

A LETTER FROM THE PRESIDENT

UNITED NATIONS STAFF UNION

Dear Colleagues,

Over the years, the United Nations Staff Union has fielded questions from staff and fought for fair working conditions including conversion to permanent appointment, a solvent and protected pension fund, and an improved internal system of justice.

In the recent past, we have fielded questions from staff concerned about the business practices and convenience of the United Nations Federal Credit Union (UNFCU).

These questions include the long queues at the only two branches in the United States; the meager dividends on share deposits; the high rates of interest on purportedly unsecured loans in spite of a guarantee that such loans shall be payable by the United Nations from staff member's separation entitlements; peculiar rules that allegedly do not apply to other federally regulated financial institutions; and the apparent lack of justification for the high costs of marketing and promotions to a captive membership.

We have also received complaints from employees of permanent delegations who are not allowed to participate in the UNFCU, although they are part of the field of membership indicated in the UNFCU's charter.

Even the Staff Union's relationship with the UNFCU is now under a severe test, just as it has been previously, including circa 1996 when 80 percent of the Staff Union's funds were deposited in regular Checking and Savings accounts with minimal returns.

The UNFCU has arbitrarily frozen the accounts of the Staff Union, since May 2010, over specious reasons. We have since learned that the UNFCU took this drastic and unprecedented action, at the behest of the Administration and its proxies, to stymie the Staff Union's intention to hire two independent attorneys-at-law to represent its membership in the new system of administration of justice. The UNFCU froze the accounts at the time when the Staff Union was also in the process of exploring the possibility of opening accounts with other financial institutions, following the recommendation in the independent auditor's report of 6 March 2007 which indicated that the practice of keeping all funds of the Staff Union with the UNFCU exposes the Staff Union to a potential risk.

The UNFCU's stranglehold on the Staff Union's funds is historical. Like many of you, the Staff Union became captive to the UNFCU because of the apparent symbiosis between the United Nations Secretariat and the UNFCU, which grants the latter an unfair advantage over other financial institutions. This unfair advantage has allowed the UNFCU to freely impose its limited banking options on the staff.

Many of the Staff Union members are members of the UNFCU. Typically, they are international staff, on G-4 visa, without social security numbers, and without a credit history and proof of address in the host country. The United Nations recruiters invariably advise such staff to open an account with the UNFCU for direct deposit of salary. The UNFCU is the only financial institution that is invited to the staff orientation programme. It was therefore natural for our predecessors to open the Staff Union's accounts with the UNFCU.

The Staff Union has now evaluated its relationship with and the benefits offered to its membership by the UNFCU. We have negotiated with [Chase](#) and [Citibank](#) to customize their full banking services, available worldwide, to benefit the staff members by matching what is offered by the UNFCU. More importantly, Chase and Citibank will compete directly with the UNFCU for staff deposits. This will assure fairness, competitive rates and improved customer service which will benefit all staff members.

We encourage staff to consider these newly available banking options. The Staff Union welcomes [inquiries and feedback](#) on this matter, and looks forward to assisting you in your banking transition.

Warm regards,



Stephen Kisambira
President, United Nations Staff Union

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