

DISAPPEARING WHISTLE-BLOWERS

The General Assembly was very forward-looking in the early 1990s when it specifically and repeatedly urged a confidential hotline and whistle-blower reporting for use by an extremely reluctant UN Secretariat. This initiative was part of the growing recognition worldwide that fraud and abuse are pervasive problems which cost organizations billions of dollars every year. It is very important that all types of organizations, both public and private, have strong programmes to detect, deter, and prevent fraud, particularly asset misappropriation, corruption, and fraudulent statements.

According to an extensive survey in the United States in 1996, the average company loses 6 percent of its total annual revenue to fraud and abuse committed by its own employees, and the most serious abuses are committed by managers, because of their greater organizational power. The billions of dollars lost make it clear that preventing fraud is essential.

Wells, Joseph T, Occupational fraud and abuse, Obsidian, Austin TX (USA), 1997, esp. pp. 33-51.

An employee hotline for anonymous reporting, staffed with professional investigators and protecting the "whistle blowers", is very important to help audit and investigation units identify problems and curb waste and losses. An effective hotline can also reduce occupational abuse and harassment, improve employee productivity, enhance employee morale, and demonstrate that an organization is trust-worthy and acts to correct its mistakes and problems.

Association of Certified Fraud Examiners, and its EthicsLine at www.FraudInfo.com.

Other knowledgeable assessments have confirmed the importance of this process. For instance:

As the international community is increasingly recognizing, employees (especially public employees) are an invaluable source of information about official corruption. ... Whistleblower protection laws are intended to make it safe for employees to disclose misconduct that they discover during the course of their employment.

... the international community has begun to devise and adopt a variety of laws and procedures for protecting and encouraging whistle blowing.

... statutory protection for whistleblowers is only part of the equation, albeit an important part. **Cultural change and top down support must accompany**

whistleblower protection laws in order for them to achieve their objectives."

Elaine Kaplan, "The international emergence of legal protections for whistleblowers", The Journal of Public Inquiry, **Fall/Winter 2001**, pp., 37- 42 [37, 42]. [emphasis added.]

"Even when ... systemic requirements [for fighting corruption] are well satisfied on paper, they will not be effective unless enforced. Fully effective enforcement requires:

- an independent and competent judiciary
- adequate prosecutorial capabilities
- whistle blower protections
- Periodic asset declarations by senior public officials and [oversight] organizations]
- Empowerment of private enforcers by giving them the right to recover damages and have government actions invalidated
- Protections for the media to enable them to keep up the pressure for reform."

Richardson, Peter, "The global assault on corruption", The Journal of Public Inquiry, **Fall/Winter 2001**, p. 6.

[Note: in the UN, the first element is totally missing, the second element is apathetic, and the third seems to be all a facade, as discussed in this subsection. The fifth, which can empower whistle-blowers by giving them a financial share in waste and fraud identified, can be an extremely powerful incentive: if it were ever applied as a tool in the UN, it would certainly increase savings and fund recoveries many times over.]

"Monitoring compliance

Sound ethics management not only sets standards of behaviour but also monitors compliance with these standards. Internal control is widely used to detect individual irregularities and systemic failures in OECD countries. ...

Internal control is accompanied by independent scrutiny. This scrutiny keeps public servants accountable for their actions ... In virtually all countries, the legislative branch undertakes reviews of public service activities. Other common types of scrutiny range from external investigation by the Ombudsman or the Inspector General to specific judicial or ethics reviews. ...

Reporting misconduct by public servants is either required by law and/or facilitated by organizational rules in two-thirds of OECD countries. A growing need to protect whistleblowers in the public service is also visible across OECD countries. ... the most commonly provided safeguards are legal protection and anonymity. In two-thirds of OECD countries citizens have access to services, such as complaint procedures, an Ombudsman or Inspector General, and help desks or telephone lines, enabling them to expose wrongdoing by public servants."

"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.]

But precisely because whistle-blower mechanisms can be so effective in exposing wrongdoing, organizational leaders can and quite often do make it extremely unpleasant for people who contemplate speaking out (unless they are very firmly protected):

"This article discusses the experience of certified accountants and human resource professionals faced with situations that caused them personal angst. Because

of their organizational impotence and fear for ... [their careers], none felt able to significantly challenge the practices in question. The analysis contends that individual attempts to exercise moral agency will be stillborn as long as significant power asymmetries exist, accountability mechanisms are inadequate, the act of whistleblowing is judged to be a more serious offence than the crime it reports, and managerial imperatives allow organizational loyalty to supercede personal integrity and societal interests."

Alan Lovell, "The enduring phenomenon of moral muteness: Suppressed whistle blowing", Abstract, Public Integrity [US], , vol. 5, no. 3, **Summer 2003**, pp. 187-204.

[Note: the groups cited are of particular importance. Certainly in the UN it is the mid- and lower-level staff in finance and personnel who most regularly are exposed to the games, evasions, abuses, and other "special treatment" that many managers regularly expect, and must process them. What discouraging and amazing stories these long-suffering people would have to tell.]

In light of the recent and evolving Enron scandal in the multinational corporate world, the Economist has reported that legislation to give greater protection to people who expose government corruption is being introduced in a number of countries. To underscore the importance to society of protecting those who report corruption, the article observed that "whistleblowing is good for society, but bad for careers: it should be good for both."

"Corporate malpractice: In praise of whistleblowers", and "Whistleblowing: Peep and weep", both in the Economist, **January 12th, 2002**, pp. 13-14 and 61-62, and

Philip H. Jos *et al.*, "In praise of difficult people: A portrait of the committed whistleblower", Public Administration Review (USA), **November/December 1989**, pp. 552-560.

[Note: among the many other articles on the travails of whistle-blowers, see those cited in the bibliography in the introductory subsection to Internal Oversight: The OIOS .

In the UN, the General Assembly's calls for a confidential hotline and staff reporting of abuses from 1990 onward were met by this very kind of opposition and obstruction (as the Secretariat had presciently predicted in 1992, as noted below.) Despite the eventual establishment of the OIOS and its investigation section, the Secretariat efforts to downplay the process and find ways to undermine it have continued on to the present day.

The General Assembly requested specific action on these matters in 1990, stating that it:

"Requests the Secretary-General ...

(b) To consider ... effective measures to facilitate reporting by staff members on a confidential basis of any inappropriate use of [UN] resources, and to report to the General Assembly ... [in 1991],

(c) To implement stringent inventory controls on non-expendable property and to

report thereon ... [in 1991],

(d) To institute without delay more effective control on the payment of all allowances and benefits to staff members and to report on measures taken in this regard ... [in 1991];

14. Reaffirms the importance of strict compliance with financial regulations and rules on the subject of unliquidated obligations, and requests ... a thorough report ... [in 1991];"

"Financial reports and audited financial statements, and reports of the Board of Auditors," General Assembly resolution 45/235 of **21 December 1990**.
[emphasis added.]

In 1991, the Assembly strengthened its request to focus on "the implementation of effective measures" to facilitate confidential reporting. In 1992, concerned about deficiencies and inappropriate or fraudulent use of resources reported by the Board of Auditors, it further requested the Secretary-General to make proposals for legal and effective mechanisms to obtain recovery of misappropriated funds, and to seek criminal prosecution of those who have committed fraud against the organization.

"Financial reports and audited financial statements, and reports of the Board of Auditors," General Assembly resolution 46/183 of **20 December 1991**, para. 17 (b), and

"Financial reports and audited financial statements, and reports of the Board of Auditors," General Assembly resolution 47/211 of **23 December 1992**.

Despite this set of requests, the Secretariat opposed any such action. In its report, which appeared in late 1992, it argued against disturbing the *status quo*, including intimations that it would be quite difficult to protect UN staff from vengeful managers.

"United Nations staff members [especially managers in administration and finance] ... are required to report to senior management any inappropriate uses of [UN resources]. ... ample provision exists both in the Financial Rules and the Staff Rules for assigning personal responsibility ... for any financial loss incurred ... Such provisions ... have been invoked when required... [and] serve as a deterrent to the potential misuse of the Organization's resources.]

... [Whistleblower] ... programmes are thus far to be found in only a few Member States.

At the national level ... those who report abuses have frequently been the target of retaliation since ... it has been difficult to guarantee confidentiality ... [also there are problems of] extensive due process requirements ... and unfounded and malicious reports ... [establishing] an administrative structure, with the associated costs ... would be compounded in ... [a global] organization [like the UN.]

The difficulties [of such a system] might therefore outweigh the potential benefits ... It seems ... best ... [to apply] strict adherence to the existing UN provisions and the enhancement of existing internal controls.

The matter will, however, be kept under active review. Should developments warrant in the future, ,, additional measures would be reconsidered and the General Assembly would be so informed.

The Secretary-General attaches great importance to his fiduciary responsibility vis-à-vis Member States for the prudent management of resources entrusted to the

Organization. Care is taken to ensure that these resources are utilized for the purposes for which they were provided, that they are spent with all due regard for economy and that there is accountability at all stages for their use."

"Measures to facilitate reporting by staff members of inappropriate uses of the resources of the organization: : Report of the Secretary-General", UN document A/47/510 of **October 8, 1992**, paras. 9-14. [emphasis added.]
[Note: The Secretariat, as usual, gave no data on how many, or how few, times the existing punitive sanctions had been invoked. Its dire statements about how difficult it would be to protect those who report wrongdoing in the UN, however, have proven to be very true, as discussed below.]

The principles and staff responsibilities which underlie the reporting of wrongdoing have also long been "on the books" in UN staff guidance, the UN rules, and especially in the UN Charter:

-- the UN standards of conduct for UN staff of 1954, 1965 and 1982 obliged staff to set out the relevant facts of an irregular situation; gave them the right to record their views in the official files; called on supervisors to exercise "scrupulous care ... in allowing the views of their junior officers to be heard, particularly where those views are opposed to their own"; and stated that "the subordinate official ... has the right , which should be safeguarded, to record his views in the official files ..."

"Report on the standards of conduct in the international civil service 1954", International Civil Service Advisory Board, COORD/CIVIL SERVICE/5, October 1954, reprinted **May 1986**, United Nations, paras. 12-16, also was reprinted in full as Annex V in "Status, basic rights and duties of United Nations staff members", ST/SGB/1998/19 of 10 December 1998.

[Note: The revised UN Staff Rules issued in December 1998 and in November 2002 unfortunately and regrettably omit this clear and forceful prior language about staff integrity and responsibility from the new rules (and omit whistleblower rights entirely), despite much general discussion and commentary on proper staff conduct and integrity. This grave omission by the UN Secretariat is discussed further at the conclusion of this subsection.]

-- Staff Regulation 1.2(e) states that "By accepting appointment, UN staff members pledge themselves to discharge their functions and regulate their conduct with the interests of the Organization only in view. ..."

"Status, basic rights and duties of United Nations staff members", ST/SGB/2002/13 of **1 November 2002**.

[Note: This staff guidance was revised in 1998 to add more specific emphasis on basic staff obligations to former staff regulations 1.1 and 1.9]

-- most important of all, Article 101, paragraph 3 of the UN Charter, which underlies the Staff rules and regulations, emphasizes that "the paramount consideration"

in staff matters "shall be the necessity of securing the highest standards of efficiency, competence, and integrity", all core values which are certainly involved in the new procedure allowing staff to report allegations of waste and mismanagement.

"Status, basic rights and duties of United Nations staff members",
ST/SGB/2002/13 of 1 November 2002.

In 1993 a JIU report on accountability and oversight observed (contrary to the October 1992 Secretariat report) that the UN Secretariat was not well equipped to deal with corruption problems. It made some useful observations on the value of staff reporting of wrongdoing and the negative Secretariat response:

"One of the most important ways to combat waste, fraud, abuse, and corruption problems is through the vigilance and co-operation of those most knowledgeable about programme operations. Staff and other people involved in United Nations programmes (especially in the field) can play a very important role by reporting possible violations through 'hotlines' maintained by independent oversight units. This process requires rigorous confidentiality and protection of the rights of the people under investigation, and of the 'whistleblowers' who submit the allegations from immediate or subsequent reprisals.

... The Inspectors are concerned, however, at a central message in the Secretary-General's (October 1992 report, cited above), namely that protecting staff who report abuses from retaliation is too difficult ...

The Inspectors believe that the Secretariat should not imply or assert its helplessness to protect staff from vengeful managers. Instead, top management should actively encourage and protect confidential staff reporting ... to combat the debilitating effects of ... corruption in the [UN Secretariat.]"

Joint Inspection Unit, "Accountability and oversight in the United Nations Secretariat", UN document A/48/420, 1993, paras. 80, 84-86.

[emphasis added]

The General Assembly, for its part, did not give up on the need for a strong anti-fraud programme in the Secretariat. In its resolution 48/218 A of December 1993 establishing the new management accountability system, it stated that it:

"E.II., Recognizing also the need for an enhanced oversight function to ensure the effective implementation of [UN] activities ...;

9. Resolves that the decision to establish an additional independent entity ... to enhance oversight functions ...

11. ... shall continue ... at the earliest possible opportunity ...;

III. ... **Determined to address alleged cases of fraud in the United Nations in an impartial manner, in accordance with due process of law and full respect for the rights of each individual ...**

2. Also decides to this end to establish an **ad hoc ... working group of experts** ... to report to the General Assembly [in 1994]."

"Review of the administrative and financial functioning of the United Nations",
General Assembly resolution 48/218 A, 23 December 1993, sections II. And III.

[Note: The work of this group is described further in the subsection on Major

ongoing flaws .]

A year later, General Assembly resolution 48/218 B established the OIOS. It quite expressly and specifically called for permitted and protected staff reporting of misconduct, due process for all concerned, and disciplinary proceedings where necessary. These provisions are central to this section and to the UN's "disappeared whistle-blowers":

"[The General Assembly] Requests the Secretary-General to ensure that the [OIOS] has procedures in place that provide for direct confidential access of staff members to the Office and for protection against repercussions, for the purpose of suggesting improvements for programme delivery and reporting perceived cases of misconduct,

Also requests the Secretary General to ensure that procedures are also in place that protect individual rights, the anonymity of staff members, due process for all parties concerned and fairness during any investigations, that falsely accused staff members are fully cleared and that disciplinary and/or jurisdictional proceedings are initiated without undue delay in cases where the Secretary-General considers it justified: such procedures shall include any necessary amendments to the Staff Regulations and Rules of the United Nations and, to the extent possible, should take into account the relevant recommendations, approved by the Assembly, of the intergovernmental group established under resolution 48/218 A;"

"Review of the administrative and financial functioning of the United Nations", General Assembly resolution 48/218 B of **29 July 1994**, paras. 6-7.

The Secretary-General issued an official Bulletin elaborating on these matters, and they were also reflected in an OIOS mission pamphlet, a detailed Investigations Section Manual, and a 1996 circular to all staff on OIOS investigations of "mismanagement, misconduct, waste of resources, and abuse of authority".

"Establishment of the Office of Internal Oversight Services", Secretary-General's Bulletin, ST/SGB/273 of **7 September 1994**,

"The Office of Internal Oversight Services of the United Nations: Its genesis, its mission, its working methods, its impact", UN Dept. of Public Information, **February 1996**,

"United Nations [OIOS] Investigations Section, Manual", www.unhq/depts/oios/ismanual and

"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**.

The OIOS investigation functions and detailed guidance thus provide for its professional, in-depth investigations; a system for staff reporting of wrongdoing; and the dramatic new possibility (and reality) of criminal charges against UN staff before national court systems. The OIOS was thus poised to have a much greater impact on UN operations, staff conduct, and oversight than the weak internal audit efforts of the past (but starting with the same staff), and to become the Organization's

main "corruption fighter".

The Secretary-General's Bulletin of 1994 made it clear that the new OIOS hotline mechanism and staff reporting processes were a very serious matter. The guidance deserves to be noted in some detail:

"18. The Office may receive and investigate reports from staff and other persons ... suggesting improvements ... and reporting perceived cases of possible violations of rules or regulations, mismanagement, misconduct, waste of resources or abuse of authority. ... staff members and others can make directly to the Office suggestions and reports which shall be received and handled in complete confidence. Further procedures ... and related arrangements are designed to protect individual rights, the anonymity of staff and others, due process for all parties concerned and fairness during any investigation, as well as to protect against reprisals.

(a) Investigations shall respect the individual rights of staff members and be conducted with strict regard for fairness and due process for all concerned ..."

(b) The [USG of OIOS] shall designate the officials authorized to receive such suggestions and reports ... [who] shall be responsible for safeguarding ... [them]. Unauthorized disclosure ... shall constitute misconduct ...

...

(e) The transmittal of suggestions or reports to the Office with knowledge of their falsity or with willful disregard of their truth or falsity shall constitute misconduct, for which disciplinary measures may be imposed.

(f) No action shall be taken against staff or others as a reprisal or making a report or disclosing information to, or otherwise cooperating with, the Office. Disciplinary proceedings shall be initiated and disciplinary action shall be taken in respect of any staff member who is proven to have retaliated against a staff member or other person who has submitted suggestions or reports to the Office or otherwise cooperated with the Office."

"Establishment of the Office of Internal Oversight Services", Secretary-General's Bulletin, ST/SGB/273 of 7 September 1994, section D, "Investigation,," para. 18. [emphasis added]

Central participants and observers at the UN underscored the importance of the new OIOS investigation functions and of firm leadership efforts to properly apply them, as expressed by a UN manual for Member States, the outgoing UN top manager, Richard Thornburgh, in 1993, and by Erskine Childers and Brian Urquhart in 1994:

' ... the sine qua non is a power figure dedicated to independent investigation of an allegation on its merits, who will protect the anti-corruption authority from improper pressures or will allow it ... to resist and ignore threats of career retaliation."

"Crime prevention and criminal justice in the context of development: ... Practical measures against corruption: Manual", Eighth United Nations Congress on the Prevention of Crime and the Treatment of Offenders, Havana, Cuba, A/CONF.144/8 of 29 May 1990. [emphasis added.]

"The United Nations presently is almost totally lacking in effective means to deal with fraud, waste and abuse by staff members [as] ... recently highlighted in ... the news

media.

... The chronically fragmented and inadequate ...[UN internal oversight structure] is currently so ineffective that, time and again, we have been called on to create *ad hoc* teams to carry out investigations of serious wrongdoing. The delay [in organizing] ... these teams often allows the trail to 'grow cold" [and] ... deprives the investigation of the vitality ... professionalism and impartiality [of] ... more regularized procedures.

Dick Thornburgh, Under-Secretary-General for Administration and Management, "Report to the Secretary-General of the United Nations", **1 March 1993**, pages 29-31.

"With the vast increase in United Nations activities and expenditures resulting from the organization's newfound status as a global 911 emergency number, its capacity for ensuring the integrity of its operations is more important than ever.

The recent report by the UN Financing Advisory Group, led by Paul Volcker and Shijuro Ogata, noted specifically that 'support for improved financing will be dependent upon a perception that funds are economically managed and effectively spent.

What is needed is an Office of Inspector General, staffed to audit, investigate and lay the basis for remedial action in serious cases of conflict of interest, misappropriation of funds or other corrupt practices.

The inspector general's office is the centerpiece of [the] agenda for reform that I presented to Secretary-General Butros Butros-Ghali upon completion of my one-year assignment at the United Nations."

Dick Thornburgh, "How to clean up the United Nations", International Herald Tribune, **March 26, 1993**. [emphasis added]

"Internal procedures to enable staff to report palpable misconduct without fear [and on the other hand without creating an atmosphere of witch-hunting] should be improved. The UN's ability to pursue miscreants through national jurisdictions needs to be strengthened. After decades of periodic suggestions for an Inspector General to be attached directly to the Office of the Secretary-General, this issue is now being actively pressed. This may, on balance, be helpful but not really effective if the IAD remains so grossly understaffed. To carry maximum credulity and universal confidence the appointee must be of impeccable repute and with top-calibre qualifications for such work."

Erskine Childers, with Brian Urquhart, "Renewing the United Nations system", Development Dialogue, 1994:1, Dag Hammarskjold Foundation, Uppsala, Sweden, **1994**, pp. 146-147. [emphasis added]

Despite all these observations and quite firm and specific operational guidance from the General Assembly on whistle-blowers and the conduct of investigations, however, the new head of OIOS, Mr. Karl T. Paschke, made his position clear shortly after his arrival as the new head of the OIOS. He expressed his limited interest in the UN staff (meaning non-managers), proclaiming after only four months that they should be reduced by up to 20 percent. But his most controversial and awkward step was to express his strong distaste for staff who might use the new OIOS "hotline" mechanism, which the General Assembly had insisted on in considerable specific detail. He told the Fifth Committee of the General Assembly in early 1995 that:

"As part of the investigation function, we now have procedures for receiving confidential information ... I will guarantee complete confidentiality to all those who wish to provide us with information on problems. ... Having said this I must add immediately that I am not comfortable with receiving anonymous messages, and will certainly do nothing to encourage this practice. In any case, this should be seen as a system of last resort. The first, and by far the most important way, for staff to voice complaints and make suggestions must be to and through their immediate supervisors.

When I was told I would have to take anonymous tips into account in my new job I was reminded of ... Hamlet,... who was given a suggestion by a ghost ... [and] then proceeded to procrastinate. He was a rational man and had his doubts about acting on the advice of ghosts. I hope I am not put in a similar situation myself too often."

"Statement by Karl Th. Paschke ... to the Fifth Committee," **5 December 1994**, pp. 11-12, [emphasis added] and

"Paschke speaks his mind: Calls for staff reduction," UN Staff Report (NY), **March 1995**, p. 3.

Mr. Paschke picked the wrong image -- of staff who report waste and misconduct as cowardly "sneaks" -- instead of law-abiding, responsible people who report wrongdoing in good faith. IO Watch believes that his outspoken views were highly improper for an inspector-general expressly responsible for a protected hotline function. They also undermined the above clearly-stated UN staff obligations, and his role as an authority figure that UN staff could trust. As a close observer of UN goings-on in New York acerbically assessed it:

"Karl T. Paschke's introductory remarks to the Fifth Committee reveal a man curiously laid-back for a job that requires cracking down on waste, abuse, and corruption. Could it be that Paschke is finessing?

True, coming on like gangbusters would have been a mistake, given the well-known misgivings in the higher echelons of the Secretariat about the whole enterprise. So Paschke went out of his way to acknowledge that Boutros Boutros-Ghali still is boss in the house, although his emphasis on his own role as 'adviser' may have been a bit exaggerated. ...

Paschke does not invite anonymous tips and would prefer that staffers go through their immediate supervisors with complaints. If meant seriously, that's perhaps a little naïve. Supervisors like to have a tidy shop and who among them would look kindly on a subordinate whistleblower. As long as guarantees of confidentiality can be maintained, far better ... [that staff] pass it along through the dedicated telephone line ..."

"Diplomatic pouch" by Petronius, Diplomatic World Bulletin (NY), **December 12, 1994.** [emphasis added.]

[Note: as discussed at the end of the subsection Investigation efforts: Is OIOS a fig leaf? , Mr. Paschke was also, unfortunately, very much a man of his culture: as recently as May 2004, a German court strengthened employers' rights to fire whistleblowers for "breach of loyalty".]

Mr. Paschke later realized that his stated distaste for whistleblowers, plus his oft-expressed strong intent to "work closely with managers", undermined his direct and specific oversight responsibilities and thus the credibility which "inspector generals" anywhere must have. He made various corrective public statements about staff reporting misconduct,

assuring that he would "protect them fully", "would not hesitate to intervene personally" with difficult managers, would not tolerate violation of UN rules, and would seek criminal prosecutions in national courts "even for lesser cases".

"Statement by Karl Th. Paschke to the Fifth Committee", **5 December 1994**, pp. 4-5, 7-8, 11-12,

"Press briefing by OIOS", **29 Oct 1995**, **8 February 1996**, and **31 October 1996**,

"Interview with USG/OIOS", What's New, Staff Journal (New York), WN/3 of **21 August 1996**, p. 4,

"Answer of Mr. Karl Th. Paschke", UN Special, December 1996, p. 42,

"L'ONU continue de souquer ferme pour tenir la cadence des réformes", Tribune de Geneve, **April 1997**, p. 14,

"UN investigating more fraud cases", Reuters, International Herald Tribune, **4 September 1997**, and

"L'ONU enquête sur plusieurs cas de fraude", Tribune de Geneve, **3 Octobre 1997**, p. 14.

IO Watch has attempted to work systematically through all the OIOS annual reports, various topical reports, public statements of Mr. Paschke and his successor, Mr. Dileep Nair, staff reactions, media reports, and other documentation on OIOS work and especially its investigations. It has found the following disturbing patterns:

-- The new and very understaffed and slowly-developing OIOS Investigations Section quickly piled up a very large backlog of reports from staff (and in fact that backlog has only continued to grow, as discussed further at the end of this subsection.)

-- OIOS dismissed many of the reports made to it as mere "personnel matters" (a categorization decided on by the Office itself) and then casually passed these sensitive matters on to the Administration [often without informing the staff member of that action, and in some cases with disastrous consequences for that person's career.]

-- The Office admitted that it rejects many of the reports made to it because it judged (again, within its powers but with no contact with the person reporting and no objection possible) that many of them provided "insufficient evidence" for action.

-- In addition, and more damaging, many UN staff know of serious reports that other people have made to the OIOS over the past decade without ever receiving any (or only a very tardy) reply or follow-up.

-- Even worse, the OIOS also apparently added a new, and

discreet, category of cases which Mr. Paschke reported back to the staffs' managers as "internal matters" for them to handle by "normal procedures." This led some other Administration officials to rightly request Mr. Paschke's specific guidance on what such "internal matters" and "normal procedures" might be, but without any apparent success.

-- In the few major investigations of mismanagement of which the OIOS is so proud -- fund misuse in UNCTAD, mismanagement of the Rwanda war crimes tribunal, a scandal at a UN unit in Nairobi, a scandal involving the UN top corruption-fighter, and refugee sexual abuse scandals, the OIOS fails to note that it investigated only after concerned UN staff or outsiders publicly exposed the situations. In a number (perhaps most?) of those cases, the OIOS subsequently, conspicuously, and promptly exonerated any senior officials involved.

-- The OIOS has even recently begun informing at least some staff rather dismissively that their inquiries on severe misconduct would more appropriately be handled by appeals through the UN's internal justice system [knowing fully well the futility of this action, since OIOS itself has often complained about the laborious and drawn-out JAB procedures, and also the widely-acknowledged and now much criticized flaws of the internal justice" system (see the conclusions of the following subsection on the Inept "Administration of Justice" System and other related subsections under Where is the Rule of Law? .]

UN staff are not stupid. An early insider assessment in 1996 noted that OIOS had investigative results that were "paltry indeed", because its staff were either experienced UN veterans who would not "make waves", or newcomers woefully innocent about the UN. It observed that:

"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, and "Wake up, Paschke", Foreign Report, Jane's, London, Sept. 12th, 1996, p. 5 .

Similarly, a 1997 article on the emerging problems and serious levels of UN corruption observed that:

"UN employees -- who request anonymity because they fear they will suffer more professional harm than the corrupt officials they want to expose -- have provided numerous accounts of officials' being transferred rather than dismissed after being caught breaking the rules.

This happens frequently in cases of sexual harassment, nepotism, and occasionally violence, according to these accounts. Whistle-blowers are neither encouraged nor rewarded."

Barbara Crossette, "In war on corruption and waste, UN confronts well-entrenched foe", International Herald Tribune, **3 November 1997**.

The General Assembly also was not impressed by several years of OIOS talk, and instead was becoming increasingly concerned at the persistence of corruption problems (based on the forceful reporting provided to it by the UN external auditors):

"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; ...

15. Emphasizes the need for greater transparency and stricter controls for trust funds ...

17. Notes ... that further work needs to be done in the biennium 1996-1997 to bring the financial statements fully in line with the United Nations common accounting standards, and requests the Secretary-General and the executive heads ... to pursue their efforts to ensure full compliance with those standards."

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

Note: Discussion of this topic continues in the subsection on Disappearing Whistle-blowers II.