question is: What are the purposes for which the Authority was established?! Is it to take care of the administrator and his staff, or is it to care for Kuwait's orphans?

Since 1983, the cumulative amount of this 5% deduction has reached into the millions, but only crumbs of it has been spent on the minors. In 1996, the Authority wrote to the Fatwa and Legislation Department—the equivalent of an Attorney General's office—requesting their advice on the use of this account to pay for outsourcing technical jobs that the government staff cannot provide, especially in the investment sector. They claimed that this would enhance the Authority's performance, and therefore directly benefit the minors under its care. I gathered the relevant legal advice and the ministerial decision No. 5 of 1997 regarding this matter, but let's take a closer look at what has been discovered in the State Audit Bureau's report.

In 2013, the total money spent from the 5% allowance was about 828 thousand dinars. 674 thousand dinar, approximately 81% of the total allowance, was spent on bonuses for employees of the Authority. Whereas only 7 thousand dinars, approximately 0.85%, was used to cover direct expenses of those under their care.