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To: World Service Conference Participants
From: World Board
Date: 29 August 2017
Re: *FIPT* Inspection Request from the South Florida Region

Hello Conference Participants,

As you may know, the Operational Rules of the *Fellowship Intellectual Property Trust (FIPT)* describe a process whereby a regional service committee can request to inspect the records and operations of the Trust. Following this cover memo are three documents related to such a request we received from a regional delegate on behalf of his region. These documents are the request from the South Florida Region dated 17 April 2017; our response dated 29 August 2017; and an Addendum, which responds directly to each of the ten Concerns listed in the request. We are forwarding these documents to all Conference participants to keep you updated on this matter and because this is an issue we expect to discuss at the 2018 World Service Conference—both this particular request and the process for making and responding to these types of requests.

We apologize for the legal tone of our response and the Addendum. We would prefer never to have to consult attorneys when responding to members or service bodies. We would much rather resolve issues and concerns within the Fellowship rather than resort to legal means, but when a request involving legal matters is made of World Services, a legal response is both prudent and appropriate.

As the documents that follow explain, after consulting with both our corporate and copyright attorneys, we do not believe all of the Concerns described in the request fall within the purview of a *FIPT* inspection. We are also awaiting confirmation from the requesting region about their specific concerns. We expect to have more to report before the 2018 World Service Conference, and we will request the guidance of the WSC. We see our role as Trustee not just as a set of legal duties, but fundamentally in terms of spiritual principles. We have been charged with a legal “fiduciary” responsibility, which, simply put, means a position of trust, and we strive to honor that spiritual ideal. Clear reporting and communication are consistent with our commitment to accountability and integrity.

We would also like to have a more general conversation with the Conference about the process for requesting an inspection of the Trust. The *FIPT* was drafted and approved in 1993, before the restructuring of World Services. When the *FIPT* was approved, the budget of the World Service Office was separate from that of the World Service Conference, and not under the control of the WSC. The financial structure adopted by the Conference during the restructuring of World Services does not lend

itself to a quick and easy Trust inspection. We do not segregate Trust property in this way; we organize our financials according to the policies adopted by the Conference and as described in *A Guide to World Services in NA*.

As the *FIPT* is currently written, a single region can request an inspection of the records and operations of the Trust, and such an inspection can be both time-consuming and costly. We are not sure this part of the Operational Rules reflects the Conference's current thinking. A policy that allows a single region to make a decision involving the allocation of so many resources seems contrary to our evolution toward a consensus-based Conference. This is one of those policies that we have known was outdated and unclear for some time, but have not wanted to drag the Fellowship through a detailed review. The recent inspection request, however, has made it clear we may be overdue to have this conversation.



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29 August 2017

South Florida Region of Narcotics Anonymous
PO Box 5842
Lighthouse Point, Florida 33074

Dear All:

The April 17, 2017, letter from the regional delegate on behalf of the South Florida Region of Narcotics Anonymous requesting inspection of the records and operations of the *Fellowship Intellectual Property Trust* and the activities of its Trustee was considered by the World Board on July 21, 2017, its first meeting after receipt of the request. The World Board is taking this request seriously, and has spent significant time and resources in addressing its form and contents. This letter outlines the action requested of the South Florida Region in furtherance of the request after a detailed discussion and analysis by the World Board. We have also included an Addendum that explains our related thoughts and reasoning.

We all are aware that this is the first time a region has sent a request for inspection, so we are all covering new ground here. The World Board will therefore be sending the South Florida Region's request to the World Service Conference for guidance, inasmuch as Section 3 of Article V of the Operational Rules of the *FIPT*, set forth below, makes clear that any inspection is to be made on behalf of the Beneficiary, which the *FIPT* defines as the Fellowship of Narcotics Anonymous as a whole.

***ARTICLE V:
RIGHTS AND RESPONSIBILITIES OF THE BENEFICIARY***

SECTION 3: INSPECTION OF TRUSTEE ACTIVITIES

Conditions of inspection

Any regional service committee or equivalent service body may inspect the records and operations of the Trust on behalf of the Beneficiary, provided the following conditions are met.

- 1. A motion to conduct an inspection of the Trust must be approved by a regional service committee or its equivalent.*
- 2. The regional service committee wishing to inspect the Trust must assume the expense associated with the participation of its own representative*

in the inspection. All other costs associated with the inspection shall be borne by the Trustee.

3. *The regional service committee must present a written request for inspection of the Trust, detailing its concerns and any particular areas of Trust operations it wishes to inspect.*

This same section requires both a motion to conduct an inspection approved by the regional service committee and a written request by the regional service committee detailing its concerns and any particular areas of Trust operations it wishes to inspect. The World Board believes that the concerns in a written request must be specifically approved in the underlying motion of the regional service committee, after discussion and deliberation.

We asked for the underlying motion and were provided the minutes of the December 17, 2016, motion of the South Florida Region. The motion, identified as Motion 12-05-16, reads as follows:

Motion Reads: Motion: We agree in principle that the South Florida Region request an inspection of the records and operations of NA World Services per the Fellowship Intellectual Property Trust (FIPT) dated May 2012 in accordance with ARTICLE V: RIGHTS AND RESPONSIBILITIES OF THE BENEFICIARY pages 16-17.

This motion is most general in nature, seeking a review of records and operations of Narcotics Anonymous World Services, Inc., not the Trust, without mentioning the records and operations of the Trust or detailing concerns or any particular areas of Trust operations the South Florida Region wishes to inspect. If, as it appears, this is the sole motion approval by the South Florida Region of the request for inspection, the World Board does not see how the request complies with the requirements of the Operational Rules or is capable of appropriate response.

We want to share with the region the Board's thoughts on the purpose of a request for inspection. We feel, and the Operational Rules and comments support, that an inspection request is to address legitimate factual concerns in a region that arise out of the unique nature of the Fellowship with respect to the Trust. The request for inspection should therefore be completely consistent with the supporting motion and discussions at the region. Without this, a vague and seemingly innocuous motion can be used as the basis for a request for inspection on completely different issues, or without any real understanding by the region of the time, personnel hours needed, financial costs, and problems within the Fellowship that a request for inspection without a true foundation will cause.

By the same token, we think that a request for inspection really needs to be useful and not just an empty exercise. So it should not be a request to repeat parts of routine accounting audits conducted by a CPA firm each year, to indirectly challenge the WSC on an issue or matter where the Fellowship has already spoken, or otherwise be rather pointless.

The Operational Rules lay out a process that needs to be followed, and the April 17, 2017, request for inspection you have sent does not follow the process. First, the ten "Concerns" listed are not consistent with the matters discussed in the December 17, 2016, minutes for