

## **CORRUPTION IN THE UN II**

"The United Nations has been hit by an unprecedented wave of fraud, waste and corruption. Officials at its antifraud investigation unit say they are expecting to have to run more than 350 inquiries by the end of the year -- nearly twice the total for 1998, and a 50 per cent increase on last year. Thousands of staff, contractors, and consultants have been interviewed in scores of countries. ...

The revelations will embarrass Kofi Annan, the UN Secretary-General, who is to welcome national leaders ... to the 'Millenium Summit' in New York next week. ... Annan is hoping to convince skeptical heads of state that the UN has provided value for money and that its role should be expanded. ...

One senior investigator said last week that the UN investigations unit's workload was greater than ever. "We are seeing more and more frauds and abuses of authority. ...

The OIOS's annual report, due out next month, will reveal cases of sloppy management, lax enforcement, harassment and outright criminality. ... OIOS is working with dozens of international police forces -- including Scotland Yard -- on inquiries into the activities of UN personnel."

Jason Burke, et. al., "UN rocked by flood of fraud cases: Officials were 'addicted to luxury,'" The Observer International (UK), **September 3, 2000**.

[Note: Mr. Annan may or may not have been embarrassed, but in any event the public reporting of UN anti-corruption activities and findings has been vastly more subdued ever since, as discussed in the following sections of this website]

"A former [senior official of the UN Commission for Human Rights, Alan Parra], told The Observer that the UN has 'an absurd and unaccountable system of abuse, embezzlement and ineptitude.'

[He said] 'It's very difficult to dig out and punish abuse in an organization where it is the norm. Of each dollar spent by the United Nations only an infinitesimal amount gets anywhere near the project on the ground' . ...

Last week Parra described a series of cases that included: assistants to a senior official based in another country not realizing for more than a year that their superior had died; an official report on the human rights situation in Czechoslovakia, written by an overworked official by 'cutting and pasting' a report from Columbia.

'It told us all about guerillas and narco-traffickers. The words 'Czech Republic' had just been pasted in,' Parra said.

He also criticized 'an addiction to perks and luxury.' When one UN official in Rwanda had wanted to interview the Canadian general in charge of peacekeeping forces there he had been told to arrange an itinerary with stays on the way out and back in Brussels, Paris and Geneva, Parra claimed."

Jason Burke, et. al., "UN rocked by flood of fraud cases: Officials were 'addicted to luxury,'" The Observer International (UK), **September 3, 2000**.

Note: any such interviews with OIOS staff and dynamic results with criminal cases (see following item) seem to have come to an abrupt end since the 2000 report, as OIOS information on its investigation work has become very low-key and vague.]

"The [OIOS] Investigations Section investigated 38 cases which were presented for administrative or disciplinary action: 22 of those cases were recommended for criminal prosecution by national law enforcement authorities."

"Report of the Secretary-General on the activities of the OIOS", UN document A/55/436 of **2 October 2000**, para. 156.

" ... As is the obligation of all the offices in the UN which are charged with responsibility for conducting any investigative activity, whether ongoing or ad hoc \*, the Investigations Section operates in conformity with established United Nations regulations, rules and administrative instructions.

\* For example, investigations are conducted by, among others, programme managers, by boards of inquiry ... by joint disciplinary committees, none of which have published their own formal procedures, although they, too operate within ... the [UN regulations and rules.]"

Introductory comments on investigations in the UN Secretariat by OIOS, in "Rules and procedures to be applied for the investigation functions performed by the OIOS ... : Report of the Secretary-General", UN document A/55/469 of **11 October 2000**, Summary excerpt and related note, p. 1. [emphasis added]

"There are several United Nations. There is the international body of nations which does so many tasks -- from vaccinating children to distributing food -- with considerable success. ...

Another United Nations, perhaps the most intractable, was made up of the vast and largely autonomous baronies constituted by the various agencies which carry out the UN's development and relief work. ... Undoubtedly they contained time servers, like the central secretariat itself ... because of the quotas insisted upon by governments. Moreover, the agencies guarded their sovereignty as fiercely as any member state and fought any attempts to diminish their autonomy through coordination. Directors would not hesitate to call upon their own national governments to fight any attempt by the secretary-general to dismiss incompetent senior staff or to rationalize their cost. ..."

William Shawcross, Deliver us from evil: Peacekeepers, warlords, and a world of endless conflict, Simon & Schuster, New York, **2000**, p. 227.

"[Mr. Nair] noted [OIOS] strong criticism of the management of the UN Office for Drug Control and Crime Prevention in Vienna, which was investigated [in the spring of 2001] after allegations of fraud and mismanagement. Last month, the United Nations announced that Pino Arlacchi, who heads the office will leave his post in mid-2002. ...

In northwest Somalia, investigators said allegations of corruption and mismanagement were unfounded, but the audit discovered that a senior U.N. officer had not strictly adhered to U.N. rules. The [OIOS] recommended that he should be held strictly accountable for approximately \$50,000 in losses as a result of his actions."

Edith M. Lederer, "UN watchdog agency suggests savings," Associated Press, **October 24, 2001**.

[Note: This juxtaposition of OIOS "watchdog" actions is very interesting: a top UN manager who was caught *in flagrante* and very publicly, but was punished only by eventual non-renewal of his contract, while a lesser official was severely sanctioned because he had "not strictly adhered to" UN rules]

"An independent panel investigating the bombing of the United Nations headquarters in Baghdad said today that the UN's security systems were 'dysfunctional' ...

What procedures were in place in Baghdad when the 19 August attack took 22 lives were 'sloppy' in observance, and non-compliance with regulations was 'commonplace,' according to the report of the panel led by Martti Ahtisaari, a former president of Finland [and also a former UN Under-Secretary-General for management]. ...

'The main conclusion ... is that the current security management system is dysfunctional. It provides little guarantee of security to UN staff in Iraq or other high-risk environments and needs to be reformed,' the panel said.

The panel labelled as a major deficiency a 'lack of accountability for the decisions and positions

taken by UN managers with regard to the security of UN staff.'

'The United Nations', it said, 'needs a new culture of accountability in security management.' ...

In his briefing, Mr. Ahtisaari said ... "We need a much more professional approach, a professional staff ..."

"Iraqi bombing panel finds UN security systems dysfunctional, in need of reform," UN News service, **22 October 2003**.

"Samuel Gonzáles-Ruiz, a top adviser on organized crime at the UN Office on Drugs and Crime (UNODC) has accused management of turning a blind eye to 'a pattern of misappropriation of funds' and 'clear acts of corruption and mismanagement by staff,' the FT has learned. ...

In his letter of resignation ... he wrote: 'One can observe a pattern of irregularities in the issuing of contracts, petty corruption, and abuses of administrative discretion committed by staff with managerial responsibilities over projects and programs within my working domain.'

Mr. González-Ruiz, a former head of Mexico's anti-mafia unit who gained an international reputation for taking on the country's drug cartels, charged that management took no action to investigate cases of internal corruption by staff, even after they were provided with detailed evidence. He also said in his letter that whistleblowers within the agency were routinely punished and that corrupt officials enjoyed 'active and/or passive protection from top management.'

Thomas Catýn, "Adviser quits over 'corruption' at UN agency," Financial Times, FT.com, **November 2, 2003**.

[Note: The Baghdad bombing and UN crime office resignation incidents, whistle-blower suppression, and oil-for-food programme scandals are discussed further in the Recent Developments section of this website under the Other Scandals subsection.]

"I hope to provide an 'inside story' which will allow the public to peer behind the facade... This is sorely needed because the UN's culture of 'self-justification' and 'self-exoneration' has disseminated so much propaganda about 'the accomplishments' of the system and how 'doomed' the world would be without it, that it has become extremely difficult for many people to see the organizations for what they are. This can only be done by dispelling a number of myths ...

Taxpayers and governments should no longer be duped into financing these institutions in their present form. They should only pay if these organizations become streamlined, efficient institutions, devoted to serving the international community; not corrupt, inefficient, disreputable bodies staffed mostly by deadwood incompetents living in grand style.

There are in fact a number of U.N. employees who, in one whole year, do not write one sentence for the Organization or spend one single hour working for it in any way, yet receive unbelievable salaries at the end of each month. Such a situation does not exist anywhere else in the world, not even in the bureaucracies of the least developed countries."

Houshang Ameri, Fraud, waste and abuse: Aspects of U.N. management and personnel policies, University Press of America, Lanham, MD (USA), **June 2003**, pp. viii-ix.

"The [United Nations is] suffering from two self-inflicted wounds ,,, a kickback scandal of multi-billion dollar proportions swirling around the UN-run oil-for-food program [in Iraq]. The other is ... that oversights in UN security management may have worsened the toll in last August's terrorist bombing of the Baghdad headquarters.

Urgent steps, including high-level demotions and dismissals, are already underway to address the security failures. Ferreting out the murky details of the financial scandal, and meting out appropriate punishments, is no less urgent.

... UN officials clearly failed to supervise effectively the roughly \$10 billion a year in transactions and may have been involved in illicit deals. ...

Now there is finally some political will to investigate, and details of the corruption are emerging ... The investigators must put aside diplomatic niceties and concentrate on cleansing the UN's reputation."  
"Clean up the UN," International Herald Tribune, **April 8, 2004**.

For months, [US presidential candidate John Kerry] has advocated broader international oversight [in Iraq] that might open the door to additional peacekeeping contributions and generate some real support for nation-building there. Now he has begun to elaborate on how that oversight should be structured, drawing sensible lessons from successes and failures of the recent past.

Kerry recognizes that the United Nations cannot offer any magic bullet solutions for Iraq, and that working with the UN Secretary general, Kofi Annan, and his special representative Lakhdar Brahimi, cannot be a substitute for broad cooperation with all the major powers represented in the Security Council. ... Kerry also proposes designating an international high commissioner for Iraq whose office would be outside the barely functional, patronage-driven UN personnel system. That would permit the recruitment of a capable staff and create some safeguards against the kind of wholesale corruption that is alleged to have vitiated the UN's oil-for-food program in Iraq.

Kerry's ideas ... would be extremely hard to carry out now ... but they at least reflect a realistic view of what the United Nations -- and the United States -- can and cannot do.

"Kerry's vision for Iraq," International Herald Tribune, **May 7, 2004**

"A new survey of ... [UN integrity perceptions] has found that while structures for reporting and combating corruption exist, most staff members are either unaware of how to use them or afraid to do so for fear of high-level retaliation.

'The UN has a 'phone book' of rules and regulations which are totally useless as they are never practiced', a staff member is quoted as saying ... [Another says,] 'Senior leaders caught in serious breaches of ethics should be punished, not promoted as usual.'

... [The study] is being made public at a time when Secretary-General Kofi Annan has been forced by the widespread publicity [about corruption in the Iraq oil-for-food program] to appoint a high-level panel to look into them. ...

The new study records relatively high levels of worker satisfaction ... but its most negative findings have to do with ingrown leadership and the lack of response to reports of corruption.

'Get rid of the old boy network,' one staff member ... [says.] 'That network is wide, tenacious and powerful. ... So long as you can wind your way into that network, you are OK. ... Opposing the network is certainly the end of a UN career.'

Warren Hoge, "Report criticizes the way UN fights corruption", International Herald Tribune, **June 16, 2004**. [Note: The actual survey is "United Nations organizational integrity survey", Final Report, prepared by Deloitte Consulting LLP, **June 2004**.]

" ... the UN has [examined the] ... Secretariat's perception of its own integrity. ...

[The Integrity Survey politely explains there are concerns about accountability] ...

More directly ,,, [the report notes (p. 11) that] 'Staff members feel unprotected from reprisals for reporting violations of the codes of conduct. This is not a perception confined to a few staff in remote locales and/or dangerous circumstances. Forty-six percent (46%) gave unfavourable response to this item, while only 12% gave favourable responses.'

This is of course just one of the U.N.'s various investigations into itself. Best-known this season is the investigation into Oil-for-Food ... Beyond that, there is an entire division [the OIOS] ... which produces in-house investigations ... An April 14 U. N. Staff Union resolution expresses concern 'over recent events regarding an OIOS investigation into its own investigators ...'

Someone needs to help this institution, and it is not a consulting team ... nor a batch of investigators operating under terms defined by the U.N. ...

I'm working around to the belief that in the matter of reforming the U.N., the only thing worse than

having the U.N. ignore a problem is to have the U.N. investigate it."

Claudia Rosett, "The problem with the Secretariat", The Wall Street Journal, **June 16, 2004**.  
[emphasis added]

" ... Staff [in the Integrity Survey] believe that not enough action is taken to investigate and address instances of unethical behaviour, and that those who expose such breaches may put themselves at risk of reprisal. Staff also perceive that the disciplinary process is applied unevenly, ... that the outcome of the process is generally not known. ...

... [and] that breaches of integrity and ethical conduct are insufficiently and inequitably addressed by the disciplinary system. At the same time, they voice concern about the consequences of 'whistle-blowing' or reporting on misconduct, and uncertainty about the mechanisms for such reporting. ... The [OIOS and Office of Ombudsman channels] ... need to be better known and made more accessible to staff at large. We will inform all staff about the means available to them for reporting on suspected misconduct. We will also develop measures to reinforce formal protection for whistle-blowers, while ensuring that they are not used to cloak false accusations."

"Dear colleagues", letter from Secretary-General Annan to UN staff on the findings of the Integrity Survey, of **4 June 2004**, pp. 2-3.

Having [found] ... that Secretariat staff don't trust the top management and are afraid to speak out for fear of reprisals, Mr. Annan's response will be to convene a group of top managers and invite staff members to speak out. ...

Does anyone see a problem here?

The basic flaws are simple: Anytime you create a large institution, accord it great privileges of secrecy, give it a big budget and have it run immune from any sane standard of accountability, you are likely to get a corrupt organization. ...

The problem with the Secretariat isn't 'tone' at the top. It's accountability at the top and secrecy throughout. ...

[A real solution] ... would probably require setting up a competing international institution, based on openness and accountability."

Claudia Rosett, "The problem with the Secretariat", The Wall Street Journal, **June 16, 2004**.

"The United Nation's anti-corruption department has been rocked by accusations that the office itself is corrupt.

The head of the [OIOS] ... , Dileep Nair, has been accused of promoting and recruiting people in ways that are not consistent with U. N. rules and regulations. Also, a senior investigator has been suspended ...

The scrutiny ... comes at a delicate time, as the UN is under intense scrutiny for alleged abuse of the Iraqi oil-for-food program.

... [Nair's office] has carried out 55 audits of the [oil-for-food] process. ...

... [The UN Staff Union urged Secretary-General] Annan in April to ... make an independent investigation of OIOS.

Annan recently wrote to Nair asking him to answer the allegations ...

Nair, who is currently on sick leave from his position, denied all the accusations to Fox News.

Asked if he would resign if any of the charges are proven true, Nair said, "of course." ...

Other allegations of impropriety include charges that some inside the OIOS received financial kickbacks in return for promoting people and that some people were promoted in exchange for sexual favors.

Nair, a former banker and civil servant from Singapore, was picked by Annan in 2000."

Jonathan Hunt, Watching the UN's watchdog", Fox News, **June 16, 2004**.

### "Fraud awareness, prevention plan and policy

... The United Nations has, to some extent, an established framework on this issue. However, in terms of implementation, it did not have a comprehensive internal anti-fraud and anti-corruption infrastructure, and did not include anti-corruption and anti-fraud elements in the various rules, procedures and internal controls, which means that such internal risks may not be properly addressed. ...

Owing to the lack of a comprehensive internal fraud plan, a large number of United Nations system offices, funds and programmes have:

- (a) No sufficient framework for prevention, detection, resolution, and reporting;
- (b) No decentralized corruption and fraud risk-assessment mechanisms and no corruption and fraud-prevention committee;
- (c) No appropriate resolution mechanisms for reported and detected incidents and allegations of corruption and fraud (although reliance is placed on the [OIOS] in this regard."

"Financial reports and audited financial statements for the biennium ended 31 December 2003 and Report of the Board of Auditors", Vol. I, UN document A/59/5 of **22 July 2004**, p. 12, item (u), paras. 15(f) and 344-346. [emphasis added]

"The Board [of Auditors] recommends that the Administration (i) implement a comprehensive and well-communicated corruption and fraud prevention plan in the United Nations system, (ii) establish a corruption and fraud prevention committee that would serve as an effective framework and coordination point for a United Nations system corruption and fraud prevention committee that would serve as an effective framework and coordination point for a United Nations system corruption and fraud prevention mechanism, (iii) conduct ethics, corruption and fraud-awareness training sessions and workshops among managers, international and local employees and other stakeholders, (iv) develop appropriate resolution mechanisms for reported and detected incidents and allegations of corruption and fraud, and (v) review the investigation processes at Offices away from Headquarters."

"Financial reports and audited financial statements for the biennium ended 31 December 2003 and Report of the Board of Auditors", Vol. I, UN document A/59/5 of **22 July 2004**, p. 12, item (u), paras. 15(f) and 349.

[Note: The Administration airily responded that "some of the Board's comments may give the mistaken impression to the uninitiated reader that the potential for large-scale fraudulent and corrupted activities is widespread". The Administration assigns high priority to the issues of fraud and corruption ..."] [emphasis added]

"First report on the implementation of the recommendations of the Board of Auditors ... for the financial period ended 31 December 2003: Report of the Secretary General", UN document A/59/318 of **1 September 2004**, paras. 124-126.

"Toward the end of 2000, when Saddam Hussein's skimming from the oil-for-food program for Iraq kicked into high gear, reports spread quickly to the program's supervisors at the United Nations. ...

In the halls of the UN, the programme became a battleground for the competing commercial interests and political agendas of the 15 individual nations that made up the Security Council [who also served on the sanctions committee], diplomats said. ...

While the diplomats were deadlocked over how to address violations of the sanctions, money and contracts continued to flow through the Office of the Iraq Program ... The work of that office, and its former director Benon Sevan, are the focus of a UN investigation of mismanagement and corruption in the program ...

Sevan ... has said in a statement that his office was not responsible for ferreting out corruption. Evidence of fraud passed from office to office in a round robin ending nowhere. ...

... While UN auditors produced 55 reports on the program, several diplomats on the sanctions

committee said in interviews that they never even saw them.

In the end, a complicated set of political and financial pressures kept the program ripe for corruption."

Susan Sachs and Judith Miller, "Saddam's oil-food fraud: 'UN let him do it'", International Herald Tribune, **August 13, 2004**.

"A scandal over contractor payments to Costa Rican officials has cast a shadow over [three former presidents, including] ... José Maria Figueres, who is now executive director of the Swiss-based World Economic Forum.

[In a statement] ... Figueres acknowledged having received \$906,355.31 for services to the French telecommunications company Alcatel, but said they had been legal and had been made after he left office.

Other alleged payments from Alcatel forced former President Miguel Angel Rodriguez to resign this month as head of the Organization of American States. He was placed under house detention.

Former president Rafael Angel Calderon was ordered held in prison last week during an inquiry into alleged payments on a Finnish contract.

Both Rodriguez and Calderon have denied wrongdoing."

"Payments scandal taints 3d ex-president", San Jose, Costa Rica, in the International Herald Tribune, **October 28, 2004**.

[Note: this specific item does not concern the UN per se, but shows how easily senior officials tainted by corruption allegations can be found in top positions in international organizations.]

"Rosemarie Waters, [the UN Staff Union President], said that ... in the last six years, [UN] ... management had been reforming itself and increasing managerial authority, while reducing accountability. The Staff Union [had great respect for the Secretary-General's vision and reform programme goals.] ... It could not support, however, the erosion of staff rights and dissolution of oversight mechanisms as a means of implementation, [or legitimize] ... actions in which staff, through their elected representatives, had no meaningful role to play. ...

The [integrity survey] ... revealed that staff ... feared reprisals for exposing breaches of ethics, and they perceived that the disciplinary process was applied unevenly. Their view of integrity among senior managers was less than positive..

The Organization had yet to establish concrete measures for individual accountability, she continued. It was essential that areas with expanded delegation of authority for personnel decisions should be carefully examined and, if abuses were found, such delegation should be revoked. ... The [OHRM] had informed staff representatives of its inability to enforce accountability because they lacked central authority. The Fifth Committee may wish to recommend that concrete individual accountability be developed, in consultation with staff representatives, on a priority basis."

"UN staff committee representatives tell budget committee concerns ignored in management reform report", Fifth Committee, Press Release GA/AB/3641 of **29 October 2004**, pp. 2-3.

"James O. C. Jonah, ... [who worked at the UN for three decades] ... and served as head of personnel from 1979 through 1982, ... recalled that [when the Fifth Committee initiated reforms in the late 1970s], ... a staff-management consultation process was established, and it was decided that staff representatives should be allowed to appear before the Committee. Now, it was sad to see the erosion of the international civil service in the United Nations. That had serious implications. The Committee should also have a serious look at the results of the integrity study. Never had the staff perception of integrity been so low. ... In some respects, the reforms had weakened the Secretariat considerably.

When he served as head of personnel, his biggest fight had been with programme managers, who were most resistant to reform .... He could not believe that such measures as giving authority to programme

managers would strengthen the international civil service. What had been said about the lack of authority of the OHRM was true. Without a strong personnel office, however, there would be no uniformity of rules and fairness in the system. Governments should not take what was happening lightly."

"UN staff committee representatives tell budget committee concerns ignored in management reform report", Fifth Committee, Press Release GA/AB/3641 of **29 October 2004**, p. 4.

"Integrity sponsor unit 35:

The staff council:

[Recalling its April 2004 request that the Secretary-General establish an independent investigation of violations of the delegation of authority in the OIOS] ...

Regrets the decision of the Secretary-General to accept the findings of an incomplete investigation;

...

Further considers that the failure to fully investigate the allegations ... upholds the findings of the [staff integrity survey] that there is a lack of integrity particularly at the higher levels of the organization;

Recalls that the Secretary-General declined to accept the honourable action of the deputy Secretary-General who tendered her resignation as a result of the Baghdad bombing of a UN compound that resulted in 22 staff members perishing, to hold accountable the head of UNHCR for alleged sexual harassment and to hold accountable the chef de cabinet whose son was employed by the Secretariat in contravention of staff rules;

Decides that the senior management no longer displays the level of integrity expected of all employees of the organization;

Requests:

i. The president to convey this vote of no confidence to the Secretary-General and president of the General Assembly ...

iv. to the staff at large and;

v. to issue a press release."

"Raw data: U.N. staff resolution", Fox News (US) website, **November 19, 2004**.

[Note: Fox News stated that the above was the text of a UN staff resolution which it received, calling for a vote of no confidence in Kofi Annan.]

"U. N. Secretary-General Kofi Annan said yesterday he was disappointed in his son for accepting payments from a key contractor in the oil-for-food programme for more than four years longer than ... previously acknowledged. ...

But the appearance of a payoff to the Secretary-General's son was just the latest ... of revelations about the Iraqi oil-for-food program ...

While the organization scrambles to respond to oil-for-food inquiries, other troubles are piling up at the organization's doorstep. ...

The U.N. peacekeeping program is wracked by accusations of rape, sexual harassment and extortion by blue helmets and civilians in the U.N. mission in Congo. ...

International pressure also is building on the United Nations and the Security Council to do more to protect civilians in Darfur, Sudan. ...

Internally, a [staff] ... group seeks to reopen an investigation of [the head of the OIOS] ... over charges of sexual harassment and favoritism ...

The U.N. staff union also has criticized Mr. Annan's willingness to exonerate Deputy Secretary-General Louise Frechette for failing to protect U.N. staff members in Iraq ...

[Mr. Annan] also threw out an internal report finding merit in a [recent] sexual harassment complaint against ... [UNHCR head] Ruud Lubbers."

Betsy Piscic, "Another oil-food scandal emerges", The Washington Times, **November 29, 2004**.

"Imagine if U.S. troops were accused of sexually exploiting children in impoverished nations ... a U.S. Cabinet Secretary were accused of groping a female subordinate, [but then exonerated] ... by the president .... [an agency head] ... and the president's own offspring stood accused of complicity in [a massive embezzlement racket] ...

... [These things happened in the UN this year.]

Where's the outrage? ... Why didn't the mainstream ... devote more attention to these scandals? Far from demanding high-level resignations, they are circling the wagons.

The U.N.'s friends are doing ... no favors with this knee-jerk defense. Even [Kofi] Annan recognizes [the problems with his 1997 and 2002 management reform attempts, and reports on Rwanda, Bosnia, and general peacekeeping failures.] ...

[Yet] all the *reformistas*' efforts founder on the rocks of apathy and inertia. ... Most of the U.N.'s 191 member states ... [and] 49,000 employees ... have other priorities.

Flawed as it is, the UN does some useful things ... Leaving the U.N. ... is unrealistic. But it will never live up to the grandiose expectations of its starry-eyed supporters, unless they get mad enough to demand real change. So far there's no sign of that happening."

Max Boot, "Why U.N. stays mired in its defects: Start with too-friendly media, apathy and members' entrenched interests", Los Angeles Times, **December 9, 2004**.

"The United Nations, which extols the virtues of 'good governance', is not practising what it preaches, say [many long-time observers.] ...

The complaints ... come amidst several recent scandals, including accusations of bribery, nepotism, sexual harassment, and mismanagement of peacekeeping operations overseas.

'The underlying problem is a lack of transparency and accountability' says Hillel Neuer, [one close observer.] ..

... in 2003 the OIOS cleared the U.N. Office on Drugs and Crime in Vienna of charges of corruption and mismanagement.

... Senior U.N. officials in New York [have reportedly routinely abused] their first class or business class airline privileges ...

[Neuer said] 'if some of the things that happen at the United Nations took place in a big corporation, people would have been fired.'

[A UN shortcoming, Neuer added, is that the investigation results emerge very slowly] ... are mostly 'white-washed' ... [and occur] only after 'a lot of prodding from the media and NGOs.'

[A reporter asked spokesman Fred Eckhard if there is] 'a record that shows that the United Nations, under Kofi Annan, has taken allegations of mismanagement and misbehaviour seriously and fired people as a result?'

[Eckhard replied] ... 'I will certainly ask for you ...'

Thalif Deen, "Corruption: U.N. failing to practice 'good governance', IPS Inter Press Service, **December 9, 2004**.

[Note: No such record seems to exist, but it definitely should, as a clear measure to confirm that the UN indeed takes accountability seriously.]

"Two lawyers for U.N. whistle-blowers urged the United Nations on Wednesday to protect staffers who want to disclose corruption at the world body, including the oil-for-food program for Iraq.

One of the lawyers said 'five or six' U.N. employees including a high-level employee had contacted him for advice on how to reveal evidence of wrongdoing in [that] ... programme without jeopardizing their careers. ...

Andre Sirois -- himself a U.N. staff member and former whistle-blower --- said ...

'In one case it was something big, that definitely would make the front page ...'

But based on his advice, none of [them] ... have gone public, he said. 'I know them. They won't. They are very quiet and under a lot of stress.' ...

While U.N. rules call for wrongdoers to be punished, they do nothing to shield staff members from reprisals when they come forward with evidence, [Tom] Devine and Sirois said.

'There is irreparable harm when freedom of speech is canceled, irreparable harm to the institution,' Devine said. 'The message is, 'Do not say anything to investigators.' '...'

An independent U.N. inquiry led by [Paul Volcker is investigating] ... whether any U.N. employees received bribes or allowed kickbacks."

Irwin Arief, "Lawyers call on U.N. to shield whistle-blowers", Reuters, **December 15, 2004.**

"The tempest inside the World Meteorological Organization began with a single check ... endorsed to ... an unknown third party. ...

That discovery led to a formal audit and a continuing criminal investigation by the Swiss authorities, focusing on allegations of embezzlement of training funds by Muhammad Hassan, a Sudanese who ... [investigators allege,] stole as much as \$3 million over three or four years.

The agency is small by UN standards ... [but investigators' documents show it to be] rife with intrigue and politics. ...

'Hassan was very close to the ... Secretary-General' [said a staff member,] ... Godwin Olu Patrick Obasi, a Nigerian, who had run the meteorological agency for more than 20 years before retiring.

The criminal investigation is continuing ... But the subject ... is nowhere to be found. Hassan was dismissed in late 2003. ... Seeking to claim his pension, a woman saying she was his widow then presented the agency with a Sudanese death certificate ...

Not only have officials been informed that the death certificate is not authentic, but Swiss investigators have determined that the supposed widow may not even have been Hassan's wife."

Judith Miller, "Another UN arm, its weather agency, rocked by fraud", International Herald Tribune, **February 10, 2005.**

[Note: this and the following item are from UN specialized agencies in Geneva. When they do something good, the UN proudly reports it under its banner. In cases such as these, the UN hastens to emphasize that they are independent. Actually, in both these cases, the UN is at least tangentially involved, since WMO has a central role in reforms in the 2005 Asian tsunami relief and reconstruction programme, and WIPO's case involved a frequently-mentioned participant in the Iraq oil-for-food programme scandals.]

"The US has called for a full investigation by the World Intellectual Property Organisation into allegations of bribery concerning a [\$55 million contract for building renovation.]

The allegations centre on Michael Wilson, a Ghanaian businessman [who recruited Kojo Annan, a childhood friend, to Cotecna, a company involved in Iraq oil-for-food investigations.]

The Swiss investigation... [established that Mr. Wilson was paid a \$3 to \$4 million fee by the winners of the WIPO contract.] ...

The investigation later found that Mr. Wilson had transferred ... [some \$240,000] to the account of Khamis Suedi, a Tanzanian national who is assistant director-general at Wipo and special adviser to [Kamil Idris, Wipo director general]. Mr. Wilson was not available for comment.

Edward Kwakwe, Wipo's legal counsel, said [Mr. Suedi said the payment was for a joint private business venture.] Mr. Kwakwe said ... [the contract award] ... had been handled 'correctly.'

Wipo rules on external activities by its staff, which are now under review, are looser than those of other UN agencies. US officials said ... they were not satisfied with Wipo's response to the allegations. This includes the 'mutually arranged departure' of Mr. Suedi from Wipo at the end of this month."

Frances Williams, "US seeks probe of bribery claim at UN agency", Financial Times (UK), **April 30-May 1, 2005.**

"[In my view,] ... the UN is constitutionally incapable of conducting any operation efficiently or honestly. Ideally the UN, foreshadowing a future world government, ought to be run by a global meritocracy -- rule by the best. In practice, it is the opposite. **Any state that can be legally defined as one can join the UN -- it is a club having no rules of probity or morals. ...**

**... The result is failure and graft. UN officials are not answerable to bodies like Congress or the U.K.'s Parliament, which would be sure to track down, expose and punish gross abuses and manifest failures. No senior UN official has ever gone to jail.** It's rare for anyone to be sacked or removed. The top brass resist any kind of investigation, on principle. The oil-for-food inquiry is unique in that it has taken place at all and seems to be garnering results.

But will any punishment be meted out? **Will any serious reforms be pushed through? Of course not.** ... the UN is beyond reform until membership is restricted to civilized powers that practice democracy and the rule of law and hold their rulers responsible for their actions."

Paul Johnson, "The UN is for talk, not actions," Forbes (US), **March 14, 2005.**

[Note: Mr. Johnson is an 'eminent British historian and author.

This recent quote quite bluntly summarizes the failure of the Fifth Committee of the General Assembly over the years to provide any serious oversight, or insistence on firm and systematic corrective action, of the Secretariat programme operations which are now falling apart at an alarming rate.]

" ... When I worked in Liberia in the mid-Nineties a new [UN] chief administrative officer [replaced the previous CAO, who was taking kickbacks on UN procurement contracts.] ... The new CAO [moved aggressively for] ... a 15 percent kickback on everything we purchased.

[He also tried to force many] ... young 'local staff' to sleep with him ... I was the human rights lawyer and these girls would come to my office in tears ... [I wrote many memos. but] .... when I visited the UN [personnel] office in New York, they laughed at my naïve outrage: 'It happens all the time in the field', they said. 'There is nothing we can do.' ...

That CAO had been knocking around West Africa for years, always mired in corruption, never disciplined, always promoted and reassigned ... - during which time the head of personnel was Kofi Annan. [The CAO] ... was eventually indicted by US federal prosecutors in New York for \$1.5 million of fraudulent kickbacks ... He has since died.]

What kind of leadership would tolerate this conduct 10 years ago? ... Precisely the same leadership that [has now] ... permitted the oil-for-food scandal and the sex-for-food scandal."

Kenneth Cain, "How many more must die before Kofi quits?", The Observer (UK), **April 2, 2005.**

[Note: Mr. Cain is a former UN human rights lawyer who served in U.N. peacekeeping operations in Somalia, Rwanda, Haiti and Liberia.]

"Anyone who was shocked by the most recent revelations of sexual misconduct by [UN staff has never been] ... in a U.N.-sponsored refugee camp. ... The [UN] and its staff lack accountability. ...

I arrived in Sierra Leone as a legal aid worker in ... 2003. ... I found abuse of a sexual nature almost every day ...

In fact, ... injustices of one kind or another were perpetrated by U.N. missions or their affiliated ... [NGOs] every day in the camps I visited. Corruption was the norm, in particular the embezzlement of food and funds by NGO officials, which often left camp resources dangerously inadequate. ...

If the UN ... is to enjoy ... immunity, it ... [must] police itself aggressively and thoroughly. Yet the recent stonewalling over a series of scandals ... [is] typical of a bureaucracy dedicated to self-preservation. This code of behavior travels rapidly down the organizational chart. The message is: Cover your tracks and the United Nations will obstruct your prosecution.

After [a] 2002 report documented sexual abuse, Kofi Annan's steely resolve [for 'zero tolerance'] led to exactly zero criminal prosecutions of U.N. officials for sexual abuse. The United Nations ... needs a housecleaning."

Peter Dennis, "The UN: Preying on the weak", washingtonpost.com, **April 12, 2005.**

[Note: Mr. Dennis is a law student who worked for the Foundation for International Dignity in the refugee camps surrounding Kenema, Sierra Leone, in 2003.]

Note: Much more discussion of UN corruption problems is included in other subsections of this archive, including Management culture deterioration, Corruption Characteristics, Is the UN another Enron?, Top corruption-fighter corrupted, "The UNCTAD One", Iraq oil-for-food programme, A real UN fraud prevention programme, Unleashed Managers, Disappearing Whistleblowers, Investigation Efforts: Is the OIOS a fig leaf?, Manager/investigators, and Suppressed Whistleblowers.

Further Note: All the above material is just "the tip of the iceberg." In November 2004 IO Watch set up a search alert with Google to identify stories about corruption in the UN. Based on the results, it seems quite fair to say that almost every day of the year, somewhere in the world, a media story appears about corruption in the UN.

## **Useful Sources**

*(Note: informally assembled by IO Watch, roughly ranked from "most useful" on down, and subject to change as new sources are added)*

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