

REQUEST

From: FERNANDO SANABRIA SUAREZ
To: ICIM
Subject: ALERT AND COMPLAINT
Date: Friday, 3 July 2015 5:12:33 PM
Attachments: BAYPORT (2).pdf

Dear Sir or Madam:

I do not know whether you investigate the ethics of organizations financed by the IDB and the adverse impact of the practices of these organizations that increase poverty in Colombia, Latin America, and Africa.

On the Web, I find that the IDB is financing project number CO-L1147, whose borrower is Bayport Colombia S.A.S. (operation number R3247B/OC-CO).

Bayport Colombia S.A.S. takes advantage of the financing needs of base of the pyramid public sector employees and retirees in Colombia with low levels of financial inclusion and high levels of unmet basic needs by charging them large sums of money that adversely impact the resources of working families.

My case is one example. This is my experience:

1. BAYPORT S.A.S. charged me in a single month 15% of the loan they had made to me, 68% of which corresponds to an analysis fee (SEE ATTACHED FILE).

Although in theory, the percentage for the analysis fee was 2.5%, in reality they charged me much more. The total amount charged as interest and analysis and other fees was 9,865,000 Colombian pesos (Col\$) (approximately US\$4,935). Of that amount, Col\$6,700,000 (approximately US\$3,350) corresponded to the analysis fee (see attached file). As you can see, this is a form of fraud on workers.

BAYPORT S.A.S. argues that, by signing the contract, I was aware of this situation. Although it is, in fact, written, it is not very clear, and they never made it explicit to me when I signed (I HAD TO SIGN MANY PAGES BUT THE REPRESENTATIVE DID NOT GIVE ME TIME TO READ THEM). She only spoke to me about interest, but did not warn of what could happen to me.

I have to work more than 60 days to earn that much money, and with that amount I could pay for one year of my daughter's education.

2. Moreover, they are unlawfully withholding the deduction that the company where I work made from my wages and deposited in the account of BAYPORT S.A.S. simultaneously with the payment I made. BAYPORT answers that it is returning the amount of the payment to me possibly after June 30. That is, they are working for two or three months with my money, if they return the over Col\$2 million (approximately US\$1,000) that they are withholding. Investigating, I found that BAYPORT's main office is in Mauritius (a tax haven).

These organizations submit projects disguised as support for populations, to secure funds at low interest, but their conduct adversely affects the progress of working families and increases extreme poverty in the world.

Cordially,

Fernando Sanabria Suárez

A solid black rectangular box used to redact the signature of Fernando Sanabria Suárez.

Bogotá, 3 August 2015

Ms. Victoria Marquez-Mees

Acting Director

Independent Consultation and Investigation Mechanism

Dear Ms. Victoria:

Thank you for addressing my case.

Please find below the information requested for my complaint to be processed.

1. My name is FERNANDO SANABRIA SUAREZ. I am a Colombian citizen, citizen identification document number [REDACTED]

Although I have discovered that numerous complaints have been made against BAYPORT S.A.S. with oversight organizations in Colombia (Superintendency of Industry and Commerce, Superintendency of Corporations and Legal Persons of Bogotá, and others), I have no way to access that information. However, I very respectfully suggest that this request be made institutionally.

Additionally, on the Internet I found several complaints, which are attached in the Excel file, "ALGUNAS DENUNCIAS" [COMPLAINTS].

2. DESCRIPTION OF MY CONTACT WITH BAYPORT AND ITS REPRESENTATIVES

Believing in the good faith of BAYPORT S.A.S., an organization that presents itself to Colombian society and international organizations as "Bayport Colombia for the benefit of low income public employees," through the sales representative or agent of BAYPORT, [REDACTED], I applied for a payroll deduction loan (monthly payroll deduction).

The amount requested was Col\$67 million. [REDACTED], representative of BAYPORT S.A.S., as part of the loan application procedure, asked me to sign and put my fingerprint on several documents without allowing much time to read them, informing me that the monthly payment of Col\$2,091.00 would be deducted from my wages. She did not inform me of any other types of charges.

In March 2015, BAYPORT S.A.S. charged me in a single month 15% of the loan amount, 68% of which corresponds to an analysis fee. The total charged as interest, guarantees, analysis fee, and other fees was Col\$9,865,000, Col\$6,700,000 of which corresponds to the analysis fee (see certificate of indebtedness).

When I commented to [REDACTED], sales representative of BAYPORT S.A.S., on the unclear analysis charge, she replied, surprised, that this had to be a mistake because the charge could not be so high.

Observing this irregular situation, I decided to terminate my relationship with this type of company and sought to borrow the funds elsewhere.

In April 2015, the entity where I work deducted from my wages a payment in the amount of Col\$2,091.00. I then paid Col\$74,740,306, i.e., in one month I paid Col\$76,831,323, Col\$6,700,000 of which corresponds to the analysis fee.

On 29 May 2015, I sent a complaint by certified mail regarding this high-handed charge to **Mr. Sergio Serna, General Manager**, and to **Mr. Gian Capanessi, Director of Operations, of BAYPORT S.A.S.** (see annex).

On 4 June 2015, BAYPORT S.A.S. answered me that “these charges were signed and accepted by you at the time the transaction was executed” (see annex).

I want to be clear that I affirm under oath that they told me to sign a number of documents without giving me time to read them, and only spoke about interest but did not made verbally explicit the percentage of the analysis fee, in other words, I signed without knowledge of this loan surcharge.

On 16 July 2015, Bayport S.A.S. sent me a response by email to the complaints that I made through the Superintendency of Corporations, in which BAYPORT S.A.S. reaffirmed its response of 4 June, arguing that: *“It is important to be clear that you were informed of, and signed, these contractual conditions assumed with the company ...”*

Moreover, BAYPORT S.A.S. glosses over with misleading arguments their unlawful withholding, for nearly 30 days, of my funds, corresponding to a payment that the company where I work had sent to BAYPORT, despite the fact that I had repaid the debt in full.

3. DIFFICULTIES AND PROBLEMS THAT BAYPORT S.A.S. CAUSED ME AND THEIR NONCOMPLIANCE WITH THE POLICIES OF THE INTER-AMERICAN DEVELOPMENT BANK

When I applied to BAYPORT S.A.S. for the loan, I was in a difficult financial position and believed that this loan would give me some leverage to improve my financial condition. However, by contracting this loan, I increased my debt and had greater difficulties because with the funds to pay the loan surcharges I could have paid two semesters of my daughter’s university education or paid other debts.

To earn what I had to pay BAYPORT S.A.S., I have to work nearly 60 days. In other words, this loan left me worse off than I was before receiving it.

One of the policies of the IDB is: *“The Bank requires that all borrowers (including grant beneficiaries) as well as suppliers, contractors, and consultants participating in Bank-financed projects adhere to the highest ethical standards, both during the bidding process and throughout execution of a contract.”* I believe that Bayport S.A.S. deviates from this policy by mistreating its customers and imposing these exaggerated and unclear surcharges on the working population of developing countries, who are those who suffer most from the existing inequity and who most easily fall into these types of situations out of financial necessity.

The IDB publishes as one of its objectives: *“To apply sound policies and practices with equitable and transparent procedures for the creation of reliable and stable markets able to attract efficient suppliers and contractors, and safeguard the principles of responsible management and the effective use of public funds.”* What I have described above in my case shows that BAYPORT S.A.S. was not sufficiently transparent.

The priorities of the IDB ARE:

- a. To reduce poverty and social inequality;
- b. To address the needs of small and vulnerable countries;
- c. To promote development through the private sector.

I have two questions:

- I. Does charging in one or two months 15% of the amount of a loan made to a working person reduce poverty in a country?
- II. Does the IDB support institutions that conduct themselves as described above?

4. HOW MY REQUEST IS TO BE PROCESSED

If my Request is selected by you, I agree to its processing by the ICIM in two stages:

- a. Consultation Phase
- b. Verification Phase

CONTACT INFORMATION OF THE REQUESTER

NAME: Fernando Sanabria Suarez

AGE: 57

EMAIL ADDRESS: [REDACTED]

HOME ADDRESS: [REDACTED]

TELEPHONE: [REDACTED]

MOBILE PHONE: [REDACTED]

CONTACT INFORMATION OF BAYPORT S.A.S.

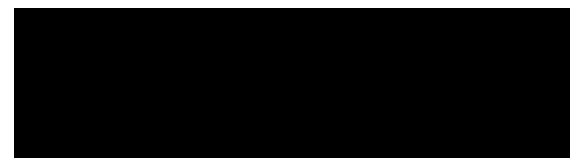
NAME: BAYPORT S.A.S.

EMAIL ADDRESS: servicioalcliente@bayport.com.co

ADDRESS: CALLE 71#10-68, PISO 2, BOGOTÁ

TELEPHONE: 1 745-8920

MOBILE PHONE: [REDACTED]



Fernando Sanabria Suárez