

‘Where has all the money gone?’

By Jean Christou

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Legal battle brews to save the Melkonian from closure

THE GREAT, great nephew of the two founders of the Melkonian Educational Institute (MEI) is in Cyprus to join the fight to save the 78-year old school founded by members of his family.

MEI is under threat of closure from June 2005, after the Armenian General Benevolent Union (AGBU), which administers Armenian schools all over the world, decided the loss-making school should close finally.

The move has prompted outrage amongst the Armenian community in Cyprus and abroad, which suspects financial motives on the part of the AGBU as the MEI is sitting on an estimated £40 million worth of commercial property.

Swiss-based businessman Jack Melkonian has decided to join in the legal battle to save the school and questions the motives of the AGBU.

“I am very concerned about what is happening because this was a donation made by our family. It was a long time ago -- three generations back -- but nevertheless as a family we are concerned because there have been a lot of rumors. I have come here to see with my own eyes to see what is happening,” he told the Cyprus Mail in an interview yesterday.

“I have talked to the children and the parents and support a fundraising for eventual legal costs that may occur. We may have to engage lawyers for the simple reason it is a very complicated matter and obviously this is going to cost money because we have to talk to legal experts.”

Melkonian, who was last here three years ago to mark the school’s 75th anniversary said he was rather shocked during this visit to see how the monument to his great-great uncles has been neglected.

It was his great-great uncle Garabed, who died in Cyprus in 1934 who made the donation that allows the school to exist.

Melkonian said his family has a copy of a deed which clearly states that a trust should be set up, the proceeds of which were to keep the school going

“There is no mention in that deed that the school should not exist. In fact my great-great uncle was rather concerned that the school stays open. The amount donated at that time corresponded to the budget of Luxembourg. It was a very large amount of money so if it had been set up as a trust, the interest should have covered the expenses of the school,” he said.

“It also says clearly that if for any reason the AGBU cannot take care of the school or that the AGBU closes down, that this fund should be transferred to another institution that could take care of the school which in my opinion clearly says that the continuity of this school was very much an issue. These are the two issues that are of particular concern to us.”

Melkonian said he has approached the AGBU on several occasions and written to each member of the board individually. He said he was told that they possess another document, which cancels out the wishes of Garabed Melkonian. It’s a document, he said, nobody else seems to have seen.

He has asked for a copy of the document before traveling to New York at the invitation of the AGBU, but so far it has not been forthcoming, he said.

“The AGBU boils down to an financial institution run by what I call civil servants because they are there to serve the Armenian community and not to play the money on the stock exchange and whatever,” he said.

“I have nothing against the AGBU as an organization, it is wonderful. We have great esteem for it but we are more concerned about the people who are running the AGBU at the moment who have taken this decision.”

Melkonian said his family was puzzled over the trust fund that was designed to support the school. “Even if the money has been exhausted, the school and the land are still here and there are a number of members of the Armenian community that are willing to support the school to set up a new fund. There is also an income from the business centre on the land. The revenue of that centre is almost half the running costs of the school.

“That money seems to flow to the States and we don’t really know what they are doing with it. They are claiming the maintenance of the school costs them £1.2 million of which already half should be covered from this. There is still \$4.5 million from what was donated originally so we think there is no need to close this school for financial reasons,” he added.

Melkonian said he is also disturbed by the way the parents and children have been intimidated by people that the AGBU has engaged in Cyprus to ensure the school’s closure.

“We had a meeting there on Sunday, which is not a school day, and they prohibited the children from attending,” he said. “All this is extremely disturbing.”

He said he has asked the AGBU to find an alternative to closing the school such as restructuring to make it viable to attract Armenian students from Moscow, where around one million Armenians live without access to an Armenian education. He said some interest had already been expressed by Armenians in Russia in sending their children to Cyprus.

“Some homework is necessary on the part of the AGBU but I understand that in New York that they are not equipped for that. They are not even equipped to make sure that this place is being kept tidily. I was very shocked. I saw the house where my great uncle lived completely neglected with garbage in the garden,” Melkonian said.

“I finally came to the conclusion that in New York what matters is the balance sheet and we don’t know what that says. They will never show it to anybody. There is no transparency within that organization. I also feel there is a lot of nepotism and people are being appointed to the board who are there because they are related to one or the others so I am questioning not only what is happening here but in general the way this is being done in New York and I think a lot of Armenians feel the same way.”

Melkonian said the AGBU seemed to have forgotten that although it is supposed to be a financial organization, it is also supposed to have a human side and questioned how such a far-reaching decision as the closure of the MEI could have been taken by a mere handful of people.

“There are other Armenian schools but none like this one,” he said.

“The Melkonian is a monument to 20th century Armenian history. It took 78 years to build it up and it’s being destroyed within one year, which is a great mistake. With a little work the school can be saved.”