

UN Lives on the Dark Side, UN, whistle-blowers, various, 2007

[IO Watch Note: In 1993-1994, the UN General Assembly insisted that the Secretariat establish a managerial accountability system, including a confidential hotline for protected reporting by UN staff of wrongdoing in UN programs.

Ever since, the system has been almost invisible: IO Watch has been unable to find a single example of a UN staff whistle-blower who was successful and commended. Instead, it is widely known that whistle-blowers have been ignored, intimidated, harassed, or punished.

In 2004, a worldwide "integrity survey" of UN staff found that they felt unprotected from reprisals for reporting wrongdoing, and that UN top officials did not respond to such reports.

The Secretariat then proclaimed a "standard-setting" new whistle-blower policy for international organizations in 2005. However, as the following articles indicate, the UN Secretariat's studious ignoral or persecution of whistleblowers continues on as before.

For more on this topic see [Whistle-blowers? What whistle-blowers?](#), in "The Six 'Black Holes' of UN Non-accountability" of this website, and, in its Archives, the subsections on [Disappearing whistle-blowers](#) under "UN Management Accountability Struggles", and [Suppressed whistle-blowers](#) under "Recent Developments"]

At UNDP, Scandal Allegations by Stefan Vassilev, Former Russia Resident Representative

Byline: Matthew Russell Lee of Inner City Press at the UN: News Analysis

UNITED NATIONS, March 12 -- As the UN Development Program denies widespread corruption alleged by the [Chicago Tribune](#), while being subject to an "urgent audit" called for by Secretary General Ban Ki-moon, a previous UNDP Resident Representative in Russia has written to UNDP to complain about his treatment.

Sources tell Inner City Press that this push-back by a former "Res Rep" who asserts that he was scapegoated is a cautionary tale for UNDP as it seeks to assign blame for those aspects of its operation in North Korea that have led Mr. Ban to demand an urgent audit.

Inner City Press previously asked UNDP about the fraud and theft reported, even in the agency's public audit, in its Russia operations. UNDP responded by blaming the fraud on previous Resident Representative Stefan Vassilev:

In a message dated 12/14/2006 7:01:32 PM Eastern Standard Time, cassandra.waldon [at] undp.org writes:

Dear Matthew,

Kindly find below responses to a number of your concerns. On UNDP's Russia office...Stefan Vassilev served as acting Resident Representative from April until June 2003, and then as Resident Representative from September 2003 until August 2005... The discovery of suspected fraudulent activity triggered an internal investigation in June 2005. This investigation concluded that one payment amounting to \$190,000 was fraudulent. Additional payments that could be fraudulent were under investigation. Three former UNDP staff members, all locally employed Russian nationals, were implicated in the fraud. All three resigned from the Country Office before the investigation was launched. When the extent of the fraud became evident, Mr. Vassilev was summoned to headquarters. He was removed from his post in August 2005 and subjected to disciplinary proceedings stemming from shortcomings in management performance and oversight. Mr. Vassilev is no longer employed by UNDP.



UN HQ - UNDP hidden

In September 2005, drawing on the evidence collected in the investigation, the UNDP Administrator made an official request to Russian law enforcement authorities to open a criminal investigation into the fraud. Such an investigation was opened by the Moscow Prosecutor and is currently under way, with UNDP's active cooperation.

Inner City Press reported UNDP's response, and added in a [December 22, 2006 article](#) that "now Inner City Press learns that Mr. Vassilev was a fall guy. We will be hearing more -- from, we hope, and about, we guarantee -- about Mr. Vassilev."

Subsequently, the very day that Ban Ki-moon wrote to the North Korea ambassador to ask for access to auditors, and the day before Kemal Dervis wrote to announce the suspension of operations in the country -- Mr. Vassilev wrote to Kemal Dervis and its putative Number Two, Ad Melkert:

From: Stefan Vassilev
To: kemal.dervis [at] undp.org

Cc: ad.melkert [at] undp.org
Sent: Wednesday, February 28, 2007 10:30:23 AM
Subject: Strictly confidential !

Mr Dervis,

My attention was drawn to some publications of Inner City Press where my name is mentioned in various contexts... Being loyal to the Organization I kept silence and low profile for years by now, which turned to be a serious detriment to me at the end. Meanwhile I was subjected to humiliation and harassment by senior managers including and mostly during your "watch" as UNDP Administrator. I wrote to you several times trying to bring your attention to what was going on and how the UNDP machinery was used to target me instead of concentrating on those really responsible. All this was done with facts and supporting documents as you would recall. All was in vein [sic]. I did not even get a receipt confirmation reply from you, though the system showed that you did receive the messages. At the end I was not only denied fair process (whatever it means within UNDP walls) but my contract was "conveniently" not extended while finally after much push on my side some in UNDP started to ask inconvenient questions about how the investigation was done, how I was treated, etc, etc.

I am not surprised that Inner City publishes this kind of materials [from] UNDP staffers into major news story along with the real stuff they report on. But in many cases they are helped by the sloppiness and incompetence of your respective staff, the silence of UNDP or even by deliberate actions. It also applied to my case, where the instruction by MMB was given during a meeting at the very beginning of August 2005 (Kalman and Brian Gleeson were there) to concentrate the blame on me, remove me from the post (contrary to the OAPR advice) so that I could no longer dig-up into the fraud schemes dating even before year 2000. And a sloppy conspiracy was arranged (involving ladies close to Kalman). Facts and documents of all this recently surfaced and I copied some of them to you and other high level UNDP staff. No action however seemed to be taken with regard to those involved. Not to speak of talks and hints by Brian Gleeson of my future appointments within the system "once I help this to be over" and pressure/requests by other officials who wanted to use me in their internal games against each other. I.e. "accept the blame as defined by MMB even before the investigation really began and you will be taken care of one way or another". Such talks were even taking place at the last minutes of Brian's tenure as Director of OHR and days after I was no longer UNDP staff-member. As you are

perfectly aware I opted for something else, which was the only moral action possible, i.e. rejected all attempts to be involved... and paid the price, which according to your staff is high enough: losing D-level job at UN. Well, I however preserved my dignity at least.

All of you also "conveniently" forgot what I was sent for to Russia and what I have done to not only preserve the UN presence in Russia, but to transform the UN resident system into a key actor in crucial and delicate areas, including the conflict region of Chechnya. It was under my watch that UNDP and UN in Russia turned from "non grata" actors to success story for all sides and the RC system started to finally functioned. Not least, it was during my watch that international hostage taking not only stopped, but hostages started to be release and UN presence in North Caucasus not only expanded but survived without any loss the bloody events in Ingushetia an as in the case of Beslan was there the first to offer organized help. If you consider this to be my own over-estimation I could DHL you couple of kilograms of letters from the UN SG, respective USG/Heads of Agencies, foreign donors, top management, etc...

By now and after all happened I do not have much respect to UNDP, its previous or current management, however, my own system of values dictate me to write this to you and to let you know about what I feel. Though I seriously doubt it, in case you have anything to say to me, I could be reached via this e-mail address. Please make no mistake: I do this only because of the good part of the memories I have about UNDP and my understanding of personal integrity and I do not want or expect anything from you. S. Vassilev

The referenced Kalman is Kalman Mizsei; as Mr. Vassilev's message makes clear, no discussion of him is complete without reference to "his ladies," many of whom continue in the posts he doled out until he unceremonious departure in September 2006. UNDP's negligence, or kowtowing to Mizsei's protector, have played a role in his appointment to represent the European Union in or to Moldova.

The "MMB" is, of course, Mark Malloch Brown, long-time administrator of UNDP, now at Yale University writing a book that is not predicted to include the material raised and seen by Mr. Vassilev and others.

While Inner City Press is continuing to inquire into much Vassilev-related material that has come in, on Russia and other matters, UNDP now does not even provide information it publicly commits to sending (click here for that story), about its North Korea scandal which led to Ban's call for an urgent audit. That beyond the way Inner City Press was provided with the email, additional sources also offered it, cannot bode well for UNDP. The Chicago Tribune's story alleging more widespread problems quotes at least two "UN officials with extensive knowledge of the program" in North Korea. Resident Representatives, while UNDP-administered, are "UN officials," with UN (and not UNDP) contracts. It is in this context, UNDP sources tell Inner City Press, that. Mr. Vassilev's recent message and the material annexed and referred to is such a cautionary

tale for UNDP. When you throw a Res Rep under the bus, trying to confine the blame to that level, you risk dark secrets coming out. Developing...

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As UN Peacekeepers Are Mourned, Ending Impunity and Exposing Corruption Are Key

Byline: Matthew Russell Lee of Inner City Press at the UN

UNITED NATIONS, May 29 – Because apparently it takes the UN's OIOS well over a year to conduct an investigation (which might never have been publicized if not for the BBC's reporting), and in the wake of numerous questions and requests from comment from DPKO having gone entirely ignored, from the mailbag, this narrative:

Subject: Corruption in UN DPKO.

From: [Name withheld]

To: Editorial [at] innercitypress.com

Sent: Fri, 18 May 2007 1:06 PM

I am a former UN DPKO Staff Member. I worked, first in Kosovo (UNMIK) and then in Congo (MONUC). Because of my position, I was very well involved with IT equipment requisitions, biddings analysis, procurement, deliveries, etc. and mainly to the ones dealing with the Indian companies (Telecommunications Consultants India Ltd - TCIL, Thunderbird Industries LLC, etc.). Most of these "activities" very well connected to "irregular" provisions of contractual staff, as well as to US\$ millions in "missing" equipment (computers, radio-communication, tele-communication, etc.) in both UN Missions.

In 2000, after a duty mission to UN DPKO Logistics Base in Brindisi, I realized many "wrong-doing" activities. Investigating them further, I found many, many of them. I wrote related reports, and I tried -- for all ways -- to call the attention of my supervisors, about the so many, so many bizarre cases, in two of the UN DPKO

Sections: "EDP" and "Communications" (today, both are merged in one: "CIT," Communications and Information Technology Section), without success.

In the Congo Mission, only for one-year budget, I discover that US \$8 million in IT equipment was considered "missing," in related budget listings. (Here, I should say that most of the "in house developed" computerized applications, done by DPKO CIT, were completely useless, maybe related to some "interests." The "funny" issue was that all this equipment appeared in different UN DPKO budget documents as... already "delivered" (!!!) Following many complains and discussions, I succeeded to "recover" US \$3 million, but for the other US \$5 million, the common answer always was: "nobody knows where they are."

It was investigating about this "missing" equipment, that I discovered many "funny," related and completely uncontrolled systems. Systems that fully profited different "holes" in the UN Control Procedures, like the one called "inter-mission equipment movement." A very important part of the most expensive CIT equipment was declared "missing," following these transfers. Another funny related method consisted in keeping, new and very expensive equipment, in the CIT Warehouses. Following some funny rules, all equipment, after two years in the warehouse, "must" be declared "obsolete." Afterwards, most of this equipment also disappeared and again, nobody knows where they are. When you realize that, only a satellite dish (of a total of near 100, bought only using the MONUC budget) costs US \$150,000 dollars ! The market streets in Kinshasa, and other main Congolese cities, were full of all this equipment ! complete and/or in pieces ...

Galaxy, the current UNHQ automated recruitment system, was developed using the funds of the Mission in Kosovo (UNMIK).

[Editor's note: Inner City Press has recounted this tale of Jonathan Blankson before, most recently regarding this role in the still-withheld "List of Staff of the UN Secretariat," click here for that.]

Galileo, the current UNHQ automated recovery system, was developed using the funds of the Mission in Congo (MONUC).

If somebody quickly analyses the real costs of these "in-house" developed systems (there are so many, so many others, similar ones) staff, premises, hardware, software, logistics, administrative, will found out that they cost in reality: 50 to 100 times, the price of any similar system, currently in the market. Now if somebody takes the time, and analyses them deeply, the found-outs will shake the foundations of UN and DPKO.

I will never forget the IT needs and requirements of PAE Daher, the aviation company, to operate the airports in Congo. They were requesting equipment, sufficient to operate all airports in Africa ! I would like to help to avoid more corruption in UN DPKO. I would like also help in the current re-organization process;

mainly in what I know very well: Information and Communication Technologies.
Thanks indeed of your kind attention.

And *that...* is another side of the spirit of the UN peacekeeping, offered here in the spirit of listening to voices throughout the UN system. We also note that DPKO not long ago made its own accusations, insisting on anonymity, accusations that although disproved by the public record have never been retracted or even updated. To be continued.

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ANALYSIS: WILL FRAUD CONVICTION HELP U.N. REFORM ITS SECRETIVE 'CULTURE OF IMPUNITY'?

Wednesday, June 13, 2007

By Claudia Rosett and George Russell
FOX NEWS

“Justice has been done.”

That's how United Nations Secretary-General Ban Ki-moon hailed the conviction for fraud and corruption of a former top U.N. procurement official, Sanjaya Bahel, who was found guilty on June 7 in New York federal court of steering some \$100 million worth of U.N. peacekeeping support contracts to the well-connected family of a fellow-Indian friend.

But Ban's self-congratulatory remark is misleading.

The saga of Bahel's extensive career of corruption extends well beyond his individual case, into a U.N. system that still is mired in murky practices and desperately lacking in dependable oversight or any normal administration of justice.

Even as Bahel faced up to 30 years in prison for his misdeeds, top U.N. officials continued to dodge questions about how and why the U.N. itself twice exonerated Bahel over a period of years, most recently in December 2004, even while the organization lethargically examined much the same evidence that persuaded a New York jury to convict the man after less than half a day of deliberations.

Moreover, an examination of U.N. documentation that did not surface during Bahel's trial shows that even in his case, the rot extends further than the public record shows. The risk now is that Bahel's conviction itself could become an excuse for the U.N. to cover up even deeper and more

widespread problems in the U.N.'s multi-billion-dollar procurement department and in the U.N. system of justice.

According to court evidence and testimony, Bahel's scams began at least as far back as 1999, when he secretly began scheming to help companies connected with the family of a longtime friend, Nanak Kohli, to obtain lucrative U.N. contracts for which they were not qualified.

* * * * *

In July 2004, after accepting false references and blatantly dummied-up evidence, Dixon's team cleared Bahel – who the previous year had been moved from the procurement department to head, among other things the UN postal administration. (There, shortly before Bahel arrived, and over the signature of his boss, Andrew Toh, the U.N.'s irreplaceable stamp archive, dating back to 1951, was auctioned off in Switzerland, apparently without authorization.) In July, 2005, in the wake of Dixon's exoneration of Bahel, Toh announced a management shuffle that would have, among other things, promoted Bahel to run all of U.N. procurement

That promotion was vetoed by Christopher Burnham, a former U.S. Marine and senior U.S. State Department official who had taken over the U.N.'s top management job with the intent of actually reforming the place. In January 2006 – with the UN then reeling from the Oil-for-Food scandal and indications of hundreds of millions of potential fraud in procurement — Burnham got authorization for a special task force within OIOS that sidelined Dixon and finally began a real investigation of procurement corruption.

It was the work of the so-called Procurement Task Force that finally fingered Bahel. In the process, the task force noted that a number of key files in the case had mysteriously disappeared before they had a chance to examine them. The task force also accused Bahel of steering unwarranted contracts worth nearly \$10 million to another Indian firm, PCP International Ltd, for generators for U.N. peacekeepers that later proved faulty.

The fact that any justice was done in Bahel's case was due to Burnham's determination to listen to one brave whistleblower, a feisty woman named Jane Redfern who had worked as a procurement trainee under Bahel, and repeatedly questioned his machinations on behalf of his Indian friends as far back as 2001. Her career wilted as a result, and Burnham eventually gave her a job in his own office. She now works for UNICEF.

At the U.N., the stars will not easily align to repeat that victory for integrity — or even to reward those who have given some of that quality back to the institution.

Redfern testified as a crucial prosecution witness at the Bahel trial. But she now has been left by the U.N.'s Office of Legal Affairs, and by Burnham's successor as the head of UN management, Alicia Barcena, to pay her own legal bills for that exercise. The only option Redfern was offered by the U.N. was to accept a lawyer whose first loyalty would have been to the U.N., with no guarantee of protection for Redfern's own interests.

Claudia Rosett is a Journalist-in-Residence with the Foundation for Defense of Democracies. George Russell is Executive Editor of Fox News.

At UNDP, Hunting Down Leakers and Whistleblowers' Photos, Hiding Disclosure Behind a Bored Board

Byline: Matthew Russell Lee of Inner City Press at the UN: News Analysis

UNITED NATIONS, June 28 -- In the past week, as the UN Development Program has plotted its next response about North Korea, the agency hired without the normal bidding process a forensic computer contractor, UNDP sources say. The goal has been to find out who has been leaking the agency's data.

The saga goes back at least to December 8, 2005, when the operations chiefs of five UN funds and programs in Pyongyang decided to simultaneously tell their agencies of irregularities in North Korea programs, including the payment of government-provided staffers in hard currency. Eighteen months later, all five whistleblowers are gone, and several face continuing retaliation.

On June 6, Inner City Press wrote to the new director of the UN's Ethics Office, Robert Benson, asking about UNDP's financial disclosures and "what would be your office's jurisdiction to assist a whistleblower at UNDP?"

On June 28, as yet more Ad Melkert letters circulated, the following arrived from the Office of the Spokesperson for the Secretary-General:

Subj: your questions on ethics

From: [Office of the Spokesperson at] un.org

To: matthew.lee [at] innercitypress.com

Date: 6/28/2007 4:56:14 PM Eastern Standard Time

I've been informed by the Ethics Office that you'd passed on some questions to Robert Benson, and they're transmitting through me the relevant answers. First of all, you'd asked about the Ethics Office's jurisdiction to assist a whistle-blower at UNDP. They have conveyed that, in relation to any case involving an individual seeking protection against retaliation, the Ethics Office will neither confirm nor deny that it is reviewing a case, unless the particular individual has provided his or her informed consent to do so.

Question: give consent to *whom*? Here is a portion of the underlying complaint:

June 5, 2007 09:22 AM

To: Bensonr [at] un.org

Subject: North Korea: request for protection and review under ST/SGB/2005/21

Dear Mr. Benson,

I am a former United Nations Staff Member who while still employed by the UN reported misconduct through my chain of command. When no action was taken to cease such misconduct, using the protections of ST/SGB/2005/21, I reported such misconduct to an entity outside of the established internal mechanisms. Subsequent to my reporting such misconduct to the outside entity, my employment was terminated. I believe such action was retaliatory in nature.

The misconduct I reported was the violation of multiple rules and regulations as well as criminal conduct by the United Nations Development Program with respect to UNDP's operations in the Democratic Peoples' Republic of Korea (DPRK). In July 2005, I informed UNDP in writing that its practices were contrary to the rules and regulations of the Organization. These practices include receipt and non-disclosure of counterfeit currencies, the payment to the Government of DPRK in hard currency, as well as the management of UNDP programs by Government officials of the DPRK, and other related violations.

Section 1 of ST/SGB/2005/21 states that it is the duty of staff members to report any breach of the Organization's regulations and rules to the officials whose responsibility it is to take appropriate action, and that an individual who makes such a report in good faith has the right to be protected against retaliation.

On 19 January 2007 -- the same day as the Secretary-General ordered an inquiry into allegations of wrongdoing by UNDP in North Korea, UNDP Associate Administrator Ad Melkert informed a colleague that he suspected that I may have shared information... He ordered that my access to ATLAS be terminated, and that my contract be allowed to expire as of the end of March 2007. These actions are retaliatory in nature. I hereby charge that Mr. Ad Melkert has engaged in both retaliation and threatened retaliation, and that such acts are themselves misconduct...

An aside on Mr. Melkert: sources tell Inner City Press that at Melkert's request, the Ministry of Foreign Affairs of the Netherlands asked the U.S. State Department to drop the inquiry. Since the message above, a UNDP whistleblower's photograph has been added to the computer photo array of UN Headquarters security's computer system, as a person to be on the look-out for, to bar entry to the UN. Sources say that such an addition is extremely rare for former employees, and in all probability required the request of an official of the Secretariat, and not only of UNDP.

But even barring some whistleblowers does not block others. Developing.

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A Whistleblower's Tale

By Melanie Kirkpatrick

July 6, 2007

Wall Street Journal

Original Source: <http://online.wsj.com/article/SB118368933560558885.html>

It's been more than six months since the U.S. first shone a light on the corruption in the United Nations Development Program in North Korea -- a scandal potentially involving tens of millions of dollars used to help prop up the nuclear-armed regime of one of the world's most dangerous dictators. But never mind. It's all a Bush administration plot.

Such, apparently, is the considered view of the UNDP, which has spent the past half-year variously disputing the U.S. disclosures, justifying UNDP actions on "humanitarian" grounds, or offering an "everyone-does-it" defense. Ad Melkert, the former Dutch politician who is the No. 2 official at the UNDP and the point person for oversight of the program, even threatened to "retaliate" against the U.S., according to Zalmay Khalilzad, U.S. ambassador to the U.N.

In any case, Mr. Melkert seems to be more worried about his own job than the integrity of the organization he leads. In a June 23 article titled, "Smear Campaign, U.S. Against Melkert," the Dutch daily De Telegraaf, citing "insiders at the UNDP," reported that "conservative forces in the American government want the scalp of Ad Melkert."

So it's perhaps the right moment for a reality check courtesy of the man who blew the whistle on it all -- Artjon Shkurtaj, an Albanian-born accountant who served as chief of operations for all U.N. operations in North Korea from November 2004 to September 2006. Mr. Shkurtaj -- a veteran of UNDP programs in Bangladesh, East Timor, Kosovo, Mexico, India and elsewhere -- was outraged at the violations he encountered in North Korea. After two years of trying to persuade his superiors at UNDP headquarters in New York to take corrective action, he took his information to the U.S. mission to the U.N. in May 2006. The UNDP responded by firing him this March.

A preliminary report by U.N. auditors, issued last month, confirms massive violations of U.N. rules regarding hiring practices, the use of foreign currency, and inspections of U.N.-funded projects. In a series of interviews in New York, Mr. Shkurtaj says the auditors (who were barred by North Korea from going there) barely scratched the surface of the misconduct.

We get quickly to the bottom line: Did the U.N. money go to the humanitarian projects it was supposed to fund? "How the hell do I know?" responds Mr. Shkurtaj -- oversight was so poor, the involvement of North Korean workers assigned by the government so extensive and the use of cash so prevalent, that it was impossible to follow the money trail.

Mr. Shkurtaj arrived in North Korea on Nov. 4, 2004. He says one of his first indications that something was amiss was when checks denominated in euros and made out to "cash" arrived on his desk for signature. "Rule No. 1 in every UNDP country in the world is that you have to operate in local currency," he says, "not in hard currency. It's the rule number one of development. . . in order to support the local economy and not devalue or destroy the local currency."

"I didn't sign the checks for about a week," he says, and then "it became a real mess. Headquarters contacted me, and said, 'don't become a problem. You're going to wind up a PNG, a persona non grata, and ending up a PNG means the end of your career with the U.N. . . . We are authorizing you to go ahead and sign the checks . . . So I started signing."

"Every morning from 8 to 10, we would issue checks" in euros for staff and projects, Mr. Shkurtaj says. "Then the checks, instead of going directly to the people or institutions by mail, as they should go [as specified by U.N. rules], the checks were given to the driver of our office." The driver would take them to the Foreign Trade Bank, where he would "exchange them into cash and come back to the office." North Korea did not permit Mr. Shkurtaj to have access to the UNDP's accounts at the Foreign Trade Bank, which refused even to keep his signature on file.

Then, every day at noontime, "North Koreans saying they represented U.N.-funded projects would come to receive cash at the UNDP offices." Mr. Shkurtaj says he was not allowed to require the North Koreans to sign receipts for the money or even to present IDs. "I had to trust them," he says. "But, hey, if headquarters tells me to give the money away, I'll give the money away."

On Aug. 16, 2006, a few weeks before Mr. Shkurtaj left North Korea, the UNDP resident representative, Timo Pakkala, issued a memo to the staff noting "an increased use of cash payments, in some cases to payees that are not authorized to receive payments." Citing "UNDP policy," Mr. Pakkala ordered future payments be made by bank transfer or "non-cash cheque." He also ordered staff to obtain receipts and not give money to unidentified people.

Mr. Shkurtaj says nothing happened. "The same routine continued." On Jan. 31, in a memo to Kemal Dervis, head of the UNDP, he urged that "the cashing of checks from the UNDP driver must be stopped and UNDP must demand access to the Foreign Trade Bank in all transactions with our accounts."

As the recent U.N. audit confirmed, the North Koreans who worked at UNDP were selected by the Ministry of Foreign Affairs, which also collected their salaries; both practices were violations of U.N. rules. Mr. Shkurtaj notes, too, that North Koreans selected by the government performed "core" functions such as dispensing cash -- another violation of the rules. All communications

tools -- fax and telex equipment, computer servers, the local area network -- "were in the hands of the North Koreans." "All the backup data [for the office's computers] were in a storage place completely isolated with a North Korean the chief of it." When Mr. Shkurtaj wanted to file a secure report, "I would go use the telex and communications satellite at the German embassy or other embassies in the compound."

A North Korean -- Li Kum Sun -- controlled the office safe in her job as "finance officer." "Damn it," says Mr. Shkurtaj, "you had security-evacuation plans in the hands of a North Korean. It's unbelievable." One of his few on-the-job successes was to get control of the safe and petty cash taken away from Ms. Li and handed over to him in March 2006.

The U.N. audit also found numerous irregularities regarding on-site inspections of UNDP projects. Most projects are located outside Pyongyang, and Mr. Shkurtaj says one way to determine whether the required annual field visits actually took place is whether the inspectors filed expense accounts. "Everybody -- meaning one driver, one translator . . . and one or two international staff would have received per diems," he says, or submitted vouchers for gas or overtime. "That is the proof that people checked the project." Yet, "in nearly two years in North Korea . . . I signed for a maximum of two or three" such trips.

Mr. Shkurtaj recounts two inspections he attempted to carry out himself. In one case, UNDP paid for 300 computers intended for Kim Il Sung University. "Instead of the computers coming to UNDP, they went to a warehouse outside town and we were allowed to inspect them only after a month and a half of fighting [with the government]. Then we were allowed to inspect only one computer in one box. The other boxes were not allowed to be opened."

Another inspection charade involved GPS equipment supposedly going to an agricultural project on flood control. "They didn't allow us for three and a half months to see the GPSs that we gave them," Mr. Shkurtaj says.

Finally, he says, "they took us to the outskirts of Pyongyang, to an empty building, completely empty -- no desk, no chairs, no nothing. We come in and go to the first floor. Empty. We go to the second floor. Empty. On the last door of the second floor, we enter. There is only one desk in the middle of the room, and on the desk are the GPS devices that we provided. Now, you're telling me we are providing GPS devices for an empty building, without people working inside?"

During the years he worked for UNDP in Pyongyang, Mr. Shkurtaj says he filed numerous reports to his superiors but got nowhere. Finally, with several months to go in his tour of duty in North Korea, he was recalled to New York.

He says that David Lockwood, deputy assistant administrator of the UNDP, told him, "Look, it would be good for your future if you come to New York and from here we'll send you somewhere else in the world. But you have rocked the boat too much right now and you should leave for your own good."

Mr. Shkurtaj's last day in North Korea was Sept. 26, 2006. When his contract came up for renewal in March -- the vast majority of U.N. employees operate under work contracts -- he was told that after 13 years of employment at UNDP his services would no longer be needed.

A few months before his dismissal, he received an "outstanding" rating in his annual review, dated Dec. 14, 2006 and signed by Romulo Garcia, chief of the Northeast Asia and Mekong

Division. Mr. Garcia described Mr. Shkurtaaj as "quick, professional, highly competent, creative, hard working and dedicated."

Mr. Shkurtaaj has filed a complaint with the U.N. Ethics Office, asking for reinstatement under the U.N. whistleblower protection policy. Yesterday Rep. Ilena Ros-Lehtinen, ranking Republican on the House Foreign Affairs Committee, wrote U.N. Secretary-General Ban Ki Moon asking him to look into Mr. Shkurtaaj's dismissal. His case "appears to be a fundamental test of the UN's whistleblower protection policy, one of the touted hallmarks of internal U.N. reform in recent years," she writes. "It is also highly relevant to whether UNDP has adequately internalized the need for increased transparency and accountability." Her request followed a similar letter to Mr. Ban last week from Sen. Norman Coleman, asking that Mr. Shkurtaaj be accorded whistleblower protection.

Meanwhile, Mr. Shkurtaaj has sent his wife and two children home to Italy -- he is an Italian citizen -- and is fast depleting his savings. He says he is "living like a bum" in New York.

Ms. Kirkpatrick is a deputy editor of the Journal's editorial page.

AP Exclusive: Author of U.N. whistleblower policy says U.N. ex-employee in NKorea should get whistleblower protection

The Associated Press

Monday, July 9, 2007

UNITED NATIONS: The former operations officer for the U.N. anti-poverty agency in North Korea is a whistleblower who should be protected from retaliation, the author of the U.N. whistleblower protection policy said.

Christopher Burnham, an American financial expert who served as the U.N.'s undersecretary-general for management from June 2005 through November 2006, confirmed Monday that he had written to the head of the U.N. Ethics Office last month to support Artjon Shkurtaaj's request for whistleblower protection.

"I wrote the whistleblower law, I know the whistleblower law, and Artjon Shkurtaaj is a whistleblower," Burnham told The Associated Press.

Shkurtaaj said in an interview with AP on Friday that he is seeking whistleblower protection because he lost his job with the U.N. Development Program for raising serious allegations about its financial transactions in the reclusive communist nation.

Shkurtaj said he never got a response when he asked his bosses what to do with counterfeit U.S. dollars he found in the office safe and reported on his first day in Pyongyang on Nov. 4, 2004. He said he was told "not to rock the boat" when he complained that paying all North Korean salaries and program expenses in hard currency, namely euros, instead of local currency was against U.N. rules.

Shkurtaj, an Albanian, said he went to Burnham and the U.S. government after his bosses at the U.N. Development Fund, known as UNDP, failed to act on his allegations.

Burnham said in a June 28 e-mail to the new director of the Ethics Office, Robert Benson, which was obtained by AP, that he was aware of Shkurtaj's complaint "concerning the retaliation he has received from UNDP senior management."

"I can confirm to you," Burnham wrote, "that Mr. Shkurtaj approached my office beginning in May 2006 to bring to my attention major deficiencies concerning U.N. operations in North Korea."

"Mr. Shkurtaj was very helpful in explaining the nature of the practices to me, but also by providing evidence that he had sought to communicate these concerns to UNDP senior management, beginning in early 2005," wrote Burnham, now a vice chairman and managing director of Deutsche Asset Management, part of Deutsche Bank.

U.N. deputy spokeswoman Marie Okabe said the Ethics Office was considering a request by a former UNDP employee seeking whistleblower protection, whom she did not identify.

UNDP on Friday disputed Shkurtaj's allegations that he was subject to retaliation because he raised concerns about the agency's operations in North Korea.

"UNDP has looked into this claim and based on available information found it to be without basis," UNDP spokesman David Morrison said. "UNDP has invited the individual to submit all relevant information to the UNDP office charged with undertaking internal inquiries, but he has so far declined to do so."

Morrison claimed he worked on short-term contracts and was not a 13-year veteran of UNDP — a claim Shkurtaj vehemently denied, noting that he receives U.N. health benefits and is eligible for a U.N. pension.

Burnham told the Ethics Office chief that he was available to assist in the investigation of Shkurtaj.

"I believe Mr. Shkurtaj meets the definitions of a whistleblower — a new definition and policy that I authored — and urge you to expeditiously examine this case," Burnham said.

Former Secretary-General Kofi Annan signed the U.N.'s first whistleblower protection policy on Dec. 20, 2005. It states that all U.N. employees are required to report any breach of the organization's rules and regulations and explicitly protects them from retaliation.

Two U.S. Republican lawmakers — Sen. Norm Coleman and Rep. Ileana Ros-Lehtinen — have sent letters to Secretary-General Ban Ki-moon urging him to intervene and ensure that Shkurtaj is not punished for raising serious concerns about U.N. operations in North Korea.

Shkurtaj's request for whistleblower protection comes on the heels of U.S. allegations in January that UNDP funneled millions of dollars in hard currency to North Korea with little assurance that Kim Jong Il used the money to help his people instead of diverting it to "illicit purposes," including developing nuclear weapons.

In late March, UNDP announced that U.N. and U.S. authorities were investigating how US\$3,500 in suspected counterfeit US\$100 bills ended up sitting in a safe in the UNDP office in North Korea for 12 years.

An initial U.N. audit ordered by the secretary-general in response to the U.S. allegations reported in June that U.N. agencies paid North Korean staff and suppliers in euros without approval and hired only government-approved staff in violation of U.N. procedures.

Ban has asked U.N. budget officials to approve a further probe by the auditors, who were unable to visit Pyongyang.

Whistleblower Cases Highlight Capricious U.N. Enforcement

By Benny Avni

July 26, 2007

The New York Sun

Original Source: <http://www.nysun.com/article/59223>

UNITED NATIONS — Two cases involving U.N. whistleblowers have received considerable attention in places as far away as Washington and Amsterdam recently, but some watchdog groups and American legislators say the cases highlight the capricious way the United Nations enforces its new rules meant to protect those who expose wrongdoing by their superiors.

"Whistleblowers are extraordinarily important to be a check and balance on the misuse of authority and power," the House majority leader, Rep. Steny Hoyer, a Democrat of Maryland, told The New York Sun during a U.N. visit on Monday, pointing to recent strengthening of protection rules in Congress.

The ranking Republican on the House Foreign Relations Committee, Rep. Ileana Ros-Lehtinen of Florida, said Washington legislators and the American mission to the United Nations are following the U.N. cases closely. "We are very much worried about the whistle blowers, and making sure that there are no retributions" against them, she said.

The Government Accountability Project, a Washington-based organization that helped the United Nations write whistleblower protections two years ago, is following several cases at the United Nations. "It appears that the Secretariat makes the rules as it goes along," the international director of the project, Beatrice Edwards, said yesterday.

In one case, a former manager of the U.N. Development Program's Pyongyang office, Artjon Shkurtaaj, exposed rules violations at the agency's North Korea office. As first reported by the Sun, his contract was not renewed and his reputation was publicly tarnished by UNDP spokesmen, among other forms of retaliation.

Mr. Shkurtaaj currently awaits a decision by the U.N. ethics office, which would determine if he merits protection under the U.N. whistleblower policies. A U.N. spokeswoman, Marie Okabe, said yesterday that no decision has been made yet, adding that the ethics office has asked for "additional time" to make its determination after its mandatory 45-day study period. Mr. Shkurtaaj said that even as the ethics office awaits a decision the UNDP is piling up retaliatory statements about him in the press. Yesterday, Mr. Shkurtaaj's case was widely reported in the Dutch press; the deputy UNDP administrator Ad Melkert, is Dutch. Meanwhile, several UNDP sources say other whistleblowers at the agency are awaiting the outcome of Mr. Shkurtaaj's case before deciding whether they should expose wrongdoing there.

But even if the ethics office designates Mr. Shkurtaaj as a whistleblower, the UNDP may not abide by the decision. Ms. Edwards said the GAP has followed the case of another UNDP whistleblower whom she declined to identify, who was designated as such by the U.N. ethics office. Six months later, she said, GAP received a letter from the director of the UNDP's office of legal and procurement support, James Provanzano, stating that the U.N. designation was "not applicable to separately administered funds," such as UNDP. The second whistleblower case in question, the one-woman struggle of a former official in the U.N. procurement department, Jane Redfern, recently led to several criminal convictions, including that of a top procurement officer, Sanjaya Bahel. Her trial testimony detailed her travails, including several forms of retaliation by her superiors.

Compelled to testify in U.S. District Court in Manhattan, Ms. Redfern incurred legal fees of nearly \$20,000, which she has asked the United Nations to reimburse. She currently is awaiting a decision by the U.N. undersecretary-general for management, Alicia Barcena. Asked about the policy governing reimbursing legal fees to whistleblowers, the U.N. spokeswoman, Ms. Okabe, said the decision is up to the secretary-general, "taking into account the interest of the organization."

In a prior case, the United Nations reimbursed the legal fees incurred by one of the central figures in the oil-for-food scandal, Benon Sevan. That decision was reversed after the Sun reported on the reimbursement in 2005, but not before an undisclosed sum was paid to Mr. Sevan's lawyer. In January, Mr. Sevan was indicted in U.S. District Court on charges related to the scandal.

Note: This whistle-blower item continues in [Part II](#), which follows.