

UNLEASHED MANAGERS II

SEVENTH and finally, the most dramatic and troubling Secretariat innovation of all is the active participation in the new UN investigations and oversight function by Secretariat managers, which allows them to focus attention to fraud, waste, and abuse matters away from themselves and toward their staffs.

This shocking evasion began with the new OIOS under the very active leadership of Mr. Paschke, and has been continued since by Mr. Annan and the Secretariat leadership, with the help of Mr. Nair as the second head of OIOS. Mr. Paschke stated clearly in his first annual report to the General Assembly in 1995 that, with regard to accountability, he sought not an arms-length and independent role, but an active partnership with managers:

"... efforts must be made to do away with the widespread tendency of staff, even in key positions, to shun responsibility and accountability. OIOS backs measures taken by the [DAM] to achieve this goal and will focus its own recommendations to management accordingly. ...

... Many UN managers are not used to and seem to be quite reluctant to accept criticism, particularly when it comes to applying accountability criteria rather than settling for the promise that some specific problems won't recur. This feature of the United Nations culture must be changed if we are ever to develop staff awareness and acceptance of responsibility and accountability. United Nations managers must stop being defensive and enter into a critical dialogue with OIOS. **In order to make oversight effective, we offer ourselves as partners, not adversaries.**"

"Report of the Secretary-General on the activities of the [OIOS]", UN document A/50/459, 2 October 1995, "Preface." [emphasis added]

Although Mr. Paschke eventually "talked tough" about uncovering waste and abuse, and professed responsiveness to whistle-blower reports and protection, skeptics doubted the public impression that the UN had acquired a no-nonsense, "crime-fighting" head (inspector). A 1996 assessment observed wryly that:

"... the original conception of Paschke's post was a combination of Grand Inquisitor and Super Sleuth. The final product, insiders say, falls far short of either.... "The problem is that half the OIOS staff do not know anything about the UN" we are told, "and the other half know everything there is to know but are part of the establishment and they are not going to make waves." The results of OIOS's travails are paltry indeed

There are whispers that senior staff need not fear their peccadilloes will be exposed. 'Paschke's Finest', it is said, will rake no muck above a certain level of political or bureaucratic influence."

"Diplomatic pouch", Diplomatic World Bulletin, July 29-August 6, 1996, p. 10.

Mr. Paschke was working with a *tabula rasa*, since little thought (and even less motivation, but much trepidation) had gone into the whole question of an "inspector general" within the UN Secretariat. In the early 1990s, under pressure from the General Assembly, the Secretariat had done some initial pondering on proper management, and recovery of misappropriated funds matters, and new judicial arrangements, but it was mostly conjectural and defensive and did nothing to prepare for the actual creation and operations of the OIOS. These matters are discussed further under the subsequent subsection on Major ongoing flaws under Where is the Rule of Law?, as badly-missing components of the UN internal justice system.

The investigations work of the OIOS began very slowly, and it was very understaffed. In April 1996, however, the OIOS did issue an encouraging Information Circular to all staff on its investigations work. It stated that the OIOS is operationally independent under the authority of the Secretary-General, and assists him in fulfilling his internal oversight responsibilities. The circular explained that OIOS may initiate, carry out, and report on "any action" that it believes necessary; investigate and report on staff reports of violations of UN rules and administrative issuances; and must protect those staff. It then informed staff of four categories of activities that they could report to OIOS:

"Misconduct ...

Activities that would constitute a failure to maintain the highest standards of integrity include, for example ...

(a) Any wilful and unwarranted disregard of ... [UN legislative mandates or ... [rules] and any failure to exercise proper care that is either intended to result in personal benefit or misappropriation of ... [UN] resources;

(b) Any act, for example any type of false certification ... [of benefit claims], which demonstrates a failure to maintain the highest standards of integrity required by the [UN] Charter ... as well as any [misleading statement] resulting in the misappropriation of ... [UN] resources.

Unsatisfactory performance

... [staff performance in accordance with [the UN Charter's call for] 'the highest standards of efficiency [and] competence', including the following:

(a) **Mismanagement**, includes, for example,

(i) Any unreasonable failure of a staff member to perform [efficiently and competently]... all assigned tasks, duties and management responsibilities; ...

(b) **Waste of resources** includes, for example

(i) Any unreasonable failure of a staff member to ensure that [UN] resources are used ... solely, efficiently, and effectively for [UN purposes or for its benefit];

(ii) Any unreasonable act or failure to act which, as a direct result of a failure to exercise due care, causes loss to the organization;

(c) **Abuse of authority** includes for example, any discharge of management responsibilities and any act or failure to act, which is not motivated by the interests or purposes of the UN. "

"Terms of reference for investigations by the [OIOS]: Mismanagement, misconduct, waste of resources and abuse of authority", ST/IC/1996/29 of **25 April 1996**, paras. 6-7.

The above shows clearly that the heaviest responsibility for proper performance, and the greatest potential for abuse, centers on managers rather than staff. The misconduct item indeed applies to all staff, but managers have the most opportunity, power and (in the UN) impunity to engage in it. The other three items, mismanagement (self-explanatory), waste of resources, and abuse of authority, all clearly concern behaviors, mechanisms, and power over resources that managers have, and can misuse, against their staff subordinates.

In fact, in-depth surveys reveal not only that employee theft soared worldwide during the 1990s, but that workplace theft is costliest when committed by high-ranking employees. According to the worldwide professional anti-fraud organization ACFE, the median loss from crimes by managers is estimated to be \$250,000, four times that of employees. Much of that, of course, as well as the above waste and abuse, comes because of their positions of authority and broad powers (which have been greatly expanded by Secretary-General Annan.)

"Taking at the office: Thieves get bolder", International Herald Tribune, 13 July 2000, p. 12, and the Association of Certified Fraud Examiners, www.CFEnet.com

The OIOS Investigations Section (now a Division) also emphasizes that its staff are highly trained professionals who investigate allegations of employee misconduct, abuse of authority, payment of kickbacks, embezzlement of funds, and waste and mismanagement of UN resources, "with a caseload that rises every year." The Section also developed an Investigations Sections Manual, which details its very careful and specific operating procedures.

"United Nations Internal Oversight", p. 14-17 [14], at www.un.org/Depts/oios/ and Investigations Section Manual, OIOS.

The system thus seems well formulated, permitting UN staff to exercise their own integrity and ensure that of others, by reporting waste and abuse in a protected process, to highly-qualified professional staff who are responsible for investigating such matters. Implementation, of course, is another matter.

The Investigations Sections started very slowly and with very few staff. But it was Mr. Paschke who distorted its operations from the very beginning, with his above-stated priority on "working closely with managers" of 1995, rather than insisting on implementing the General Assembly's 1993 resolution requiring a firm management accountability system and sanctions for managers (which thereby properly recognized them as the most risky target group for fraud, waste, and abuse problems) in the UN Secretariat. Instead, in 1998 Mr. Paschke reported to the General Assembly that it was the managers themselves who were deciding, with his support, on who, whether, when, and how to conduct

investigations in their own operations, including whether to seek criminal prosecutions:

"It is ... my observation that the [Investigations Section] is increasingly seized with more and more complex investigation matters, many of which are raised with us by programme managers ...

This year ... major commitments to investigate [criminal cases] were made by the Governments of Kenya and Switzerland. There is also substantive and consistent commitment to such cases by the concerned programme managers in ... Geneva and Nairobi. ... These decisions by programme managers to seek criminal prosecutions, in order to send a message that criminal conduct can result in criminal prosecution ... represent hard evidence of the realization of the Secretary-General's determination to increase accountability as part of his reform programme."

"Report of the Secretary-General on the activities of the OIOS", A/53/428, **23 September 1998**, Preface, p. 5, last para., and para. 121.

Mr. Paschke went on to state that

" ... the [Investigations] Section produced 35 reports and communications ... [with] findings and recommendations to programme managers; this represents an average of one report every 10 calendar days. The trend for programme managers to seek the assistance of the Section has continued. ...

The volume of work and the demand for rapid response has led to ... [developing an OIOS consultative function to provide] advice to programme managers who wish to avail themselves of the Section's expertise. Although such a procedure would not be appropriate in all cases, particularly those which involve the gathering of evidence of criminal conduct, this initiative allows ... the expertise of the Section to be used even when it is not possible to provide investigators to conduct inquiries."

A total amount of \$0.4 million has been recovered subsequent to investigations."

"Report of the Secretary-General on the activities of the OIOS", A/53/428, **23 September 1998**, Preface, paras. 124-127. [emphasis added.]

[Note: the enormously heavy Investigation Section workload, which sometimes requires several years of further investigation and legal work to finalize cases, did not lead Mr. Paschke to request more professional investigation resources and increase the measly savings obtained, instead of giving managers free rein. Instead, he decided, after "scrupulous" reflection, to add additional posts to the Audit and Management Consulting Division. (Preface to the above report)]

In fact, there were indications in 1997 and 1998 that a lot of hidden investigative and punitive activity was going on deep in the Secretariat. A staff journal article cited the disruptive and unexplained investigations (and even summary dismissals) going on throughout the Secretariat, including very aggressive actions by the UN security officers.

"Abuse of authority", UN Staff Report (New York), **September 1997**, p. 6.

In addition, an odd and very cryptic two-page report, supposedly on actions against staff resulting from findings of the Board of Auditors, concluded abruptly that "of the 61 cases of possible misconduct submitted in 1997 to ...[OHRM, only] 7 were referred as a result of an audit/OIOS investigation." This pattern of manager/investigators investigating (and punishing staff) is discussed in more detail in the following subsection entitled Behind the Scenes under Where is the Rule

of Law? , since it has gained tremendous momentum during the late 1990s and since.

"Actions taken against staff resulting from findings of malpractice discovered by the Board of Auditors", UN document A/52/864 of **2 April 1998**.

In his required 1998 report on human resources management reform the Secretary-General reported further developments. As part of his "vision ... for change comprising objectives to be obtained over the next three to five years [i.e., by 2001-2003]," he only briefly mentioned accountability as integral to "an organizational culture of empowerment." He then apparently ignored the OIOS and the Board of Auditors, and stated that:

"staff members at all levels in [a culture of ... accountability] must be held accountable for delivering assigned outputs on a timely and cost-effective basis in accordance with prescribed organizational mandates and predetermined standards of quality, and for upholding the values and principles of the Organization.

The prime responsibility for taking action to remedy accidental and intentional performance failures will lie with supervisors and managers at all levels. Technical and advisory assistance, training and support will be provided by the Department of Management and oversight bodies."

... In addition the Department of Management is *considering* the setting up of transparent accountability mechanisms and will define the policy framework within which the line managers and staff are to exercise their responsibilities."

"Human resources management reform: Report of the Secretary-General", UN document A/53/414 of **13 October 1998**, paras. 6-8. [emphasis added]

These actions by OIOS and the Secretary-General to turn over investigations of waste, fraud, abuse and misconduct to the very UN managers who are the most likely to commit these violations, instead of strengthening the small, professional Investigations Unit, seems to IO Watch to be terribly wrong. As the excellent OECD guidance on public sector accountability makes clear, it is external institutions [and in the UN instance the OIOS itself is not really external] that should properly investigate and prosecute public service malfeasance.

"Taking action against wrongdoing

"Taking action against violation of standards is the shared responsibility of managers and external investigative bodies. OECD countries recognize that disciplinary actions against a breach of public service standards should be taken within the organization where the breach occurred. All governments have developed a general framework for disciplinary procedures that both allows managers to impose timely and just sanctions and guarantees a fair process for the public servants.

...

Although public service managers have the primary responsibility for initiating disciplinary measures in their agencies in a timely manner, they may also receive assistance from specific external institutions. These **external institutions are the primary instruments for investigating and prosecuting misconduct in the public service. These bodies have the power to bring suspected cases of corruption directly to court in all OECD countries.** Moreover, two-thirds of countries have procedures and mechanisms to enable the public to signal wrongdoing to bodies exercising independent scrutiny on public service activities."

"Annex I: OECD public management policy brief on building public trust: Ethics measures in OECD countries," in Organisation for Economic Cooperation and Development, Public

sector transparency and accountability: Making it happen, OECD, Paris, 2002, p. 192.
[emphasis added]

The General Assembly, if no one else, seemed disturbed by Mr. Paschke's relaxed and very collegial attitude. Based on forceful reporting on fraud problems by the Board of Auditors (ie., the external auditors) in 1997, it stated that:

"The General Assembly, ...

Expressing deep concern about the persistence of problems and defects observed by the Board of Auditors in the financial administration and management of the United Nations; ...

11. Notes with deep concern the incidents of fraud and presumed fraud reported by the Board of Auditors;

12. Requests the Secretary-General and the executive heads ... to take the disciplinary actions necessary in cases of proven fraud and to enhance the individual accountability of United Nations personnel, including through stronger managerial control; ...

"Financial reports and audited financial statements, and reports of the Board of Auditors,"
General Assembly resolution 51/225 of **16 May 1997**.

The General Assembly remained skeptical in its resolution on the Secretary-General's 1998 reports. It repeated its insistence from resolution 51/226 of April 1997 on ensuring, "before delegating ... authority, that well-designed mechanisms of accountability ... are put in place." It stated further that it

"IV. Delegation of authority and accountability ...

3. Also notes that no comprehensive system of accountability and responsibility has been established; ...

10. Reiterates its request to the Secretary-General [see para. II.2 of resolution 51/226] to enhance managerial accountability with respect to human resources management decisions, including imposing sanctions in case of demonstrated mismanagement of staff and willful neglect of or disregard for established roles and procedures, while safeguarding the right of due process of all staff members, including managers."

"Human resources management," General Assembly resolution 53/221 of **23 April 1999**.
[emphasis added]

In early 2000 the Secretary-General presented a report requested specifically by the General Assembly, on "procedures for determining gross negligence" and "preventive measures to identify the risk factors that expose the Organizations to management irregularities". He concluded that:

" ... the Secretary-General is in the process of establishing procedures to allow preliminary investigation of allegations of 'gross negligence' by heads of departments/offices or [the OIOS], [followed up where necessary] ... under revised Joint Disciplinary Committee procedures ... [a]s part of his programme for management reform ... measures to establish a more effective accountability system ...

The Secretary-General believes that a comprehensive approach to accountability, backed up by all these measures, will contribute significantly to detecting and preventing management irregularities."

"Follow-up report on management irregularities causing financial losses to the Organization:

Report of the Secretary-General", UN document A/54/793 of **13 March 2000**, para. 25.
[emphasis added]

The body of the report went into more detail. He stated that in preliminary investigations, and in later stages:

"Given the possible seriousness of the consequences for staff members, where there is an allegation of "gross negligence" ...a preliminary investigation would be appropriate. ... **Since heads of departments/offices have been conducting preliminary investigations in connection with allegations of misconduct, they are familiar with the methods of conducting such investigations ... and investigations of allegations of gross negligence by managers should be conducted by them as well.** Since [this] requires legal guidance, [it] *should be* made available by [OHRM] and the Office of Legal Affairs if necessary [or] a request *may also be* made to the [OIOS] to conduct a preliminary investigation.

After the preliminary investigation is completed, *the heads of departments/offices would report* to the Secretary-General as to *whether the allegation appears to be substantiated* ...

Based on the recommendations ... the Secretary-General will consider appropriate action ...:

... Allegation not substantiated ... no further action is required. The case would therefore be closed.

... Gross negligence ... **the Secretary-General will decide on the most appropriate course of action**, which *may* include referring the case to the Joint Disciplinary Committee for a recommendation. In this regard, the mandate of the JDC should be expanded;

... and an experienced legal officer will [help] the expanded [JDC] to guide the members in the proceedings."

Follow-up report on management irregularities causing financial losses to the Organization," UN document A/54/793 of **13 March 2000.**, paras. 25, 12-14.
[emphasis added.]

[Note: an Annex to this report, *inter alia*, cited a staff regulation (1.2 (r)) sternly requiring staff to cooperate fully with all such investigations by all "authorized" staff members and other UN officials.]

The situation of aggressive investigations *by* (almost never *of*) department heads or their programme managers (see further below) -- and the decision that they could conduct and make decisions on these quite sensitive, serious, and sophisticated investigation processes within the UN Secretariat independently, fairly, and essentially by themselves -- is the old "diplomats can do anything" approach to UN management. In this case, however, the dissonance is extreme: it is akin to the idea of airline "frequent flyers" who assert that they can step into the cockpit and land a jumbo jet by themselves. Meanwhile, the UN staff are the uneasy victims sitting nervously back in the coach section.

In October 2000 further light was shed on this shocking unleashing of potentially malevolent managers as amateur detectives investigating their UN staffs and preparing possible criminal charges against them. The General Assembly, sensing troubles in OIOS investigation operations (see the very next subsection on Disappearing whistle-blowers) requested a report on the OIOS rules and procedures for investigations.

"Review of the implementation of General Assembly resolution 48/218 B", General Assembly resolution 54/244 of **31 January 2000**.

The resulting OIOS report essentially restated its processes as originally laid out in 1994: its role, staff rights and obligations, confidentiality, and proper investigative processes. With regard to its work, however, it emphasized in the introduction that:

"The work ... is necessarily grounded in the collection of evidence, with due regard for the rights of all concerned. The Section, which is not a law office, conducts investigations within the terms of its mandate.

An investigation, which is a legal, analytical process, is an inquiry undertaken by specialized professionals to determine whether a wrongful or illegal act has occurred and, if so, the person or persons responsible. The findings are based on evidence which is in a form and of a sufficiency to present to a tribunal or other decision maker.

... **The investigators are specially selected, highly skilled professionals** from diverse backgrounds, **with one half possessing law degrees and all ... having received additional training on the proper way to conduct inquiries.**"

"Rules and procedures to be applied for the investigation functions performed by the OIOS ... : Report of the Secretary-General", A/55/469 of **11 October 2000**, paras. 1-3.

The OIOS report went on to note the important limitations on OIOS work, namely that

" **The Section is a recommendatory body only** and cannot take direct action to bring a case before national law enforcement authorities, institute disciplinary proceedings or take administrative measures (e.g., issue a reprimand.) After a preliminary investigation, **the programme manager [reviews and responds]** to OIOS ... and consultations may follow. If the programme manager agrees with a disciplinary recommendation, [he] forwards that recommendation to OHRM. ... If he does not agree ... there may be further consultations with OIOS. If there is no agreement the matter [may go to] the Secretary-General for resolution ..."

"Rules and procedures to be applied for the investigation functions performed by the OIOS ... : Report of the Secretary-General", A/55/469 of **11 October 2000**, paras. 20. [emphasis added.]

[Note: others are clearly involved, but as in all such processes, he who picks and defines the charge or issue, sets the parameters for the work, and formulates the basic decision usually is in control of the entire process.]

Most importantly, however, the OIOS noted in a very discrete but revealing footnote on its summary page that:

" ... 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.]**"

"Rules and procedures to be applied for the investigation functions performed by the OIOS ... : Report of the Secretary-General", A/55/469 of **11 October 2000**, "Summary," and "Revised disciplinary measures and procedures", ST/AI/371 of **1 August 1991**.

[Note: to recapitulate, although the investigations are very serious and sensitive, there are **no** relevant UN rules and procedures for this amateur investigative work other than in OIOS,

except for a vague administrative instruction formulated in 1991, well before the new professional (OIOS) investigation procedures and responsibilities were established.

The report added one more very interesting detail, relating to the vague question of who the UN "programme managers" are and how many exist. In a section on preventive measures, it stated that mandatory management development programmes have:

"now been attended by some 95 percent of all staff at the D-1 and D-2 levels, as well as a majority of staff at the P-4 and P-5 levels who have supervisory or managerial responsibilities."

Follow-up report on management irregularities causing financial losses to the Organization," UN document A/54/793 of **13 March 2000**., para. 24.
[emphasis added.]

According to the most recent report on UN staffing, the Secretariat has at least 40 senior officials above the Director-level, and 383 at the Director level, i.e., about 423 "senior officials" at the senior and policy-making levels. They and others lead the 36 UN departments, ranging in size from 10 to 1,308 staff members (the biggest being the Department of Management, despite all the recent delegation of authority to managers.)

"Composition of the Secretariat: Report of the Secretary-General," UN document A/58/666 of **9 December 2003**, pp. 12-13, Tzble A.9 and Table 2, and pp. 20, 23.

There are also 759 staff at the P-5 (senior professional level), and 1,423 at the P - 4 professional level. Assuming that all the top and Director staff are "managers", and half the of P -5's as well (and ignoring the many P-4's, to be very conservative), it appears that the UN has more than 800 "program managers," who are eligible to become manager/investigators if they so wish. That many of them seem to do so is indicated by statistics reported in 2004, as cited at the end of this subsection and then discussed as the first item under Other Major Problems in the concluding Recent Developments section.

"Composition of the Secretariat: Report of the Secretary-General," UN document A/58/666 of **9 December 2003**, pp. 21, 68, 74.

Two other aspects of the manager/investigator phenomenon must be noted. First, although OIOS recommended some 22 staff cases for criminal prosecution by national law enforcement authorities in the "banner year" of OIOS crime-fighting in 2000, and others before and since, it is not clear who these individuals were. It seems in fact that all or almost all of them were UN "small fry", who were nabbed while the big ones got away. This supposition is derived from much evidence already discussed, but especially in examining the investigations process. As Mr. Paschke said in his "farewell" annual report in 1999:

"The apprehensions and fear, the misgivings and misperceptions about the [OIOS] were

strong and stubborn in the beginning. I had to wage a confidence-building campaign early on to convey to our various constituents ... that this Office intended to be a partner rather than an adversary of management, proactive rather than detective ... I believe that in the meantime my basic message about the OIOS has sunk in. ... more and more managers perceive our oversight activities as an opportunity to reflect about their own methods of work or as a certification of sorts for their performance."

"Report of the Secretary-General on the activities of the OIOS", UN document A/54/393, 1999, "Preface", para. 5. [emphasis added.]

[Note: As always, Mr. Paschke focused on the UN managers, with no mention whatsoever of the staff.]

The most recent OIOS and other annual reports, however, do provide at least a few choice examples of UN senior officials who got into trouble (mostly, it seems, because the news media pressed the issue and forced some kind of action, but with very modest sanctions eventually applied if any):

-- The 2000 OIOS annual report discussed an inspection, an investigation, an audit, and three field audits made of the UN top crime-fighter's office in Vienna. Despite serious problems, including 145 audit recommendations, almost half of which were classified as being "critical," and two detailed overall reports (only one made public), Secretary-General Annan decided that the incumbent could stay on the job for another year until his appointment ran out -- his "sanction", apparently, was not getting reappointed (see Top corruption-fighter corrupted under Other Major Problems ;

-- The 2003 OIOS annual report discussed an enterprising former representative of the Secretary-General and his secretary who engaged in serious acts of misconduct. They set up an unauthorized and informal "trust fund" and received at least \$500,000 from donor countries, and apparently also falsified some \$380,000 worth of allowance claims for 26 staff. OHRM decided that there would be no recovery on the allowances and the matter continued to be "under review" pending disciplinary proceedings at the representative's parent organization.

-- An ACABQ report in 2000 noted that the UNAT had made certain very large damage awards to staff during 1999 and invited the Secretary-General to consider recovering these sums from the managers involved. However, in both cases, the officials concerned had retired or left UN service and the Secretariat smoothly concluded that "therefore the issue of recovery does not arise."

"Report of the OIOS", UN document A/55/436, 2000, paras. 80-89,

"Report of the OIOS", UN document A/55/436, 2003, paras. 40-41, and

"Administration of justice in the United Nations: Report of the [ACABQ]", UN document A/55/514 of 23 October 2000., p. 10.

Additionally, not content with all the management participation in investigations work, Mr. Nair's OIOS has worked to involve UN security

officers as well. A 1998 OIOS audit of the UN Security and Safety Service had shown inadequate staffing and funding for this \$25 million programme, and the need to improve the quality of officers hired and security enforcement over the next three to five years. Security officers had also been accused of improper and heavy-handed interventions in investigations in New York. Nevertheless, the OIOS has since launched a very active campaign to enhance investigative capacities by training security officers to handle "less complex" investigations at various UN duty stations.

"Report of the Secretary-General on the activities of the OIOS", UN document A/53/428, **1998**, para. 95,

"Abuse of authority", UN Staff Report (New York), **September 1997**, p. 6

"Report of the OIOS", UN document A/53/428, **2001**, para. 219,

"United Nations Internal Oversight", p. 16, at www.un.org/Depts/oios/ and

"Report of the OIOS", UN document A/58/364, **2003**, para. 138.

Most importantly, however, the rest of the UN has been gradually waking up to the bizarre manager/investigators process created by OIOS and the Secretary-General. In August 2001 a JIU report on strengthening investigation work in the UN system recommended that managers involved in investigations should be trained for this task. The CEB admitted in March 2002 that this was indeed a "common inter-agency concern" in the UN system. And in January 2003 a General Assembly resolution noted the issue and requested at least that:

" ... the Secretary-General ... ensure that United Nations programme managers implicated in incidents, crimes or irregularities leading to investigations are not involved, in any way, in conducting those investigations;

[and that] the Secretary-General review the practice of involving United Nations programme managers in investigative processes so as to ensure their independence in administrative and managerial functions and to establish proper guidelines ... and to report thereon ... "

"Report of the [JIU] on strengthening the investigations function in United Nations system organizations: Note by the Secretary-General, Joint Inspection Unit, UN document A/56/282 of **9 August 2001**, Recommendation 2,

"Addendum", [comments of the CEB], UN Document A/56/282/Add. 1, of **19 March 2002**, and

"Programme planning," General Assembly resolution 57/282 of **19 January 2003**, Section IV.

[Note: in its resolution on "Programme planning," 58/268 of **4 March 2004**, the General Assembly decided to consider the report of the Secretary-General on "the practice of involving United Nations programme managers in investigative processes" at its resumed 58th session.

To summarize "the story so far", IO Watch has found that the General Assembly's 1993 insistence on a transparent accountability system for programme managers has been turned on its head. UN managers, who have little if any legal training and are bound by no specific procedures, can now act very recklessly to enforce accountability on others, i.e. the "free the managers to manage" theme has now been unleashed in its fullest form. The UN managers can now initiate, design, and conduct "investigations" themselves, and then decide on what to do with the results, although they clearly lack the professional

investigative skills, independence, and objectivity required for this very sensitive work.

IO Watch concludes that this situation presents grave hazards for UN corruption- fighting, which was already a dubious process. The key element of the new OIOS was its investigation capacity, but for a decade now OIOS has made UN investigation and anti-corruption efforts a mysterious, expert "cult process", a "black box" hidden away from public view, with weak staffing and performance reporting using *ad hoc* stories of fraud and abuse, but no systematic approach, as evidenced in its annual reports to the General Assembly.

Instead of the critical investigation work that only the OIOS can properly do, the OIOS spreads its limited resources far too generously over management consulting, partnerships, oversight services to other UN programmes, and integrity initiatives, while giving away "lesser" investigation work to amateur managers and security staff, all instead of dealing decisively with the very serious problems of UN waste, fraud and abuse in its worldwide programmes. The doubts about OIOS performance are underscored by its weak reporting, its apparently highly-selective criminal case record, and the feeble cost savings obtained from its investigation (and indeed its entire) work (see Internal Oversight: The OIOS in the section on Inadequate UN Oversight .

2004 has brought some very important new developments in this situation, and may indicate that concern with the dubious UN internal investigative processes might finally be coming to a head, although the Secretariat impedes the process with determination:

-- the requested OIOS report on programme managers' involvement in investigations was issued in February 2004. Its statistics convey a rather amazing impression of hundreds of would-be manager/investigators running around like so many "Inspector Clouseaus" from the "Pink Panther" movies, instead of concentrating on their direct programme responsibilities;

-- a very extensive survey, ordered by Secretary-General Annan as part of a UN campaign against global corruption, was released in June 2004. More than 6,000 UN staff expressed their perceptions of the integrity of UN officials, indicating a general fear of high-level retaliation if they attempt to fight corruption, and negative views about "ingrown leadership" (read the UN "old boys") and the lack of UN response to corruption reports;

-- extensive publicity has continued to mount in the international media over the emerging developments in the UN-administered Iraq oil-for-food programme, considered by some as the biggest international financial scandal ever. It certainly casts a

dark shadow over the reputation of OIOS, which just might prove to be the biggest UN "manager/investigator" attempt of all time;

-- in October 2004 the Secretary-General's report on internal justice contained two cursory subsections on the General Assembly's concerns about UN managers' cooperation with the administration of justice system, and the connection between that system and the accountability of UN managers for what the Secretariat delicately labels "management irregularities" and the real world calls waste, fraud, abuse, and mismanagement. IO Watch will follow up on these important issues, which do not seem at first reading to mean much, in light of the major failures to establish UN management accountability mechanisms and "freeing the managers";

Administration of justice in the Secretariat: Report of the Secretary-General", UN document A/59/449 of **21 October 2004**, paras. 25-28 and 40-41.

-- and, in December 2004, the General Assembly, without further embellishment and rather forlornly, stated once again its assessment on non-existent UN management accountability, which confirms the seriousness of the "unleashed managers" situation, stating that it:

"6. Emphasizes the importance of establishing real, effective and efficient mechanisms for responsibility and accountability;

7. Regrets that despite previous information provided by the Secretary-General on the establishment of accountability mechanisms, including the accountability panel, such mechanisms are not in place, thereby affecting the efficient and effective functioning of the Organization;

"Review of the implementation of General Assembly resolutions 48/218B and 54/244: Report of the Fifth Committee", UN document A/59/649 of **22 December 2004**, and

"Review of the implementation of General Assembly resolutions 48/218B and 54/244", General Assembly resolution 59/272 of **23 December 2004**, paras. 6-7. [emphasis added]

These matters are all discussed as the first and foremost of the Other Major Problems subsection and also the Answers: A Starting Point subsection under the Recent Developments section that concludes this archive. The June 2004 integrity survey, however, deserves special mention, because of its direct relationship with "unleashed managers."

"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 [it]. ...

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**. [emphasis added.]

[Note: The actual survey is "United Nations organizational integrity survey", Final Report, prepared by Deloitte Consulting LLP, **June 2004**.]

First, however, the other critical element undermining systematic UN efforts to properly fight fraud, waste, and abuse must be considered -- the strange absence, and actually the disappearance, of that exceedingly rare creature known as "the UN whistle-blower."