



**OFFICE OF INTERNAL OVERSIGHT SERVICES
PROCUREMENT TASK FORCE**

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**INTERIM REPORT
ON A CONCERNED UNITED
NATIONS STAFF MEMBER**

Report no. PTF-R011/06

**Case nos. PTF/006/06; PTF/026/06; PTF/028/06;
PTF/030/06; PTF/035/06; PTF/038/06**

This Investigation Report of the Procurement Task Force of the United Nations Office of Internal Oversight Services is provided upon your request pursuant to paragraph 1(c) of General Assembly resolution A/RES/59/272. The Report has been redacted in part pursuant to paragraph 2 of this resolution to protect confidential and sensitive information. OIOS' transmission of this Report does not constitute its publication. OIOS does not bear any responsibility for any further dissemination of the Report.

19 December 2006

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I. INTRODUCTION

1. The Procurement Task Force (“the Task Force”) was created on 12 January 2006 to address all procurement matters referred to the Office of Internal Oversight Services (“OIOS”). The creation of the Task Force was the result of perceived problems in procurement identified by the Independent Inquiry Committee into the Oil-for-Food Programme, and the arrest and conviction of United Nations Procurement Officer Alexander Yakovlev.

2. Under its Terms of Reference, the Task Force operates as part of OIOS, and reports directly to the Under-Secretary-General for OIOS. The remit of the Task Force is to investigate all procurement cases, including all matters involving procurement bidding exercises, procurement staff and vendors doing business with the United Nations (“the United Nations” or “the Organisation”). The mandate of the Task Force also includes a review of certain procurement matters which have been closed, but it nevertheless has been determined that further investigation is warranted.

3. The Task Force investigations have focused upon numerous individuals and vendors doing business with the Organisation. Some of these matters are particularly complex and span significant periods of time. Since its inception, more than 200 matters involving numerous procurement cases in various United Nations missions and the United Nations Headquarters have been referred to the Task Force. The Task Force continues to report on matters individually. The Task Force has given priority to the matters involving eight staff members placed on special leave with pay, including the Subject.

4. On 20 January 2006, the Internal Audit Division of OIOS (“IAD”) issued a Comprehensive Management Review of DPKO’s procurement operations (“OIOS Procurement Audit Review”), addressing particular concerns expressed in Recommendation 30, including finding that fraud indicators were present in the transaction, and that the Subject had involvement in referral of the ultimate vendors to the requisitioner.¹ The Task Force’s investigation has since identified that these vendors (two Peruvian Generals and other parties associated with them) have committed fraud, and overcharged the Organisation.

5. Since the issuance of the initial OIOS Procurement Audit Review, a further draft Audit Review (“Draft UNPA Audit Review”), dated 20 March 2006, was issued by the IAD, raising concerns regarding the sale of the United Nations Postal Administration (“the UNPA”) archives.²

6. A principal focus of the Task Force’s investigation concerned indications of fraud, corruption and mismanagement in the transactions identified in the OIOS

¹ OIOS Internal Audit Division, “Comprehensive Management Review of the Department of Peacekeeping Operations – Procurement,” AP2005/600/20 (19 January 2006).

² AH/2005/213/02 (20 March 2006).

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Procurement Audit Review, and other transactions referred to the Task Force, or independently identified by the Task Force. The Task Force examined a wealth of other evidence, including voluminous forensic data, electronic media, hard-copy documents obtained from foreign offices and at the United Nations Headquarters.

7. It is important to note that a thorough and comprehensive review of allegations of fraud and corruption takes time. An investigative body without subpoena power must rely on cooperation from various entities whose information and records are essential to any thorough and complete examination and analysis. Further, the Task Force must rely upon the cooperation of the staff member, the Organisation, and Member States, not all of which was immediately forthcoming. This fact was particularly relevant here. As set forth more fully below, the investigation has revealed a criminal scheme did exist in connection with the procurement of the MI-26 helicopter to the Mission in East Timor in 2000, a subject of the OIOS Procurement Audit Review (Recommendation 30). The Task Force's investigation has identified that the individuals the Subject referred to the Department of Peacekeeping Operations ("DPKO") were involved in fraudulent conduct, and were assisted in their efforts by representatives of a vendor involved in the transaction. The Task Force has identified a bank account in Switzerland to which proceeds of the transaction were delivered. The account was established specifically for the purpose of this transaction, and the proceeds paid by the United Nations Organisation for the transaction were ultimately deposited into it. The account holder is a party to the transaction and has refused to release the records to the Organisation.

8. As set forth more fully below, the Task Force has made extensive efforts since March 2006 to gain access to the records of this account. Without a full examination of the financial records concerning this transaction, the Task Force simply cannot take a concluded view on the matter generally, or reach a firm conclusion as to whether any staff member received an improper benefit from any party to the transaction, directly or indirectly. Therefore, as discussed below, the Task Force's investigation continues.

9. Further in connection with its investigation of the issue of fraud, corruption and illegality, the Task Force made repeated requests to the Subject that he provide personal financial information to the Task Force. In August, 2006, questions were posed to the Subject in a form created by the Task Force which sought information and details relating to the Subject's financial transactions and financial holdings. Ultimately, and after considerable debate and discussion, the Subject refused to comply with the Task Force's request. Thereafter, the Deputy Secretary-General, on behalf of the Secretary-General and relying upon the relevant rules and regulations of the Organisation, issued a directive to the Subject in November 2006. The Deputy Secretary-General, quoting the applicable staff regulations and rules which compel a staff member to produce any and all information when requested by the Secretary-General, notified the Subject that he was required to provide specific financial information to the Task Force by a certain date. The Subject initially refused to provide the information, asserting that he intended to challenge the regulations and rules cited in the DSG Note. The Subject expressed that as a matter of principle he disagreed with the need to produce financial details to the Task Force of either himself or his spouse. Ultimately, however, upon a further direction by

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the DSG, the Subject showed the Task Force records of four of his bank accounts for the period 1999-2005. He did not allow the Task Force to make copies of the documents or otherwise retain them. The Subject also declined to provide any information prior to 1999, or concerning 2006. Such partial compliance has advanced the Task Force's investigation, but cannot conclude it.

The Report on the Subject was delayed by the inability to secure bank records in Switzerland, and the financial disclosure issue set forth in the preceding paragraph. The discussion with the Subject concerning his bank accounts has been ongoing since August, 2006, when the Task Force first made a request of the Subject to provide personal financial information.

II. MATTERS INVESTIGATED

10. This Report addresses several procurement exercises undertaken during the course of the Subject's tenure at the Organisation, including the matters identified in the above-mentioned Audit Reviews. Several other matters have since been referred to the Task Force regarding the Subject and also are addressed in this Report.

11. Specifically, during its investigation the Task Force has examined:

- (i) The procurement and administration of contracts awarded to Company 2 Electric Company, Inc. for electrical services. It also addresses the participation of United Nations Staff Members the Subject and Staff Member 1;³
- (ii) The procurement of an MI-26 heavy lift helicopter for deployment to the United Nations Mission in East Timor ("UNTAET") in 2000 (Recommendation 30 of the OIOS Procurement Audit Review);
- (iii) The process of the sale of the UNPA archives and the procurement of the auction houses for that sale;⁴
- (iv) The acquisition and possession of confidential telephone records; and
- (v) The implementation of a staffing support contract between the United Nations and Telecommunications Consultants of India, Ltd.⁵

It should be noted that the Task Force has within the last few weeks been referred an additional matter involving a significant procurement exercise directly involving the Subject. Because of this referral, and the open issues in the investigation of matter set forth in (ii) above, this report should be considered Interim.

³ This Report focuses solely on the Subject. A subsequent report on Staff Member 1 will be forthcoming.

⁴ AH/2005/213/02 (20 March 2006).

⁵ AN/2001/63/1 (25 July 2001).

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III. APPLICABLE UNITED NATIONS REGULATIONS AND RULES

12. The following provisions of the **Staff Regulations of the United Nations** (“the Staff Regulations”) are relevant:

- (i) **Regulation 1.2(b)**: states that “[s]taff members shall uphold the highest standards of efficiency, competence and integrity. The concept of integrity includes, but is not limited to, probity, impartiality, fairness, honesty and truthfulness in all matters affecting their work and status.”
- (ii) **Regulation 1.2(i)**: states that “[s]taff members shall exercise the utmost discretion with regard to all matters of official business. They shall not communicate to any Government, entity, person or any other source any information known to them by reason of their official position that they know or ought to have known has not been made public.”
- (iii) **Regulation 1.2(g)**: provides that staff members shall not use their office or knowledge gained from their official functions for private gain, financial or otherwise, or for the private gain of any third party, including family, friends and those they favor. Nor shall staff members use their office for personal reasons to prejudice the positions of those they do not favor.
- (iv) **Regulation 1.2(n)**: “[a]ll staff members at the D-1 or L-6 level and above shall be required to file financial disclosure statements on appointment and at intervals thereafter as prescribed by the Secretary-General, in respect of themselves, their spouses and their dependent children, and to assist the Secretary-General in verifying the accuracy of the Information submitted when so requested.”⁶
- (v) **Regulation 1.2(m)**: “[s]taff members shall not be actively associated with the management of, or hold a financial interest, in any profit-making, business or other concern, if it were possible for the staff member or the profit-making, business or other concern to benefit from such association or financial interest by reason of his or her position in the United Nations.”⁷
- (vi) **Regulation 1.2(r)**: “[s]taff members must respond fully to requests for information from staff members and other officials of the Organisation authorized to investigate possible misuse of funds, waste or abuse.”⁸

13. The following provision of the **Staff Rules of the United Nations** (“the Staff Rules”) is relevant:

- (i) **Rule 104.4(e)**: “[a] staff member may at any time be required by the Secretary-General to supply facts anterior to his or her appointment and relevant to his or

⁶ ST/SGB/2006/4, reg. 1.2(n) (1 January 2006).

⁷ *Id.*, reg. 1.2(m).

⁸ *Id.*, reg. 1.2(r).

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her suitability, or concerning facts relevant to his or her integrity, conduct and service as a staff member.”⁹

14. The following provisions of the **Financial Regulations and Rules of the United Nations** (“the Financial Regulations and Rules”) are relevant:

(i) **Rule 110.32(a)**: “[t]here shall be established a property survey board at United Nations Headquarters. The composition of the Board and its terms of reference shall be determined by the Secretary-General. Property which becomes surplus to operating requirements or unserviceable through obsolescence or normal wear and tear shall be reported by the responsible official to the Secretary of the Property Survey Board.”¹⁰

(ii) **Rule 110.32(f)**: The recommendations of the Headquarters Property Survey Board shall be submitted to the Assistant Secretary-General for General Services and the Controller for their approval. Where they do not agree with any recommendation of the Board, they shall record their views in writing and may request the Board to reconsider its recommendations.¹¹

(iii) **Rules 105.7**, discussing the rule regarding Establishment and Revision of Obligations Competition, and **Rule 105.14**, discussing Competition.¹²

15. The following provisions of the **United Nations Procurement Manual** are relevant:¹³

(i) **Section 4.03(a)**: “[s]uppliers should not be recommended by requisitioners or substantive offices.”¹⁴

(ii) **Section 16.04**: “[i]nvitations to bid for the purchase and removal of the property for disposal shall be issued to prospective purchasers. The invitation shall include a reference to the Survey Board Case authorizing disposal.”¹⁵

IV. METHODOLOGY

16. The Task Force’s investigation has included interviews with relevant witnesses, the examination and analysis of relevant documents, electronic media and evidence. The Task Force made significant efforts to locate and obtain all relevant files.

17. The Task Force’s investigation could not fully commence until the late spring of 2006 for several reasons, including the lack of forensic capability, which was not achieved until May 2006, the difficulties in hiring qualified staff on an expedited basis

⁹ ST/SGB/2002/1, rule 104.4(e) (1 January 2002).

¹⁰ ST/SGB/Financial Rules/1/Rev. 3, rule 110.32(a) (1985).

¹¹ *Id.*, rule 110.32(f) (1985).

¹² ST/SGB/2003/7, rules 105.7 and 105.14 (9 May 2003).

¹³ United Nations Procurement Manual, Rev. 3 (August 2006) (hereinafter “2006 Procurement Manual”); United Nations Procurement Manual Rev. 2 (January 2004) (hereinafter “2004 Procurement Manual”).

¹⁴ Procurement Manual, sec. 4.03(a) (31 March 1998) (hereinafter “1998 Procurement Manual”).

¹⁵ 1998 Procurement Manual, sec. 16.04 (governing the methods for the sale or disposal of property).

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within the Organisation's procedures, the need to examine a series of maters and files, some which were located outside of New York, and information and evidence concerning the Subject which was not forthcoming until as late as the week before the filing of this report. All materials still have not been provided to the Task Force on some matters. As discussed herein, the investigation of the procurement of the MI-26 helicopter has been hampered by the inability of the Task Force to conduct a full examination of the financial transactions, and examine records gathered by Swiss prosecutorial authorities, and held by them. The Swiss prosecutors have indicated that they are not able to recognize OIOS as a law enforcement body, and thus take the position that they cannot share the contents of the records directly with the Task Force. This issue will be addressed more fully in the Annual Report of the PTF. However, this investigation is a good illustration how this legal deficiency can impede the progress of the investigation. The Task Force will recommend the Organisation take the matter under consideration. Further, the investigation has been delayed by the ongoing debate over the production of the Subject's personal financial information.

18. As stated elsewhere in the Report, it is important to emphasize that the Task Force has limited coercive powers, and without recognized status beyond the United Nations. Cooperation with Member States, vendors, and other third parties is dependent upon the goodwill of the person or party whose assistance is sought.

19. It should be noted, however, that the use of forensic tools has been invaluable in a number of Task Force investigations, and has led to the gathering of important evidence which is important in three matters the Task Force has already referred to prosecutorial authorities. Forensic methods have been of significant value in this investigation as well.

20. Investigators visited foreign offices and interviewed United Nations staff members and witnesses. The Task Force also interviewed staff members, former employees, and representatives from private industries in New York. A written record of conversation was prepared after each such meeting which the interviewee was invited to review for accuracy, and then sign.

21. For example, as discussed in greater detail below, investigators spoke to international philatelic experts and representatives of different auction houses for the United Nations Postal Archives investigation. During the review of the MI-26 helicopter case, the Task Force conducted more than 30 interviews with the United Nations staff members in New York, Haiti, Liberia and other parts of the world, and has coordinated with Peruvian law enforcement authorities who have provided significant information and evidence.

22. The Subject was interviewed on a number of occasions on all of these matters.

23. The Task Force investigators collected and reviewed extensive documentation, to include:

- (i) Procurement files;
- (ii) Contracts;
- (iii) Relevant bids and requisitions for the contracts involved;

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-
- (iv) Vendor registration files;
 - (v) Local Committee on Contracts minutes, where available;
 - (vi) Headquarters Committee on Contracts minutes, where available;
 - (vii) Background material concerning;
 - (viii) Telephone and facsimile records, where available;
 - (ix) Personnel files;
 - (x) Correspondence files;
 - (xi) DPKO/Air Transport Unit files;
 - (xii) Calendars and diaries;
 - (xiii) Files provided by the UNPA, the Office of Legal Affairs (“OLA”) and the Archives and Records Management Section;
 - (xiv) Electronic evidence; and
 - (xv) Financial and Treasury Departments records located at Headquarters.

V. THE SUBJECT’S EMPLOYMENT WITH THE UNITED NATIONS

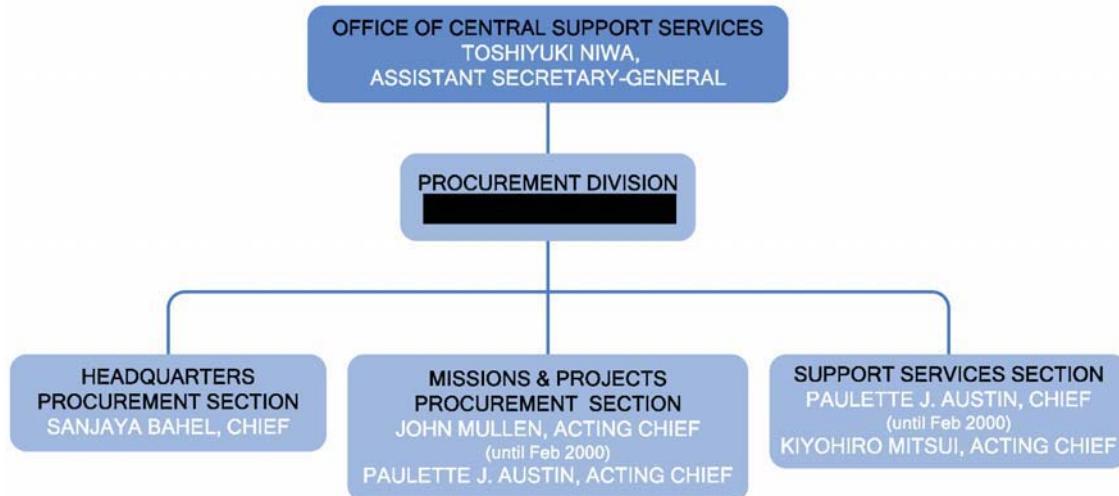
24. Since 1980 and prior to 1998, the Subject was working for the World Food Programme (“the WFP”) in Rome, Italy. In July 1998, the Subject was seconded to the Office for the Coordination of Humanitarian Affairs. He remained on loan from the WFP until March 1999, when he was appointed to serve as the Chief of the Procurement Service.¹⁶ The Subject served as the Chief of the Procurement Service from March 1999 until October 2000.¹⁷ Chart A below summarizes the reporting structure relating to the Subject during that period.

¹⁶ World Food Programme Administrative Details (undated); Toshiyuki Niwa memorandum to Joseph E. Connor *et. al.* (25 February 1999); Kenro Oshidari letter to Andree Chamia (8 March 1999).

¹⁷ Prior to August 2004, the Procurement Service was known as the Procurement Division. The Report will refer to this entity throughout as the Procurement Service. Joan McDonald memorandum to Subject (27 August 2004) (renaming the Procurement Division into the Procurement Service). However, for purposes of this Report, Procurement Division and Procurement Service are referred to as “the Procurement Service.”

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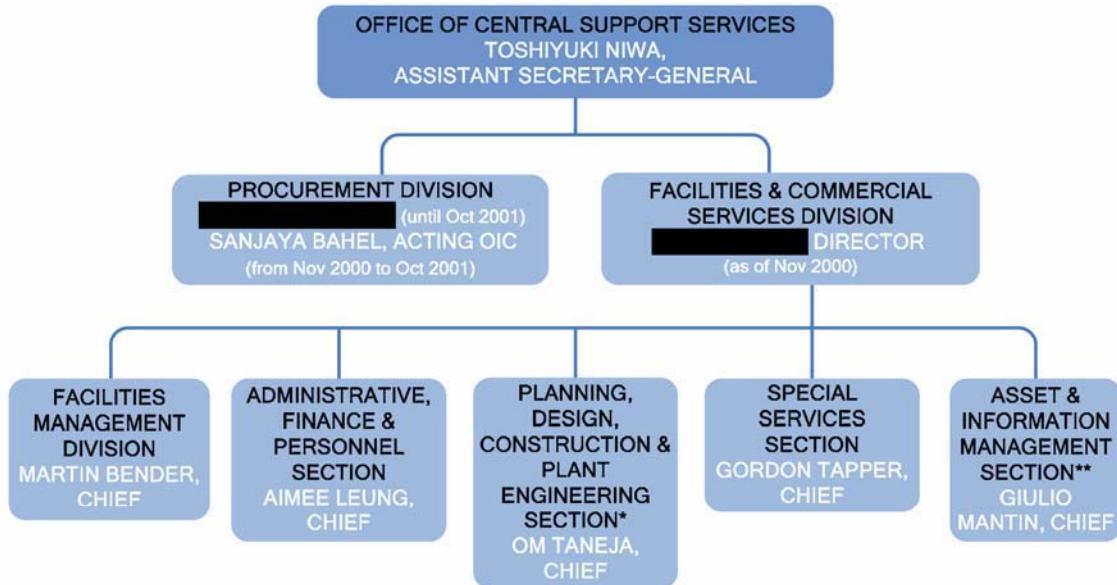
Chart A: The Subject's Reporting Structure (March 1999 to October 2000)

25. The Subject subsequently served as Director of Facilities and Commercial Services Division until February 2003. While he was Director, he continued to supervise the Procurement Service as the Officer-in-Charge, until he was replaced by Christian Saunders in October 2001.¹⁸ Chart B below summarizes the reporting structure relating to the Subject during that period.

¹⁸ Toshiyuki Niwa memorandum to OCSS Programme Managers (1 November 2000).

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Chart B: The Subject's Reporting Structure (November 2000 to February 2003)

* Later changed to "PLANNING, DESIGN & OVERSEAS PROPERTIES SECTION"

** Later changed to "PLANT ENGINEERING SECTION"

26. The Subject asserts that he was not able to effectively manage both entities at the same time, and therefore tasked his most senior procurement officer at that time, Sanjaya Bahel, to oversee and manage the day-to-day activities of the Procurement Service.¹⁹ According to the Subject, he remained available to assist Mr. Bahel who could contact him by telephone, email and in person.

27. Although Mr. Bahel handled the daily matters, the Subject stated he tried to remain abreast of the developments in the Procurement Service.²⁰ He made personal visits to the Procurement Service to make sure he was informed of any developments in the Section. He also held weekly meetings with section chiefs. These meetings allowed officers to bring issues or concerns to his attention and collectively, they could fashion solutions.²¹

28. In February 2003, the Subject was appointed as Officer-in-Charge of the Office of Central Support Services ("OCSS"). In July 2003, the Subject became Assistant Secretary-General. Chart C below summarizes the reporting structure relating to the Subject during that period.

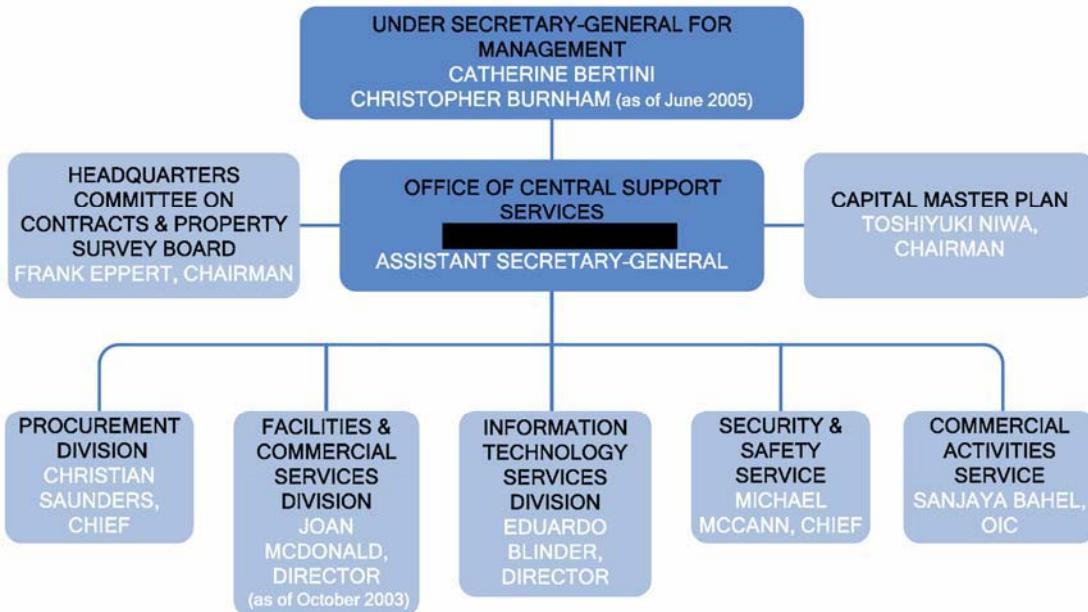
¹⁹ The Subject interview (4 October 2006).

²⁰ *Id.*

²¹ *Id.*

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Chart C: The Subject's Reporting Structure (February 2003 to present)

29. Table A below contains a summary of the Subject's employment history with the United Nations.

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Table A: The Subject's United Nations Employment History (1980 to 2006)

Period	Organisation	Department/Title	Persons Reporting Directly to Andrew Toh	Andrew Toh's Supervisors
1980 - 1992	WFP - Italy	Shipping Dept	<i>Info Not Applicable</i>	<i>Info Not Applicable</i>
June 1993	WFP - Italy	Chief of OTL	<i>Info Not Applicable</i>	<i>Info Not Applicable</i>
1994 - 1996	WFP - Angola	Country Director	<i>Info Not Applicable</i>	<i>Info Not Applicable</i>
July 1998 - Feb. 1999	Seconded by WFP to OCHA	Chief of Advocacy & Information Management Branch	<i>Info Not Applicable</i>	<i>Info Not Applicable</i>
Mar. 1999 - Oct. 2000	UNHQ	Chief of Procurement Division	Sanjaya Bahel; John Mullen; Paulette J. Austin	Toshiyuki Niwa , Assistant Secretary-General, Office of Central Support Services (OCSS)
Nov. 2000 - Oct. 2001	UNHQ	OIC of Procurement and Director of Facilities and Commercial Services Division	Commercial Services Division: Martin Bender; Aimee Leung; Om Taneja; Katherine Grenier; Florin Ionescu; Claudio Santangelo; Gordon Tapper; Gerson De Almeida; Giulio Mantin; Andreas Damianou; Marie-Louise Svardendahl; Vivian Patron-Acevedo Procurement Division: John Mullen; Sanjaya Bahel; Katia Tabourian; Kiyohiro Mitsui; Christophers Fathers	Toshiyuki Niwa , Assistant Secretary-General, Office of Central Support Services (OCSS)
Oct. 2001	UNHQ	Director of Facilities and Commercial Services Division	Commercial Services Division: Martin Bender; Aimee Leung; Ray Kuhu; Francesco Savarese; Om Taneja; Katherine Grenier; Florin Ionescu; Claudio Santangelo; Gordon Tapper; Gerson De Almeida; Giulio Mantin; Marie-Louise Svardendahl; Vivian Patron-Acevedo	Toshiyuki Niwa , Assistant Secretary-General, Office of Central Support Services (OCSS)
Feb. 2003 - Present	UNHQ	Assistant Secretary-General for Office of Central Support Services	Frank Eppert; Toshiyuki Niwa; Eduardo Blinder; Joan McDonald; Chantal Quincy-Jones; Michael Clark; John Campbell; Michael McCann; Martin Bender; Christian Saunders; Sanjaya Bahel	Catherine Bertini , Under-Secretary-General for Management Christopher Burnham , Under Secretary-General for Management (as of June 2005)

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OIOS PROCUREMENT TASK FORCE



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REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER**STRICTLY CONFIDENTIAL****Redacted****VII. COMPANY 2 CONTRACT CASE**

148. Although this section discusses the Subject's involvement in issues concerning the company Company 2, the Task Force will in due course produce a separate report on all matters concerning Company 2.

149. Since 1996 Company 2 has been the main supplier of electrical services to the United Nations. Contractual relations between the United Nations and Company 2 since the very beginning and up to present times can be fairly characterized as unsatisfactory. The United Nations over an extended period and repeatedly has had cause to complain about Company 2's execution of the various contracts it has entered into. The allegation concerning the Subject in this matter is that in his capacity initially as Officer-in-Charge of the Headquarters Procurement and then latterly as Assistant Secretary-General, Office for Central Support Services, he, knowing the failings of Company 2, nonetheless:

- (i) Authorized and executed a memorandum of understanding allowing Company 2 to continue to provide electrical services to the Organisation, to the detriment of the Organisation in light of the company's severe previous failings;
- (ii) Disregarded the advice of the Office of Legal Affairs ("OLA") that the first amendment to the contract should have been presented to the HCC, and in fact, failed to present this document to the HCC.

REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER**STRICTLY CONFIDENTIAL**

150. In order to appreciate the seriousness of the management failings in relation to the Subject it is necessary to outline some of the history of the United Nations dealings with Company 2.

A. BACKGROUND**1. United Nations Headquarters' Facility Management Division**

151. The Facilities Management Division ("FMD"), formerly known as the Building Management Services, is managed by the Facilities and Commercial Services Division of the United Nations, and as of 2000 headed by the Subject. FMD oversees several sections, including the Plant and Engineering Section, the Planning, Design and Overseas Properties Section, the Broadcast and Conference Support Section and the Administrative, Finance and Personnel Section. Each has a Section Chief who is responsible for day-to-day operations.

2. Company 2

152. Company 2 is a privately held company with its headquarters located in Long Island City, New York. Company 2 serves as a contractor for electrical work, communications, and telephone or telephone equipment installation. It has branch locations in New York, New Jersey and Pennsylvania and serves primarily the New York Metropolitan area.

153. Company 2 has been a United Nations registered vendor since 1996. At that time, Company 2 began supplying electrical maintenance and electrical construction services for the United Nations when it won the contract which is the basis of this Report. Company 2 was responsible for the day to day electrical maintenance of the United Nations complex to include the Secretariat Building, Conference Building, General Assembly Building, Library, North Lawn Building, South Annex Building, Garages, United Nations grounds and outside rental premises such as the UNDC-I and II, the Unitar Building, the Alcoa Building and the FF Building. The maintenance of the buildings was and remains shift specific; with certain shifts handling certain duties. The day shift is responsible for the repair of electrical motors in fan rooms, life safety systems, computer and telecommunication equipment, back up generator and Uninterruptible Power Supply systems, fire protection, illumination of all areas and conference facilities, inspection of normal and emergency lighting systems, exit signs, general lighting systems and other duties. In addition, minor alterations such as installing floor inserts and power and LAN outlets were carried out during this shift. The Preventative Maintenance Shift handles major repair and maintenance work to reduce the impact on normal operations. The Around-the-Clock shift handles after-hours, weekend and holiday electrical maintenance work such as checking cycling and setting of timers and controls on building systems to reduce energy consumption among other electrical tasks.

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B. CONTRACT WITH COMPANY 2**1. Interim Contract**

154. Prior to 1996, the EJ Electrical Company was responsible for maintaining the United Nations' electrical equipment, as well as running the electrical operations and construction for its offices in New York. The contract was set to expire on 30 June 1996 so FMD submitted a request for procurement of these services. On 18 March 1996, the Procurement Service issued a Request for Proposal ("RFP") for a new contract. The contract was one of the largest awarded by the United Nations, valued at approximately US \$35 million, with an option to extend it annually for approximately US\$4 million a year.

155. Mr. Om Taneja, Chief of the Plant and Engineering Section, drafted the technical specifications and the Scope of Work for the RFP. At the request of Mr. Benon Sevan, Assistant Secretary-General for the Office of Central Support Services, and Mr. Richard Nasereddin, Director of the FMD, Mr. Taneja drafted the proposal in such a manner that limited the number of vendors who would qualify to bid. Mr. Sevan and Mr. Nasereddin told Mr. Taneja that they wanted to make sure the union employees, currently employed under the EJ Electrical contract, remained in place. They also wanted to make sure non-union companies would not bid on the contract.²³⁰

156. Few vendors responded. Only three of the five companies that submitted bids were considered technically compliant. As a result of the poor response, Mr. Alain Fontaine, Procurement Officer and Mr. Bahel, Officer-in-Charge, Procurement and Transportation Division, amended the RFP and issued another tender for the contract. This time, it offered a fixed fee for electrical services with the hope that this would encourage more responses. It did not; the Procurement Service only received three bids this time, including bids by EJ Electric and Company 2, both of which had responded to the first RFP.

157. On 27 June 1996, after a recommendation by the Headquarters Committee on Contracts, Company 2 was awarded the contract. The contract was for a term of five years, with an option to extend it three additional years.

158. The contract, however, was not immediately executed. The parties still had to resolve several outstanding issues before they could sign a final contract. During this time, both the Procurement Service and FMD wanted to make sure there would not be any interruption in electrical services to the United Nations' buildings because the General Assembly would be in session.²³¹ Consequently, the Organisation decided it needed an interim contract to cover these services until the parties reached a final agreement.

²³⁰ Staff Member 13 interviews (21 and 23 June 2006).

²³¹ Bruce Rashkow memorandum to Nicholas Sardegna (22 October 1996).

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159. On 30 June 1996, the United Nations and Company 2 signed a seven-month interim contract that expired on 31 January 1997. Under the contract, the United Nations paid Company 2 a fixed lump sum fee each month in the amount of approximately USD\$232,000.²³² Under the contract, Company 2's electricians were required to work 35 hours per week, plus an additional 2.5 hours per week (or 37.5 hours per week) while the General Assembly was in session.²³³

160. One outstanding issue concerned the electricians' union. At the time, the electricians were represented by Local 3 of the International Brotherhood of Electrical Workers ("Local 3").²³⁴ FMD was apprehensive that under the current collective bargaining agreement, the union employees might not have been able to perform all of the work required by the contract. Accordingly, Company 2 agreed in the interim contract to "use its best efforts to enter into collective bargaining agreements, as soon as possible . . . reflecting all assumptions and requirements set forth in the RFP and the Proposal."²³⁵

161. Martin Bender, a Buildings Management Service staff member, decided to confront the union issue and contact Company 2. He also suggested that the United Nations negotiate directly with the local union. OLA, however, advised against directly negotiating with the unions, which it believed would have placed the United Nations in a precarious position.²³⁶ OLA cautioned Mr. Bender that any such negotiations must be handled by Company 2 since it was Company 2's responsibility to meet its contractual obligations.

2. 1997 Five-Year Contract

162. On 31 January 1997, the United Nations entered into a five-year contract with Company 2 for electrical operations, maintenance and electrical construction services.²³⁷ At the expiration of the contract in June 2001, the Organisation had the option to extend the contract annually for up to three years.

163. Pursuant to the contract, Company 2's employees would work a total of 960 hours per week, which included vacation days, 10 sick days, 10 compensation days and jury duty, if applicable. Each employee was required to work 35 hours per week. However, any work up to 40 hours per week was considered "straight time" or regular time, and the

²³² Contract no. PTD/113/0137-96, sec. 4.1 (30 June 1996).

²³³ *Id.*, Section 3.2(g).

²³⁴ At the same time, the United Nations had a contract with another company, EJ Electric Company, which provided broadcast and communications services to the Organisation. EJ Electric Company's employees were represented by the Local 1212 union for the Radio and Television Broadcast Engineers. Since that contract and union negotiations were not relevant to the Task Force's investigation on Company 2, it will not be discussed in this Report.

²³⁵ *Id.*

²³⁶ Bruce Rashkow memorandum to Nicholas Sardegna (6 November 1996).

²³⁷ Contract no. PTD/C0005/97 (31 January 1997).

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United Nations did not have to pay over-time until an employee worked at least 40 hours for that week.²³⁸

C. PROBLEMS WITH THE CONTRACT

164. The United Nations has had a history of problems with Company 2's performance since 1996.²³⁹ As a result of Company 2's performance failures, the company not only breached the contract, but also jeopardized the safety and security of United Nations personnel. For example, in August 2001, the Fire Control Center conducted a response drill test of the Fire Pump in the Secretariat Building. After laying out a scenario that there was a fire on the upper floors of the Secretariat and that the pump needed to be activated to ensure water reached the upper floors, the electrician that responded could not operate the pump, had no knowledge of the system, and stated it had been years since he had been in the Fire Pump room.²⁴⁰

The Plumbers namely Mr. A. KUCIC, R. CHURCH, and S. MURRAY responded at about 1440 hours, followed two minutes later by Electrician SIDOTI. The writer layed out the scenario that water was needed urgently on the upper floors of the Secretariat and the pump must be activated immediately. The plumbers went about getting the water ready to flow through the pipes, the Electricians' job was to activate the electrical system to the pump. After several attempts the system could not be activated by the electrician. This was due to his lack of knowledge of the operating system, further when asked if he was able to activate the system, he stated he had done so before, but that was quite a long time ago, it was years since he had entered the Fire Pump room. The writer observed that the electrician appeared baffled and confused. At 1450 hours the writer contacted the FCC notifying Officer Ranelli of the situation and requested additional electricians respond to the scene, the writer was notified that there were no other personnel from that unit available to respond, due to a shift change.

Figure: Errol Edwards Incident Report memorandum to Chief, Safety and Security Service (1 August 2001)

165. Another example was a complaint filed because a light fixture in the fire emergency exit on the 34th floor of the Secretariat Building was not replaced after several calls.²⁴¹

²³⁸ *Id.*

²³⁹ The Task Force was unable to verify problems in 1997 and early 1999 because lack of files and documentation.

²⁴⁰ Errol Edwards Incident Report memorandum to Chief of the Safety and Security Service (1 August 2001).

²⁴¹ Paula Ritchie memorandum to Head of Maintenance Department (20 November 2001).

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TO: Head of Maintenance Dept. Room B2-12	DATE: 20 November 2001
FROM: Paula Ritchie, GLD Room S-3430Q <i>[Signature]</i>	
Cc: Mr. B. Rashkow, Director, General Legal Division	
SUBJECT: <u>Lighting in Fire Exit stairwell on floor S-34</u>	
<p>1. On two occasions since 8 December, I have contacted the maintenance department by phone (3-7376), and requested assistance concerning the replacement of a faulty light-bulb in the stairwell of the fire exit on 34th floor of GLD.</p> <p>2. To-date, there has been no replacement bulb in this stairwell.</p> <p>3. I would like to put on record that the delay in replacing the lighting is unacceptable and extremely dangerous especially in light of recent events, and the possibility of evacuation.</p> <p>4. Please look into this matter, and rectify the situation as soon as possible.</p>	

Figure: Paula Ritchie memorandum to Head of Maintenance Department (20 November 2001)

166. In addition, Company 2 still had not completed its electrical inventory, nor had it developed a detailed preventative maintenance plan.²⁴² Also, there were two significant problems with Company 2's performance under the contract: (1) the United Nations' inability to track employee time and attendance; and (2) the electricians' outright refusal to perform certain jobs.

167. First, absenteeism amongst Company 2's electricians was a systemic problem from the very beginning and affected the day to day operations of the facilities. The OIOS Audit conducted in 2002 showed how the Plant and Engineering Section had no capability of monitoring attendance of Company 2 electricians and relied solely on the records submitted by Company 2 as to what electricians were working when. The Plant and Engineering Section acknowledged that it only conducted spot checks on invoices submitted by Company 2 claiming work performed without any system in place to verify whether the electricians were actually present or absent that day. The issue of "the unusually high absenteeism" was highlighted in Mr. Santangelo's memorandum to Edward Perry, General Foreman of Company 2:²⁴³

²⁴² Om Taneja note-to-file (Discussed at Weekly Meeting 17 July 1996).

²⁴³ Claudio Santangelo memorandum to Edward Perry (28 June 2000).

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Dear Mr. Perry:

Since my managing of the [REDACTED] account there has been an ongoing issue regarding shortage of manpower as it effects our commitment to provide electrical services.

In all fairness, manpower is certainly a problem in ensuring productivity and response, but the overall attitude and the unusually high absenteeism does not help the matter and needs to be addressed.

Figure: Claudio Santangelo memorandum to Edward Perry (28 June 2000)

168. Company 2 had no attendance verification system, even though it was required under the contract. The United Nations therefore was unable to monitor and verify an employee's attendance or non-attendance.²⁴⁴

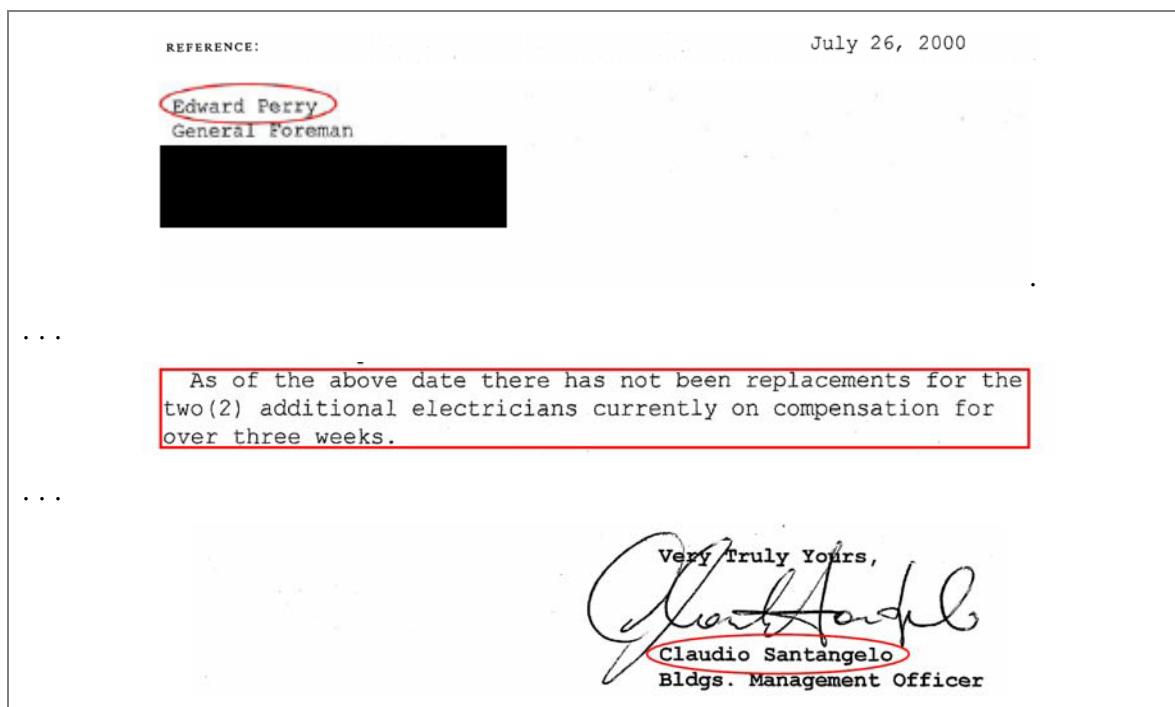
169. Similarly, the Organisation was unable to confirm whether an employee was entitled to be paid for unused sick or vacation leave.²⁴⁵ Although the United Nations repeatedly requested this information, Company 2 refused to provide any kind of documentation regarding what each employee was entitled to for vacation, sick and worker's compensation days.

170. The lack of employee attendance made it difficult for the United Nations to receive timely services under the contract. There were instances when electricians were on extended leaves of absence without being replaced for over three weeks:²⁴⁶

²⁴⁴ AN2002/45/4 (6 June 2003) (OIOS's Audit of the Company 2 Contract).

²⁴⁵ Staff Member 14 interview (20 July 2006).

²⁴⁶ Claudio Santangelo memorandum to Edward Perry (26 July 2000).

REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER**STRICTLY CONFIDENTIAL****Figure: Claudio Santangelo memorandum to Edward Perry (26 July 2000)**

171. Without knowing who was showing up for work each week, the United Nations was unable to complete its projects on time. As a result, building maintenance suffered, and many projects were not completed.²⁴⁷

172. A second significant problem was the electricians' performance of their contractual duties. Company 2's electricians refused to perform certain jobs such as basic electrical work, though explicitly covered under the contract. The electricians claimed that certain work orders violated their local union's collective bargaining agreement. Moreover, even when they did complete projects, many were finished far behind schedule. As a result, the United Nations had a tremendous backlog of work orders, some of which were eight-months old.

173. The United Nations raised both of these issues numerous times with Company 2. The United Nations repeatedly complained to Company 2 about the extended absences of Company 2 employees, as well as the company's failure to manage the electricians and to complete projects.²⁴⁸

²⁴⁷ The problems were so great that in 2002, an OIOS audit recommended that the United Nations immediately establish a personnel verification system. AN2002/45/4, para. 21, recommendation 6 (6 June 2003) (OIOS's Audit of the Company 2 Contract).

²⁴⁸ Claudio Santangelo memoranda to Edward Perry (28 June, 26 July, 19 October, 14 November, and 5 December 2000; 9 January and 31 May 2001); Claudio Santangelo memorandum to George Janava (16 October 2000); Claudio Santangelo note to George Janava (16 October 2000); Claudio Santangelo notes-to-file (14, 22, 28, and 29 November 2000; 4 December 2000); Claudio Santangelo memorandum to Company Representative 7 (8 January 2001); Martin Bender memorandum to Edward Perry (31 January 2001).

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174. For example, on 19 October 2000, Mr. Santangelo sent the following memorandum to Edward Perry:²⁴⁹

Dear Mr. Perry,

This is to inform you of requested work order dated June 14th, 2000 regarding a single light fixture installation. The request was made by the Under-Secretary-General for Public Information, see e-mail attached.

It is now October 19th, four months later and I was questioned on the status of the above request. I have ordered Mr. Janava to act on this request immediately.

My concern is that any work order should not have to wait four months regardless of work load issues.

Your attention is requested so that these incidents do not occur again.

Thank you for your cooperation.

Claudio Santangelo



Figure: Claudio Santangelo memorandum to Edward Perry (19 October 2000)

175. This was followed by another memorandum from Mr. Santangelo, dated 5 December 2000:²⁵⁰

DATE: DECEMBER 5, 2000

TO / A: [REDACTED]

PAGES: 1 (INCLUDING THIS PAGE / Y COMPRIS CETTE PAGE)

COPIES: [REDACTED]

SUBJECT / OBJET: ELECTRIC WORK

Mr. Perry,

This is to notify you that as your client, we request in writing from [REDACTED] office your action to not perform the requested electrical services.

Numerous work requests have been refused by your shop as directed by [REDACTED] main office. This is in violation of the current contract and request your response immediately.

Figure: Claudio Santangelo memorandum to Edward Perry (5 December 2000) (copied to Company Representative 7, the company's Vice President for Operations)

176. On 9 January 2001, Mr. Santangelo sent yet another memorandum:²⁵¹

²⁴⁹ Claudio Santangelo memorandum to Edward Perry (19 October 2000).

²⁵⁰ Claudio Santangelo memorandum to Edward Perry (5 December 2000).

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Dear Mr. Perry,

Again I write to you for the request to have the electrical Shop perform the services needed.

As of the above date, I am in possession of more than one-hundred (100) work orders for alteration work that have been refused by your office as per Mr. George Janava (on-site foreman). Including a recent request that I have issued to the shop for a maintenance job for the electrical hook up of hot water heaters on 28th floor mechanical room.

Please provide me in writing the refusal to perform all of the above work no later than Wednesday, January 10th. Until further notice, I expect full services from [REDACTED] in satisfying our needs.

Figure: Claudio Santangelo memorandum to Edward Perry (9 January 2001)

177. Company 2, however, was no longer managing the work orders; instead, the company relied upon a local union representative to liaise with the United Nations. For example, Mr. Taneja contacted Company 2's employee, Mr. Lenny Copicotto, who served as the union representative. Mr. Taneja asked Mr. Copicotto to explain why his employees refused to perform basic electrical repairs, such as installing light fixtures and out-lights, which appeared to be covered by the contract. He also asked the union representative to clarify local union guidelines. Mr. Copicotto insisted, improperly, that such work was outside the scope of the contract, and therefore, violated the local collective bargaining agreement. He added that because the project constituted an outside job, the United Nations would have to pay the employees additional money to complete it.

178. Despite the United Nations' attempts, nothing was resolved. In fact, Company 2 employees stopped performing basic services such as maintenance work and making minor repairs. As a result, there was a significant impact on United Nations operations, and the failure to perform such services jeopardized the safety and security of United Nations personnel. Furthermore, the Organisation was forced to hire outside contractors—at an additional cost—to complete these necessary and urgent projects.²⁵²

²⁵¹ Claudio Santangelo memorandum to Edward Perry (9 January 2001).

²⁵² Claudio Santangelo notes-to-file (7 December 2000 and 15 January 2001).

REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER**STRICTLY CONFIDENTIAL****NOTE TO FILE**

1- Electrical services for DC 1 11th floor, NY Seabed Authority. Not performed by electrical shop as per ██████████ main office.

2- As a result of ██████████ action in refusing to perform the requested work, I am forced to find alternate means for providing the urgent services. EJ Electric has been authorized to perform the necessary work.

Figure: Claudio Santangelo note-to-file (7 December 2000)**1. Senior Management's Awareness of Performance Problems**

179. From the very beginning, senior management was well aware that Company 2 was not meeting its contractual obligations with the Organisation. As early as 1996, Staff Member 13 began to notice problems with Company 2's performance and started documenting his concerns. He notified Mr. Bender in FMD, as well as numerous people in the Procurement Service, including Mr. Bahel, Mr. Alain Fontaine, Mr. Yakovlev and Mr. Brian Streb. Specifically, Staff Member 13 mentioned that the Organisation needed to confront the issue of employee non-attendance because it negatively affected the United Nations.

180. Similarly, the Subject received a copy of the audit review of September 1999 which outlined the problems.²⁵³ In addition to the audit review, the Subject received the joint response from the Procurement Service and FMD in November 1999, drafted by Mr. Bahel and Mr. Bender. The audit, which had taken place in January 1997, identified serious deficiencies in the procurement process and Company 2's award.²⁵⁴ For example, the auditors criticized the Procurement Service for not giving vendors enough time to respond to the RFP, a fact reflected in the poor response. It found fault with the cancellation of the original RFP, the reason for its cancellation and the subsequent re-bidding. It also criticized the rating system which was instituted after the RFP was issued, and the reason why Company 2 won over EJ Electric.

181. FMD viewed Company 2's failure to perform its contractual obligations as a direct breach of the contract.²⁵⁵ Accordingly, in January 2001, the Procurement Service notified Company 2 that the Organisation would not tolerate its lack of performance.²⁵⁶ Specifically, Mr. John Mullen, a section chief in the Procurement Service, complained

²⁵³ The Subject also received Procurement/FMD's response to the audit in November 1999 which was drafted by Mr. Sanjaya Bahel (PS) and Mr. Bender (FMD).

²⁵⁴ Notably, although the audit review identified serious deficiencies, many of the issues raised by the auditors were not conducted by Procurement personnel in accordance with the revised Procurement Manual, which was not released until 1998.

²⁵⁵ Martin Bender memorandum to Bruce Rashkow (1 December 2001).

²⁵⁶ John Mullen letter to Company Representative 7 (3 January 2001).

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that Company 2 employees were not performing basic electrical maintenance, all of which had been required under the contract. Mr. Mullen pointed out that certain work orders were over eight months old. He then requested that Company 2 submit a written performance plan to specify how it would resolve these issues.²⁵⁷

182. However, even a threat for legal action seemed to have no effect.²⁵⁸

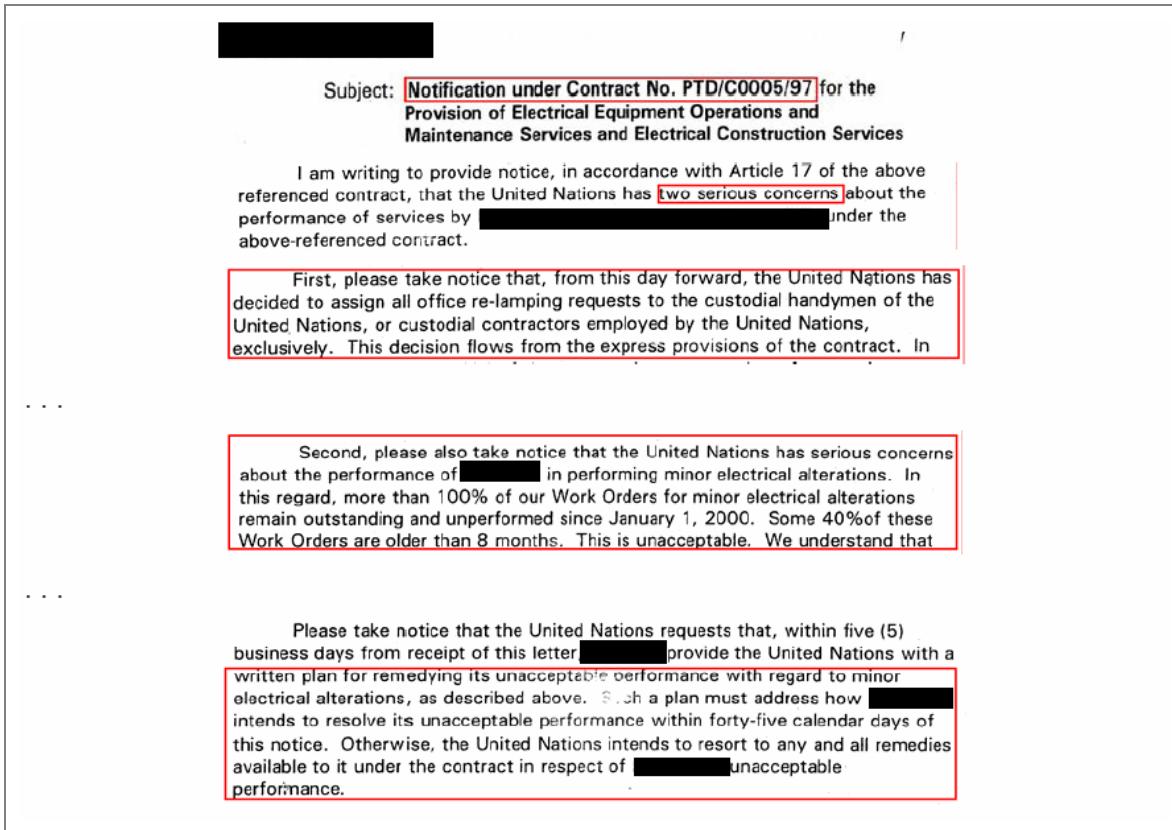


Figure: John Mullen letter to Company Representative 7 (3 January 2001) (copied to Company Representative 7, the company's Vice President for Operations)

2. Attempts to Negotiate with the Union

183. The United Nations tried to address some of these issues by using its own personnel for minor projects. In December 2000/January 2001, the Untied Nations exercised two of its options permitted under the contract. First, due to budget cuts in the biennium of 2000-2001, it reduced the number of electricians from 27 to 22. Second, the United Nations decided to use its own employees for re-lamping projects, which merely entailed replacing light bulbs and making minor electrical repairs. The Organisation hoped the latter step would free up more of Company 2's employees to handle the backlog of work orders of more complicated projects.

²⁵⁷ *Id.*

²⁵⁸ *Id.*

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184. In response, the electricians' local union (Local 3) filed a grievance against the United Nations. The grievance alleged that the United Nations' use of its own employees for re-lamping and minor electrical repairs violated the electricians' collective bargaining agreement.

185. When the United Nations confronted Company 2, the company blamed the problems on the union. Company 2 asserted that Local 3 instructed the electricians to purposefully slow down their rate of work, and even refuse to perform some projects all together.²⁵⁹

3. The December 2000 Memorandum to the Subject

186. In November 2000, the Subject received notice of the reduction in Company 2 electricians.²⁶⁰ The following month, he learned that the union had filed a grievance against the United Nations for its decision to internally handle re-lamping and minor alterations.²⁶¹

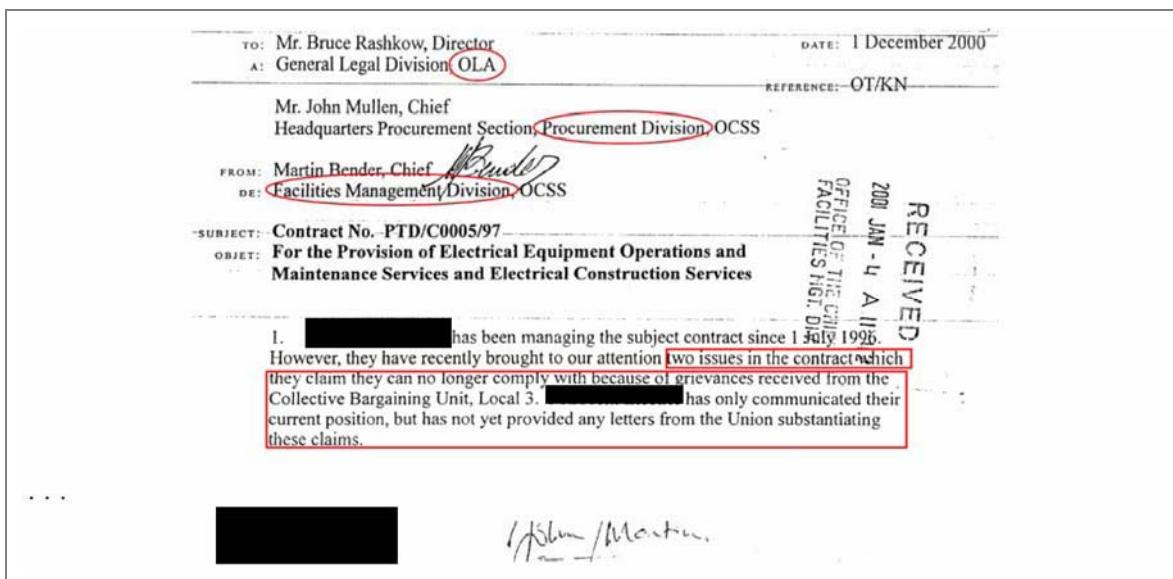


Figure: Martin Bender memorandum to Bruce Rashkow (1 December 2000) (copied to the Subject)

187. Attached to Mr. Bender's memorandum was a summary of the current situation in respect to the United Nations contract with Company 2.²⁶²

²⁵⁹ Company Representative 7 letter to Claudio Santangelo (11 December 2001).

²⁶⁰ Martin Bender memorandum to Company Representative 7 (20 November 2001).

²⁶¹ Martin Bender memorandum to Bruce Rashkow (1 December 2000).

²⁶² Summary of the current situation regarding the Company 2 contract (attached to Martin Bender memorandum to Bruce Rashkow dated 1 December 2000).

REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER**STRICTLY CONFIDENTIAL**

Contract No. PTD/C0005/97

FOR THE PROVISION OF ELECTRICAL EQUIPMENT OPERATIONS AND MAINTENANCE SERVICES AND ELECTRICAL CONSTRUCTION SERVICES**CURRENT SITUATION**

[REDACTED] who has been providing the above contracted services since 1 July 1996, has advised the United Nations that the Collective Bargaining Unit, Local 3 members have expressed grievances on two items of the contract as noted below and as a result, it can not provide services in these areas unless the UN is willing to comply with Local 3 Bargaining Unit requirements. However, to date all such indications have come from [REDACTED] only. Despite our requests, [REDACTED] has not provided any written letter from the Union, except for grievances from some worker. It is our understanding that a grievance does not mean that the Union had agreed to contest the items in the Contractor's signed contract with the UN.

However, [REDACTED] has unilaterally stopped the maintenance electricians from doing any minor alterations or temporary wiring and power related work which is adversely affecting UN operations. As a result, the UN was compelled to engage another contractor through the Procurement Division to help us with the implementation of projects stopped by [REDACTED]

Our Technical views on the above two issues are included as ATTACHMENT I and ATTACHMENT II, which require further legal and commercial assessment.

Figure: Summary of the current situation regarding the Company 2 contract (attached to Martin Bender memorandum to Bruce Rashkow dated 1 December 2000)

188. The Subject was copied on Mr. Bender's memorandum and subsequently made a hand-written note on the document, directing to "determine if this is a breach of contract. We cannot allow any contractor to 'unilaterally' do anything."²⁶³

²⁶³ The Subject hand-written note (undated) (made on Martin Bender memorandum to Bruce Rashkow dated 1 December 2000).

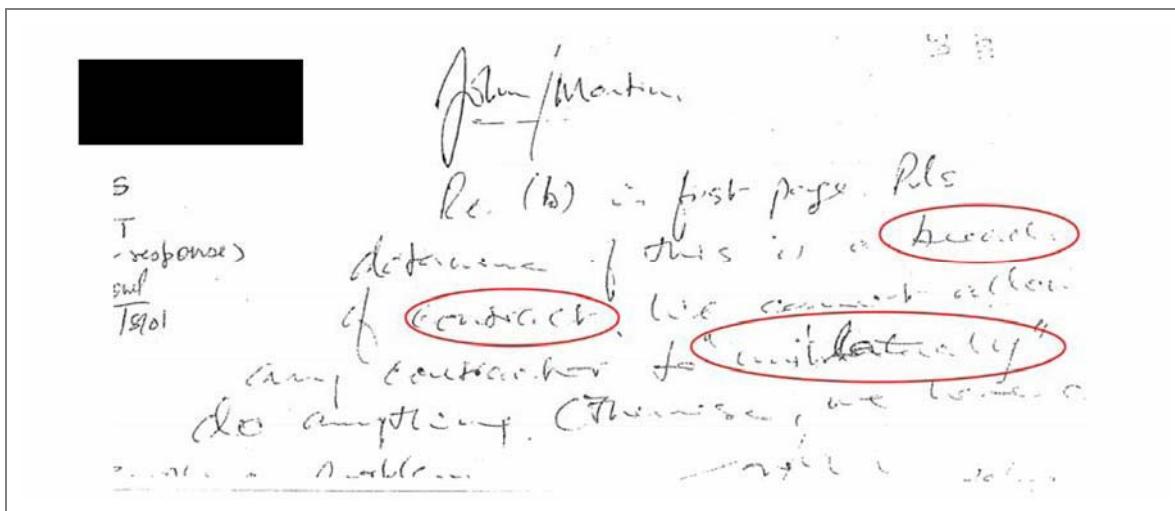
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Figure: The Subject's hand-written note (undated) (made on Martin Bender memorandum to Bruce Rashkow dated 1 December 2000)

189. Significantly, both of these steps were well within the Organisation's rights under the contract. Under the contract, the United Nations had the right to make those changes it deemed necessary, even if those decisions conflicted with the union's collective bargaining agreement.²⁶⁴ Indeed, Company 2 was bound to make sure that any agreement it reached with the unions was to "fully reflect and implement" Company 2's obligations under the Organisation's contract. Moreover, Company 2 was not to "enter into any collective bargaining agreement that conflict[ed] with the terms and conditions" of the United Nations contract.²⁶⁵

190. In response, the Subject requested in December 2000 that Mr. Mullen of the Procurement Service and Mr. Bender of FMD determine whether or not Company 2 was in breach of the contract for its employees' failure to work.²⁶⁶ Since Company 2 contracted to perform all electrical maintenance and construction for the United Nations, it remained obligated to provide these services and make sure the operational readiness, and safety and security of United Nations personnel were not sacrificed.

D. SUBSEQUENT AGREEMENTS

1. The Memorandum of Understanding

191. In January 2001, United Nations officials from OLA, the Procurement Service, and FMD met with executives from Company 2 and Company 2's legal counsel.²⁶⁷ At the meeting, they discussed the ongoing performance problems with the Company 2 contract. Collectively, they came up with a series of solutions which would be

²⁶⁴ Contract no. PTD/C0005/97, secs. 4.4, 4.6, and 4.9.

²⁶⁵ *Id.*, secs. 3.5, 4.4, 4.6, and 4.9.

²⁶⁶ Martin Bender memorandum to Bruce Rashkow (1 December 2000).

²⁶⁷ Jay Pozanel memorandum to Martin Bender (18 January 2001).

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formalized in a Memorandum of Understanding (“MOU”). The Subject, serving as the Officer-in-Charge of the Procurement Service in 2001, authorized the MOU with Company 2 which ultimately left the United Nations in a weaker position. The effect of the MOU was to disadvantage the Organisation to a greater extent than the original contract. Staff Member 15, stated that the Subject would not authorize any document while serving as the Officer-in-Charge of the Procurement Service, until he had the contract in question and all related documents in his presence.²⁶⁸ Staff Member 15 explained that the Subject would not just sign off on any document without first reviewing the contract file and other documents associated with the issue at hand so that in this case, he had an understanding of the elements of the MOU before he authorized it.

192. Specifically, the MOU was intended to resolve the outstanding issues regarding Company 2’s performance under the contract. At the meeting, Company 2 agreed to take several actions, including: (1) the creation of a performance plan; (2) generating a specific plan to deal with the backlog of work orders and address future work orders; and (3) developing a system to distinguish construction work orders from maintenance work orders.²⁶⁹ In response, the United Nations agreed to a reimbursement plan for Company 2’s outstanding invoices, which the United Nations had not paid because of the electricians’ refusal to complete certain projects. If the United Nations was satisfied with Company 2’s new performance plan, it agreed to pay Company 2 one-third of the total amount owed. After thirty days, if the United Nations found Company 2 had substantially complied with its performance plan, it would pay the remaining balance.²⁷⁰

193. OLA prepared the draft MOU, added comments to make sure each of these issues was addressed, and asked for input from the Procurement Service and FMD.²⁷¹ In spite of OLA’s comments, and the primary purpose of an MOU – to address these outstanding issues -- the final version did not adopt any of the recommendations. As a result, the MOU failed utterly to address crucial items needed to protect the Organisation’s rights under the contract.²⁷²

194. First, the final version of the MOU did not require Company 2 to have a formal, detailed performance plan.

195. Second, the MOU did not include any specific measures to resolve the backlog of work orders. For instance, Company 2 was not required to complete a certain number of work orders within a specific time frame. The MOU also did not address how the parties would track, classify and monitor future work orders.

196. Third, it failed to differentiate between electrical construction from electrical maintenance, a necessary difference which would have provided guidance to the United Nations as to how it should classify future work orders. Without clarifying the classification of work orders, once again the local unions would be able to refuse certain

²⁶⁸ Staff Member 15 interview (2 November 2006).

²⁶⁹ Jay Pozelen memorandum to Martin Bender (18 January 2001).

²⁷⁰ *Id.*

²⁷¹ Memorandum of Understanding to contract no. PTD/C0005/97 (19 March 2001).

²⁷² Draft Memorandum of Understanding to contract no. PTD/C0005/97 (18 January 2001).

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projects on the basis that they were outside the scope of the current contract. Similarly, the MOU failed to include any detailed provision regarding preventive maintenance for United Nations' facilities.

197. Conversely, rather than holding Company 2 to its original obligations, the MOU in fact provided several advantages to Company 2. For instance, Company 2 was allowed to assume responsibility for re-lamping, traditionally done by United Nations staff.²⁷³ Company 2 was supposed to assign an employee, at no additional cost, to specifically handle the re-lamping work. The Task Force investigation continues to determine if a "lamper" was indeed provided, and if so, whether there was any additional cost to the Organisation.

198. Likewise, Company 2 was able to add a senior class of electricians, which later proved both problematic and costly to the United Nations. Under the original contract, maintenance electricians performed minor electrical jobs.²⁷⁴ The MOU, however, added Class "A" electricians to handle all electrical construction work. Class "A" electricians were considered to be more experienced electricians, and therefore paid at a significantly higher rate (normal pay and overtime). "DBM" designated electricians remained responsible for standard electrical work. Because the MOU did not differentiate between electrical construction and electrical maintenance, senior Class "A" electricians ended up performing minor electrical repairs. This work, which should have been handled by less senior employees, ended up costing the Organisation more money since Company 2 was able to use senior electricians for it.²⁷⁵

199. Moreover, Company 2 succeeded in getting the United Nations to pay its outstanding invoices without a quid pro quo. OLA had advised that the Organisation should not pay Company 2 until the company came up with a performance plan (*see supra* paragraph 65). Under the MOU, however, Company 2 was entitled to payment without having to create such performance plan.²⁷⁶

200. Despite these glaring defects, the Subject as Officer-in-Charge of the Procurement Service, subsequently approved and signed the final MOU in March 2001.²⁷⁷

²⁷³ Memorandum of Understanding, p. 2 (19 March 2001).

²⁷⁴ Contract no. PTD/C0005/97, Request for Proposal Annex A, pp. 28-30 (18 March 1996).

²⁷⁵ Staff Member 13 interview (21 and 23 June 2006).

²⁷⁶ Memorandum of Understanding to contract PTD/C0005/97, sec. 4 (19 March 2001).

²⁷⁷ Memorandum of Understanding to contract PTD/C0005/97 (19 March 2001).

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[REDACTED]

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IN WITNESS WHEREOF, the Parties, acting through their duly authorized representatives, have subscribed to this Memorandum on the day first written above.

FOR [REDACTED], INC. FOR THE UNITED NATIONS

Signature:  Signature: [REDACTED]

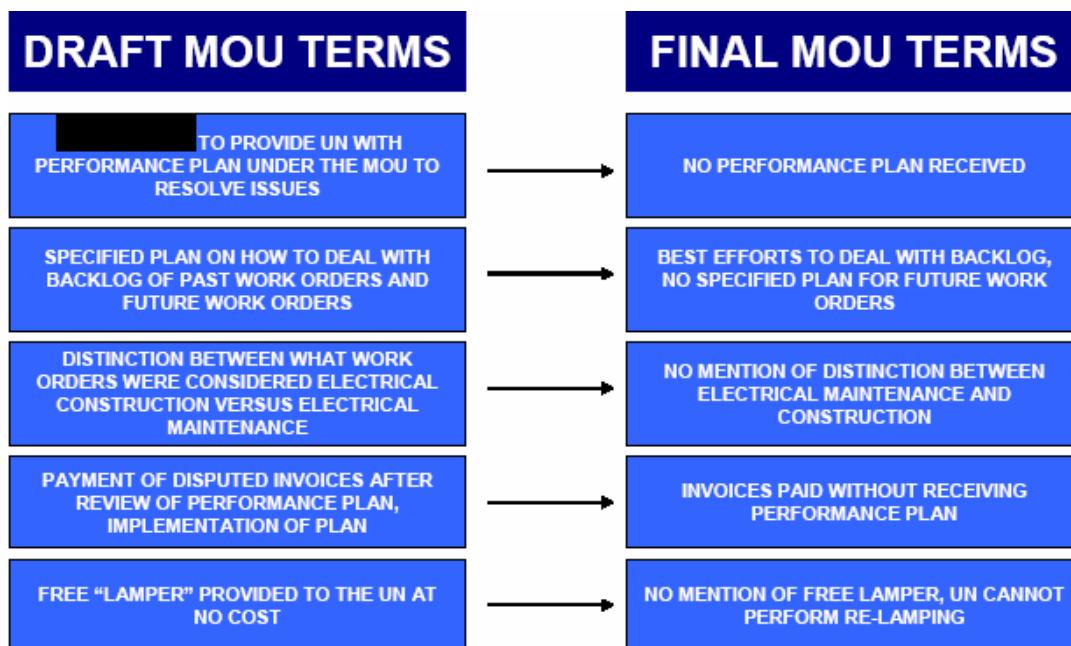
Name: [REDACTED] Name: [REDACTED]

Title: President Title: [REDACTED], Procurement

Figure: Memorandum of Understanding between the United Nations and Company 2 (19 March 2001)

201. Chart E below contains a summary of the changes in the terms of the Memorandum of Understanding.

Chart E – Changes in the Terms of the Memorandum of Understanding



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2. The First Amendment to the Contract

202. Four months after the MOU was executed, the United Nations decided to amend Company 2's contract and extend it for an additional three years. Once again, this subsequent agreement failed to resolve the same outstanding issues which are discussed above.²⁷⁸

203. In June 2001, Mr. Bruce Rashkow forwarded to the Subject a draft of the proposed amendment, with the recommendation that the Procurement Service ensure the Collective Bargaining Agreement from Local 3 ensured the Organisation's requirements under the contract would be satisfied.²⁷⁹ Staff Member 16, had opined that by adding class "A" electricians and a "free lamper" under the MOU, the terms and conditions of the contract were not the same, as the MOU changed both the number of personnel assigned to the United Nations as well as the cost of such personnel. Staff Member 16 felt this amendment changed the original contract enough to warrant the need for the approval of HCC. OLA also was concerned that the financial justifications for awarding Company 2 the original contract had been altered. The MOU and proposed amendment changed the original contract to such a degree that OLA feared it would have significant long-term financial implications for the United Nations.²⁸⁰

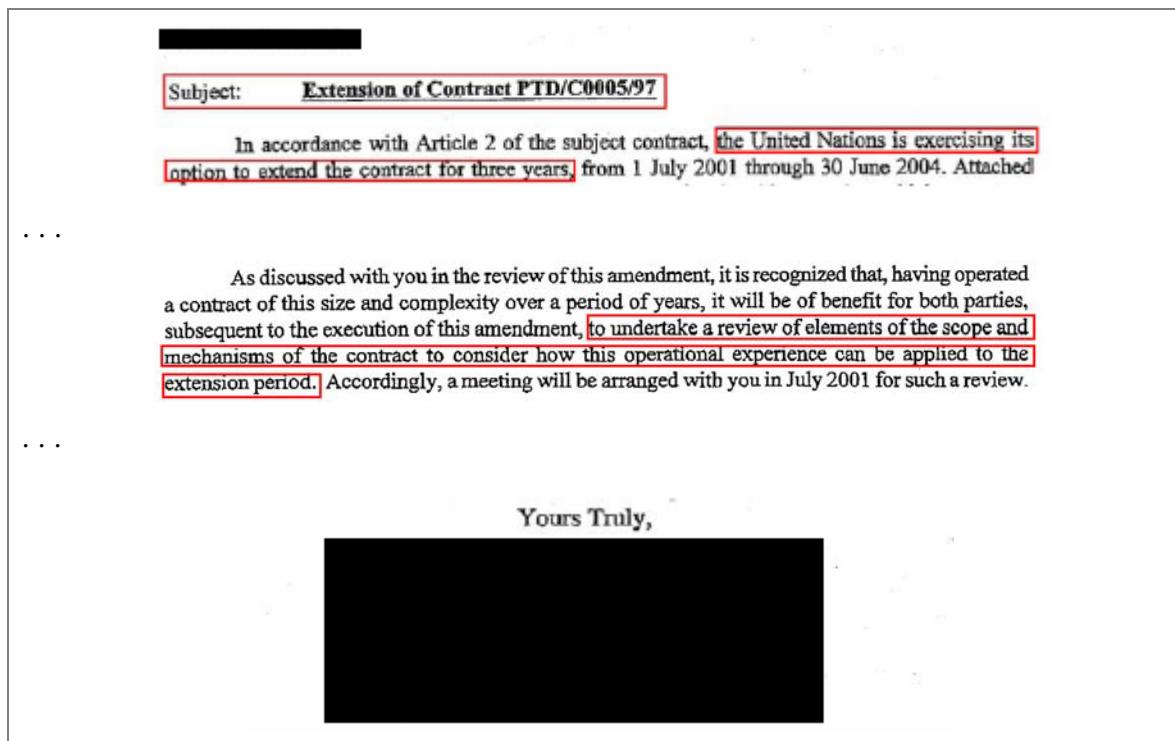
204. The Subject recognized the amendment indeed changed the original agreement between the parties. Two weeks after he received OLA's draft, the Subject asked Company 2 to "undertake a review of the elements of the scope and mechanisms of the contract to consider how this operational experience can be applied to the extension period."²⁸¹

²⁷⁸ Amendment no. 1 to Contract no. PTD/C0005/97, 29 June 01

²⁷⁹ Bruce Rashkow memorandum to the Subject (12 June 2001).

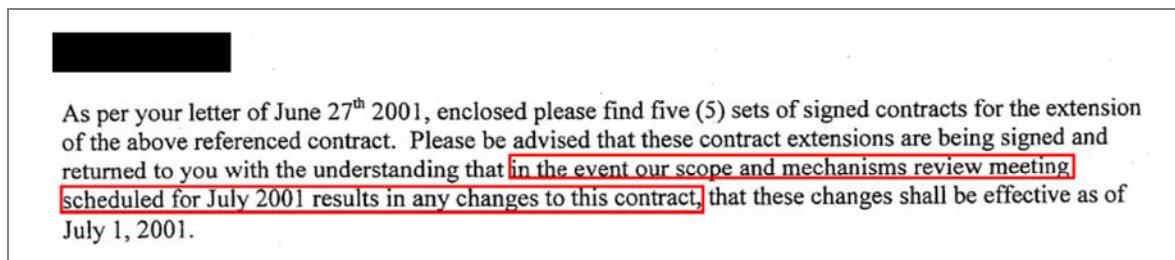
²⁸⁰ Staff Member 16 interview (11 September 2006).

²⁸¹ The Subject letter to Company Representative 7 (27 June 2001).

REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER**STRICTLY CONFIDENTIAL****Figure: The Subject letter to Company Representative 7 (27 June 2001)**

205. He suggested that the parties meet in July 2001 to review these matters. The Task Force spoke with a Legal Officer concerning the language in the memorandum and it was deemed “laughable.” The Legal Officer stated he had no idea what that language meant in that context.

206. Company 2, too, recognized that additional changes would be made to the contract. In June 2001, **Company Representative 7** acknowledged that if the review of the scope and mechanisms led to more changes, any such changes would take effect in July.²⁸²

**Figure: Company Representative 7 letter to the Subject (28 June 2001)**

²⁸² Company Representative 7 letter to the Subject (28 June 2001).

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207. It is clear that the Subject was made aware that the union had a role in the negotiations, which was highly irregular since they were not a party to the contract. Despite receiving this information, he took no action.²⁸³

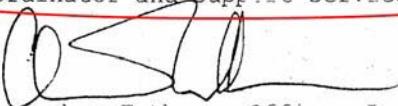
<p>to: Ms. Joan W. McDonald, Chief A Co-ordinator and Support Service, ITSD  FROM: Christopher Fathers, Officer-In-Charge DE: Headquarters Procurement Section, PD</p> <p>SUBJECT: Amendment 1 to Contract PTD/97/C0004 OBJET:</p> <p>1. Please find attached herewith one duly executed original of the Amendment. Your attention is drawn to the following results of the final negotiations of the draft amendment.</p> <p><u>Article 2</u> The extension is for three years as per part ii) of the HCC recommendation in line with ITSD & DPI's stated requirement, and both the Contractor and the Union's demands. Accordingly the words "up to" (3 years) were required by the Contractor to be deleted.</p> <p>...</p> <p><u>Article 7</u> The Contractor understands that the UN requires improved administration of this contract, and understands that the UN does not wish to pay extra for such improvement. The</p> <p>...</p> <p><u>Article 8</u></p> <p>As the N.T.E of the contract requires to be amended also, it is requested that ITSD in consultation with DPI, kindly review and advise it's best estimate of the next three years consumption, especially in light of the \$34,100,00, being predicated on a CBA of 6% per annum increase in salaries and benefits as compared to the 3% per annum actually obtained.</p> <p>CC: [REDACTED]</p>	<p>DATE: 2 July 2001</p> <p>2001 JUL - 9, P 14 29</p> <p>RECEIVED OFFICE OF THE UNITED NATIONS FACILITIES MGT. DIAL</p>
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Figure: Christopher Fathers memorandum to Joan McDonald (2 July 2001)

²⁸³ Christopher Fathers memorandum to Joan McDonald (2 July 2001).

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208. The Subject decided not to present the case to the HCC. In his opinion, FMD was responsible for making sure technical points like the ones raised by OLA were indeed in the best interests of the Organisation. Since FMD never told the Procurement Service not to extend the contract with Company 2, the Subject disregarded the legal advice and authorized the amendment without HCC's approval.²⁸⁴ The Subject was not acting within his rights when he made the decision to not heed the advice of OLA. OLA made the determination that the MOU changed the terms and conditions of the original contract. The MOU superseded the three year extension because the United Nations was dealing with a different contract, so exercising the three year option under the original contract terms appeared to be invalid.

209. The three-year extension failed to benefit the Organisation for the very same reason the MOU did; these subsequent agreements simply did not address the systemic problems arising out of the original contract. Once again, the parties never addressed Company 2's failure to provide the United Nations with a performance plan, a system to handle work orders or distinguish electrical maintenance from electrical construction.

210. It is clear that the Subject was made aware of these shortcomings when he received a 9 July 2001 memorandum from Mr. Christopher Fathers of the Procurement Service. Mr. Fathers requested FMD create a "punch list" of changes needed for the contract to run more smoothly.²⁸⁵

to: Mr. Martin Bender, Chief A: Facilities Management Division, OCSS	DATE: 9 July 2001
THROUGH: S/C DE:	
FROM: Christopher Fathers, Officer-In-Charge D: Headquarters Procurement Section, Procurement Division, OCSS 	
SUBJECT: Contract No. PD/CO005/97 with [REDACTED] operational review	
OBJET:	
...	
2. It is therefore requested that FMD prepare a punch list for changes it would wish, for such a meeting. The punch list should address not only performance issues but also operational matters such as the number and Class of Electricians, as opposed to the number of Electricians and the numbers of hours envisaged in the RFP, and so on. FMD should expect that the Contractor will be presenting its own position on these matters.	
...	
CC: [REDACTED]	

Figure: Christopher Fathers memorandum to Martin Bender (9 July 2001)

²⁸⁴ The Subject interview (4 October 2006).

²⁸⁵ Christopher Fathers memorandum to Martin Bender (9 July 2001).

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211. Mr. Bender responded with a “punch list” of suggestions as to how the United Nations could resolve the outstanding problems.²⁸⁶ Mr. Bender therefore fully knew changes had to be made to the contract before it was finalized. However, none of these changes were implemented and FMD agreed extension of the contract without correcting these problems.

3. The Second Amendment to the Contract

212. As the contract entered its fifth year, the United Nations continued to experience the same problems with the electricians.²⁸⁷ Inexplicably, the United Nations amended the contract with Company 2 for a second time in April 2002, without addressing any of these issues.

213. For a second time, OLA had numerous comments which were not incorporated into the final version. OLA had expressed concern with Company 2’s performance and tried to protect the Organisation’s rights under the contract. Consequently, it sent a draft with comment in November 2001 to both Mr. Saunders and Mr. Bender. After negotiations with Company 2’s counsel, OLA sent a second draft to Mr. Saunders and Mr. Bender, which highlighted the changes made by Company 2.²⁸⁸

214. Despite OLA’s efforts, the final version did not reflect any of the needed changes to resolve the outstanding problems. In fact, Company 2 gained several advantages under the amended version. First, Company 2 changed the classification and caliber of its electricians. Twenty DBM electricians were re-classified as serving in more senior capacities, which affected the cost of work performed on overtime.

215. Second, Company 2 removed from the contract a fixed number of compensation days for its employees. Under the original contract, and OLA draft, the electricians were entitled to a limited number of sick and worker compensation days (10 each). The final version, however, eliminated the fixed number, which left the question of worker’s leave open-ended and ambiguous.

216. Third, the United Nations also lost the option to employ apprentice electricians. Apprentices had been performing basic electrical work for the upkeep of United Nations facilities. It was cost-effective since such elementary projects did not require the more expensive, senior electricians. The amended contract eliminated this options and the loss of this was significant for the Organisation. Since the inception of the contract in 1996,

²⁸⁶ Martin Bender memorandum to Christopher Fathers (19 July 2001).

²⁸⁷ Claudio Santangelo memorandum to Edward Perry (24 July 2001) (complaint about smoke conditions); Errol Edwards memorandum to Chief of Safety and Security Service (1 August 2001) (complaint about fire pump response control problem); Claudio Santangelo memorandum to Company Representative 7 (24 September 2001) (More than four class “A” electricians performing work); Claudio Santangelo memorandum to Edward Perry (4 Oct 2001) (Absenteeism); Paula Ritchie memorandum to Head of Maintenance Department (20 Nov 2001) (Lighting in fire exit stairwell); Claudio Santangelo memorandum to Edward Perry (21 January 2002) (Absenteeism); Claudio Santangelo memorandum to Edward Perry (13 February 2002) (Compensation records).

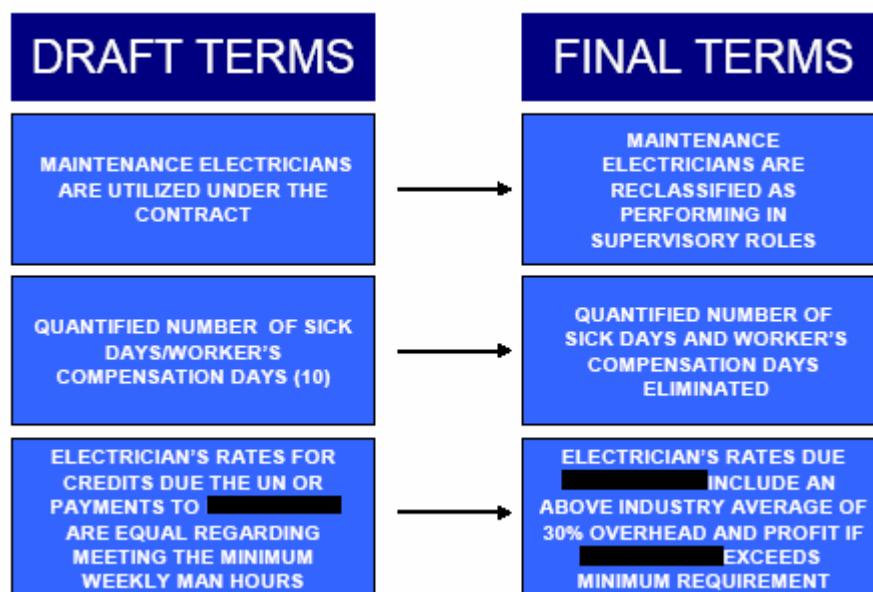
²⁸⁸ Bruce Rashkow memorandum to Martin Bender (14 December 2001).

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the United Nations had a difficult time enforcing an essential element of the contract: the performance of simple electrical preventative maintenance. By eliminating apprentices, the problem was exacerbated.

217. Lastly, the new version also provided rates for overtime payment at a level well-above industry standards.²⁸⁹ The industry average at the time was approximately 20-25% more than the rate per hour, to include for overhead and profit.²⁹⁰ OLA had recommended the hourly rate be the same, regardless of whether the minimum number of man hours per week was met; if Company 2 did not meet the required number, a credit was due the United Nations and conversely, if Company 2 worked in excess of the minimum requirement they would be compensated for the work performed. Under the final version, however, Company 2 was paid at a rate of 30% higher than their regular rate for work in excess of the minimum while any credit due the United Nations was the same figure used in the draft prepared by OLA.²⁹¹

Chart F: Changes in the Second Amendment Terms

218. After a forensic analysis of the Subject's United Nations computer, the Task Force found that the Subject received an email from Mr. Taneja regarding one of the key changes to the initial draft of the amendment by OLA.²⁹²

²⁸⁹ Amendment no. 2 to Contract no. PTD/C0005/97 (11 April 2002).

²⁹⁰ Claudio Santangelo email to Jay Pozenel (14 November 2001).

²⁹¹ Amendment no. 2 to Contract no. PTD/C0005/97 (11 April 2002).

²⁹² Om Taneja email to the Subject (2 January 2002).

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Om Taneja
02/01/2002 18:20

To: [REDACTED] NY/UNO@UNHQ
cc: [REDACTED]
Subject: Revised Amendment No. 2

[REDACTED]

I heard that PD confirmed that [REDACTED] workers are limited to ten days of sickness.

I do not want to get into dispute with Mr. Bender and PD, but the Electrical Workers Union has not allowed us to impose ten days sickness limit due to prior earned right of workers with more than certain years of service, which is most of the staff.

I managed the contract for four years and could not penalize for sicknesses based on prior benefits.

OLA has not even supported us and the revision to the contract was sent by OLA to [REDACTED] as marked in the attachment that deletes the limit of ten(10) sick days listed in the contract.

The electricians have a very high sickness rate with no penalty, particularly with the revisions that took away such limits on sicknesses.

Figure: Om Taneja email to the Subject (2 January 2002)

219. Mr. Taneja wrote directly to the Subject and voiced the concern he had since Company 2 first was awarded the contract in 1996; Local 3 employees managed by Company 2 were going to continue to receive full pay and benefits for unauthorized sick days and worker's compensation days in excess of approved amounts. Without the ability to control sickness and absenteeism, the United Nations was left to deal with the operational impact of having reduced numbers of electricians to handle the Organisation's need for services.

220. The Subject responded to Mr. Taneja the following day. However, the Subject's response does not appear to address the issue at hand.²⁹³

²⁹³ The Subject email to Om Taneja (3 January 2002) (copied to Mr. Bender).

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Subject:	Re: Revised Amendment No. 2
From:	[REDACTED]
Date:	1/3/2002 9:26:15 AM
To:	Om Taneja
CC:	Martin Bender
Message Body	
<p>Om</p> <p>this is in the contract. If we cannot exercise the terms, we should take this up with OLA. pls prepare a note to Rashkow with your experience for my sig nature.</p> <p>[REDACTED]</p>	

Figure: The Subject email to Om Taneja (3 January 2002) (copied to Mr. Bender)

221. In the original contract signed with Company 2 in 1996, there were quantified numbers of sick days (ten) and worker's compensation days (ten), but the enforcement was never sought or achieved. Company 2 failed to provide the United Nations with a personnel monitoring system to track attendance, and did not submit timely attendance sheets to allow the Organisation to appropriately document and disperse payment for authorized work of their employees.

222. In the execution of the second amendment, the sick and worker's compensation day allotments were eliminated. When the Subject received this email, the terms of the second amendment were not finalized. Therefore, the Subject had an opportunity to address the issue of quantified sick days, as well as the other changes ultimately made to the draft amendment by Company 2. Again, it appears that the Subject was made aware of essential elements of key contractual decisions that were contemplated, but failed to properly address the needs of the Organisation.

4. Financial Effect on the United Nations

223. In 2004, Mr. Giulio Mantin, then acting Chief of the Plant and Engineering Section, organized a team to examine the time and attendance issues of Company 2 employees. The team conducted an exhaustive review of employee time sheets and attendance records. Unfortunately, however, they were only able to analyze three years, 2000 to 2003, as a result of Company 2's claim that it no longer possessed earlier attendance records.²⁹⁴

224. The team discovered that Company 2 over-billed the United Nations approximately US\$800,000.²⁹⁵ Some electricians were paid by the Organisation for overtime even though they had not worked those days and had been designated on paid

²⁹⁴ Staff Member 17 interview (31 May 2006).

²⁹⁵ Staff Member 18 interview (16 August 2006).

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leave.²⁹⁶ Other electricians submitted requests for overtime, even though they had not worked their minimum number of hours for that week. The team further identified numerous instances where Company 2 double-billed the United Nations for the same project.²⁹⁷ In sum, there were instances where duplicate invoices were received for the same work order, unofficial holidays were being billed to the United Nations and unauthorized claims for overtime were being made.²⁹⁸

225. The Task Force investigation has found no evidence that Company 2 reimbursed the United Nations for the US\$800,000. Staff Member 18, claimed the United Nations was credited this money.²⁹⁹ However, Staff Member 14, the budget personnel representative assigned to the Company 2 contract, disagreed. Staff Member 14 did not identify any amount credited back to the United Nations, which he explained would have been noticeable due to the size of the amount owed.³⁰⁰

226. The Task Force also continues to determine the financial impact of the MOU and subsequent amendments, and the findings of Mr. Mantin's team regarding the overcharges. The Task Force will report in full on this issue in a separate report focusing solely on the Company 2 contracts.

E. EVALUATION BY THE TASK FORCE

227. Company 2 repeatedly and systematically violated its contractual obligations by failing to perform the electrical services required under the contract in a timely manner, and in some instances, altogether. On this issue, Company 2 cast blame upon the local union for instructing the electricians to purposefully engage in work slow-downs and work refusals. Such a circumstance, even if true, does not exculpate the company. Even if such circumstances existed, Company 2 nevertheless remained ultimately responsible for its employees. When Company 2 executed the original contract with the United Nations in 1996, it agreed that any subsequent arrangement with the unions would comply with the contractual terms. Accordingly, Company 2 was obligated to make sure their union contract did not conflict with their contract with the Organisation, and it maintained full responsibility to ensure that its employees performed all of the services guaranteed to the Organisation. Similarly, Company 2 failed to create and implement a performance plan as required under the contract; failed to develop an effective system to address the enormous backlog of work orders or deal with future work orders; and failed to maintain records to confirm employee attendance. As a result of these failings and other acts, the United Nations overpaid Company 2's personnel.

²⁹⁶ Staff Member 17 interview (31 May 2006).

²⁹⁷ Staff Member 19 interview (14 July 2006).

²⁹⁸ Claudio Santangelo memorandum to Edward Perry (6 January 2003) (Duplicate invoices); Claudio Santangelo memorandum to Edward Perry (14 January 2003) (Duplicate invoices); Claudio Santangelo memorandum to Edward Perry (10 January 2003) (unofficial holiday); Claudio Santangelo memorandum to Edward Perry (21 April 2003) (unauthorized overtime); Claudio Santangelo memorandum to Norman Fidelman (27 June 2003) (compensation discrepancies).

²⁹⁹ Staff Member 18 interview (16 August 2006).

³⁰⁰ Staff Member 14 interview (20 July 2006).

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228. These serious problems were apparent from the very beginning of the United Nations' relationship with Company 2 in 1996, and continued throughout the duration of the contract. It is clear from the email correspondence obtained and analyzed by the Task Force, receipt of memorandums, and by virtue of his position as the Officer-in-Charge of the Procurement Service and Assistant Secretary-General of OCSS, the Subject had gained substantial knowledge of these problems, and was repeatedly made aware of these issues. Despite Company 2's blatant non-performance, the Subject disregarded advice – both legal and practical –when he continued to extend the contract without addressing any of the above-mentioned problems. The Subject was in a position to resolved many of these outstanding issues, and indeed was obligated to ensure these matters were addressed. As a result, the United Nations continued to operate under a contract that clearly was not its best interests and consequently, suffered significant ongoing financial risk, and ultimately, loss.

VIII. THE SALE OF THE UNITED NATIONS POSTAL ARCHIVES

A. ALLEGATIONS

229. In May 2003 the United Nations Postal Administration ("the UNPA") auctioned the United Nations philatelic archives through a private auction house, David Feldman S.A. ("Feldman S.A."). The archives included artwork for U.N. stamps, die proofs, printing proofs, and other philatelic material dating from 1951.

230. On 20 March 2006, IAD submitted a Draft Audit Review of the sale of the UNPA archives, and the procurement of the Feldman S.A. auction house to conduct the sale.³⁰¹ The auditors identified several violations of the Staff Regulations and Rules concerning the procurement, as well as the actual sale. The Audit found that sale was conducted without formal approval from the appropriate bodies within the Organisation.

231. The matter was referred to the Task Force on 1 May 2006, but investigation could not begin until the subjects of the draft audit review had an opportunity to respond to the allegations as set forth in the Draft UNPA Audit Review.³⁰² In June 2006, the Task Force received the Subject's response. (No other responses to the Draft UNPA Audit Review were forwarded to the Task Force.) The Task Force began its preliminary investigation shortly thereafter; however, the investigation could not be completed until after the receipt of the final UNPA Audit Report on 6 October 2006 which included management's responses and further documentation.

232. This report addresses these matters in so far as they pertain to the Subject.. The issues are relevant to the Subject because of his position at the time as Chief of the Procurement Service, and later as Director of Facilities and Commercial Services

³⁰¹ AH/2005/213/02 (20 March 2006).

³⁰² *Id.*

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Division. A comprehensive report on the sale of the UNPA archives will be issued separately.

B. METHODOLOGY

233. The Task Force has investigated, *ab initio*, the issues surrounding the sale of the United Nations postal archives identified in the Audit Review, and not placed any reliance upon any previous findings.

234. The Task Force interviewed a variety of witnesses, including international philatelic experts, representatives of the different auction houses, current and former United Nations staff that have since retired or left the Organisation. Investigators also reviewed, *inter alia*, records provided by the Procurement Service, OIOS Audit Division, the UNPA, OLA, and the Archives and Records Management Section (“ARMS”). The investigation included extensive searches of electronic media and records including data, telephone records, and email correspondence.

C. THE SALE OF THE UNPA ARCHIVES

235. The Task Force considers the question whether or not the UNPA archives should have been sold an issue beyond its competence. However, the following circumstances are set out in order to explain the later events which are matters appropriately within the Task Force’s mandate and concern the processes within the Organisation required to be followed prior to, and in connection with, the sale.

236. The United Nations owned philatelic historic archives, which consisted of, *inter alia*, original artwork for United Nations stamps, die proofs, printing proofs and other similar material dating back to 1951. The United Nations first raised the issue of selling the UNPA’s postal archives to generate income for the department in July 1996 at a UNPA International Working Group meeting. Anthony Fouracre, the then Chief of the Commercial Activities Service and the UNPA, and Peter Torelli, the then Officer-in-Charge of UNPA offices in Geneva (“UNPA Geneva”), attended the meeting.³⁰³ At this time, the UNPA had been experiencing an overall decline in revenue and interest in the United Nations philatelic material. Hence, Joseph Connor, at the time the Under-Secretary-General of the Department of Administration and Management, requested that the international working group explore various options to address the decline in revenue.³⁰⁴ In response, in September 1996, Klaus Betzer, Partner of FMP, drafted a UNPA Business Plan and proposed, as one option, to “auction the UN philatelic materials stored in New York that are not required by the UN Philatelic Museum in Geneva”:³⁰⁵

³⁰³ Staff Member 20 interview (2 October 2006).

³⁰⁴ UNPA Business Plan (13 September 1996).

³⁰⁵ *Id.*

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undertake, as an option, to auction UN philatelic archival materials stored in New York that are not required by the UN Philatelic Museum in Geneva. The proceeds from the sale of philatelic archives will supplement the endowment for the Museum¹² and at the same time create a UNPA Revolving Fund that could be used in developing new products and improving services that will both get the UN message across to a wider public and generate increased income¹³.

Figure: UNPA Business Plan (13 September 1996)

237. According to Staff Member 21, Mr. Connor approved the business plan shortly thereafter.³⁰⁶ Staff Member 22, however, was unable to corroborate this information.³⁰⁷ Nevertheless, on 19 August 1997, Mr. Connor sent a memorandum to Mr. Benon Sevan, Assistant Secretary-General for the OCSS, which referred to the business plan and stated there were “some innovative and exciting prospects in that business plan. If we follow through on it, the years 1997 through 1999 will indeed establish the success of this operation.”³⁰⁸

238. No other documents or interviews identified that there was a formal written approval from Mr. Sevan or Mr. Connor.

239. During this period of initial discussions regarding the sale of UNPA archives in 1996 and 1997, the Subject was working with the WFP in Rome, Italy. Therefore, he was not involved in these earlier discussions and did not weigh in on the issue of the sale in the first instance.

D. THE PROCUREMENT PROCESS

240. The Subject was seconded to the Office for the Coordination of Humanitarian Affairs in July 1998. He remained on loan from the WFP until March 1999, when he was appointed Chief of the Procurement Service and transferred to the United Nations Headquarters.³⁰⁹

241. After some delay, the plan for the auction finally went forward which coincided with the Subject’s tenure as Procurement Chief. On 9 April 1999, Mr. Fouracre contacted Mr. Bahel, who was then the Chief of the Commodity Procurement Section in the Procurement Service, and requested that his department solicit auction houses in an effort to sell the UNPA postal archives. The Subject, then the Chief of the Procurement Service, received a copy of Mr. Fouracre’s memorandum. Mr. Fouracre suggested four auction houses he felt were capable of handling such an exercise. Mr. Fouracre specifically recommended the Robert A. Siegel Auction Galleries Inc. (“Siegel”), the best auction house for this purpose in Mr. Fouracre’s view. He then attached Siegel’s

³⁰⁶ Staff Member 21 interview (29 September 2006).

³⁰⁷ Task Force note-to-file (6 October 2006) (regarding telephone conversation with Staff Member 22).

³⁰⁸ Joseph Connor memorandum to Benon Sevan (19 August 1997) (including 3 pages of UNPA Business Plan citing Sale of Non-Archive material at page 15).

³⁰⁹ World Food Programme Administrative Details (undated); Toshiyuki Niwa memorandum to Joseph E. Connor *et. al.* (25 February 1999); Kenro Oshidari letter to Andree Chamia (8 March 1999).

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proposal to his memorandum stating that “[the] proposal of UNPA to handle this important sale is [Siegel] . . . As a result of personal contacts, the following proposal has been made by Siegel.”³¹⁰

242. However, the Procurement Manual stipulates that “[s]uppliers should not be recommended by requisitioners or substantive offices.”³¹¹ In his memorandum to Mr. Fouracre dated 13 May 1999, the Subject appropriately addressed this issue and pointed out that the procurement “should be done on competitive basis”:³¹²

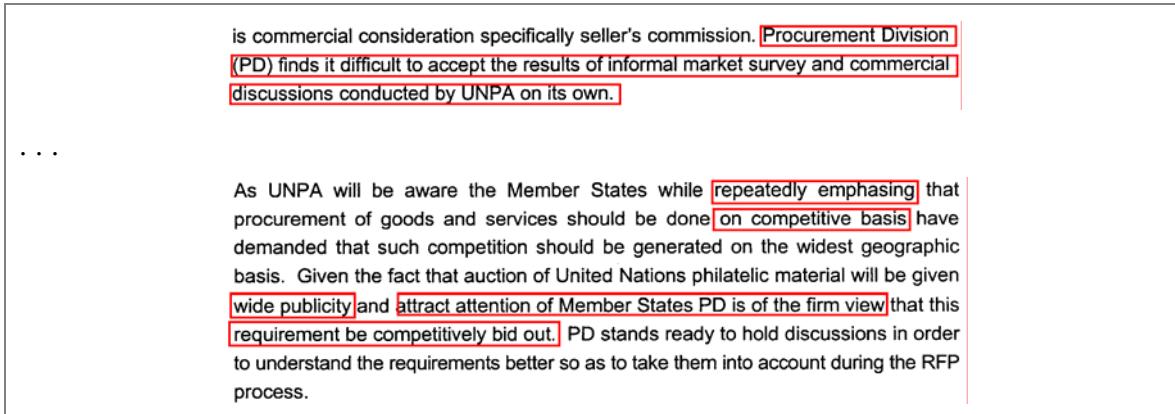


Figure The Subject’s memorandum to Anthony Fouracre (13 May 1999)

243. Despite this direction, Mr. Fouracre sent Mr. Bahel additional information about two more auction houses, one of which was Feldman S.A.³¹³ Although the Subject again received a copy of this memorandum, no documents or other evidence was identified concerning whether the Subject responded to this memorandum.

244. Staff Member 23 stated that he did not rely solely on the information provided by Mr. Fouracre. Through additional research, Staff Member 23 found other potential auction houses which he included on the invitee list.³¹⁴

245. On 23 June 2000, the Procurement Service issued a Request for Proposal entitled “Provision of philatelic auction services for United Nations Postal Authority Archives.” The Procurement Service invited twenty different auction houses to participate, including the six auction houses recommended by Mr. Fouracre.³¹⁵ Mr. Yakovlev, the then Officer-in-Charge for the Procurement Section of the Procurement Service, approved the RFP. The closing date was set for 24 July 2000.

³¹⁰ Anthony Fouracre memorandum to Sanjaya Bahel (9 April 1999).

³¹¹ 1998 Procurement Manual, sec. 4.03.

³¹² The Subject memorandum to Anthony Fouracre (13 May 1999).

³¹³ Anthony Fouracre memorandum to Sanjaya Bahel (30 November 1999).

³¹⁴ Staff Member 23 interview (22 May 2006).

³¹⁵ Request for Proposal RFP 95 (23 June 2000); List of Invitees (23 June 2000).

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246. Since the RFP was actually a request for services to dispose of the United Nations property, Section 16.04 of the Procurement Manual in existence at the time required “that the invitation should include a reference to the [Property Survey Board] approval.”³¹⁶

247. According to the version of Financial Rule 110.32 in existence at the time, property that becomes surplus to operating requirements should be reported by the responsible official to the Secretary of the Property Survey Board (“the PSB”). The PSB is a committee established to render written advice regarding the sale, loss, damage or disposal regarding the property of the Organisation. The PSB should then give their written recommendation to the Assistant Secretary-General and Controller for their approval and authorization of the sale.³¹⁷

248. The Task Force investigators reviewed the RFP including the attached annexes but could neither find reference to a PSB approval number nor find any information in the procurement files indicating that a request for the PSB’s written approval was made by the procurement officer. No information or documents were found to indicate that the request for an approval of the PSB was made by Mr. Fouracre as the responsible official.

249. Staff Member 23 stated that it would have been the requisitioner’s responsibility to obtain approval from the PSB. The Procurement Service would only be responsible to ensure HCC’s approval prior to awarding the contract.³¹⁸

250. Staff Member 21 stated that he did not request an approval from the PSB as he was told the UNPA postal archives were not property of the United Nations as they were not “bought” by the United Nations. Therefore, he reasoned, the PSB’s approval would not be necessary.³¹⁹ Staff Member 21 stated that he received this information from either OLA or the PSB itself, but could not identify the individual who communicated this.³²⁰ The Task Force finds this assertion unconvincing. Irrespective of the manner in which the items were obtained, it cannot be disputed that the United Nations rightfully and exclusively possessed these items which maintained an intrinsic value.

251. The Subject stated that he was unaware of a requirement to obtain the PSB’s approval prior to the sale of United Nations property. He defended his lack of knowledge by pointing out that the Procurement Service had few property sales prior to the archives auction. He further asserted that as Chief of the Procurement Service, he was not involved in the day-to-day operations of procurement cases-delegating such responsibility to subordinates. The Subject’s position, which he indicated concerns many of the issues in this Report, is that he was tasked with improving the Procurement Service and felt that the day to day operations of the office less important.

³¹⁶ 1998 Procurement Manual sec. 16.04.

³¹⁷ Financial Regulations and Rules of the United Nations, ST/SGB/Financial Rules/1/Rev.3, rule 110.32 (1985).

³¹⁸ Staff Member 23 interview (22 May 2006).

³¹⁹ Staff Member 21 interview (29 September 2006).

³²⁰ The Task Force was unable to corroborate this statement.

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252. In this particular case, the Subject also stressed that Mr. Connor had approved the sale as he had seen a 1996 memorandum from Mr. Connor during the course of this investigation. In his view, if the Under-Secretary-General had approved the sale, it was not necessary to obtain approval of the PSB.³²¹

253. Despite the lack of a formal PSB approval, the intended sale had at the time been brought to the attention of Staff Member 24 on several occasions.³²² While Staff Member 24 never formally approved the sale, he did not voice an objection to it either. Staff Member 24 said he was not involved in the day-to-day business of UNPA, and relied on Mr. Fouracre's expertise in the field.³²³ However, Staff Member 24 conceded that, in retrospect, the sale should have been brought to the attention of Mr. Connor for formal written approval.³²⁴ Staff Member 24 would have been one of the individuals responsible for formal approval of the PSB's recommendation.³²⁵ Staff Member 22 told the Task Force he had no memory of the issue and thus, was unable to confirm whether or not he approved the sale.³²⁶

254. Three auction houses responded to the RFP in July 2000: Siegel, Feldman S.A., and Sotheby's. In November 2000, Mr. Fouracre completed a technical evaluation and found Siegel and Feldman S.A. technically compliant, but suggested Siegel as preferred vendor due to the fact that the auction would be held in the US.³²⁷

255. On 1 November 2000, the Subject was promoted to Director of Facilities and Commercial Services Division, but nevertheless remained Officer-in-Charge of the Procurement Department until October 2001.³²⁸

256. On 9 January 2001, the Procurement Service presented their case to the HCC.³²⁹ Staff Member 25, Chairman of both the HCC and the PSB at the time, attended the meeting. During the presentation, Staff Member 25 did not question the sale of UNPA postal archives, nor did he ask whether the Procurement Service had received prior approval by the PSB.³³⁰ The HCC subsequently recommended the Siegel auction house be awarded the contract.³³¹

³²¹ The Subject interview (4 October 2006).

³²² Anthony Fouracre memorandum to Sanjaya Bahel (9 April 1999) (copied to Staff Member 24); The Subject memorandum to Anthony Fouracre (13 May 1999) (copied to Staff Member 24); Anthony Fouracre memorandum to Sanjaya Bahel (25 October 1999) (copied to Staff Member 24); Anthony Fouracre memorandum to Sanjaya Bahel (30 November 1999)(copied to Staff Member 24); HCC Meeting Minutes no. HCC/02/17 (26 March 2002) (approved by Staff Member 24 on 12 April 2002); Staff Member 24 memorandum to Joseph Connor (18 June 2002).

³²³ Staff Member 24 interview (10 October 2006).

³²⁴ *Id.*

³²⁵ Financial Regulations and Rules of the United Nations, ST/SGB/Financial Rules/1/Rev.3, rule 110.32 (1985).

³²⁶ Task Force note-to-file (6 October 2006) (regarding telephone conversation with Staff Member 22).

³²⁷ Anthony Fouracre memorandum to Sanjaya Bahel (17 November 2000).

³²⁸ The Subject Performance Appraisal (1 April 2002 to 31 January 2003).

³²⁹ Minutes of HCC meeting no. HCC/01/02 (9 January 2001).

³³⁰ *Id.*

³³¹ *Id.*

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257. Staff Member 25 stated that he assumed his position only in 2000 and therefore presumed a predecessor had approved the sale. He said it was only in the course of the Task Force investigation that he reviewed the files but did not find any indication that the case had been presented to the PSB.³³² Nevertheless, this matter was brought to Mr. Eppert's attention during the HCC presentation. As Chair of the PSB and the HCC, it was incumbent upon Staff Member 25 to ensure that the PSB-related rules outlined in the Financial Regulations and Rules—particularly Rule 110.32—were followed.

258. OLA did not raise the issue during the HCC presentation either, despite being present, and maintaining an awareness of the proposed sale of the archives as early as 1996. Staff Member 26, a Senior Legal Counsel, represented OLA at the HCC meeting. Staff Member 26 told the Task Force he did not recall whether or not the issue had been discussed, but pointed out that any such discussion—if it took place—would have been reflected in the HCC minutes. An examination of the minutes does not reflect any such discussion.³³³

259. Records of the Organisation, which include archives, cannot be removed from United Nations without specific written authorization from the Chief of ARMS.³³⁴ The purpose of this requirement is to allow the Chief of ARMS to determine whether there is any historical or other value to the records to warrant their continued preservation within the Organisation.³³⁵

260. Although the intended sale was brought to the attention of ARMS officials on several occasions, no one in the section explicitly objected to the disposal of the items. Indeed, according to Staff Member 21, he asked Lisa Fagerlund, the then Chief of ARMS, if the items should be transferred to ARMS.³³⁶ According to Staff Member 21, Ms. Fagerlund told him that was not necessary because the items were not archives.³³⁷

261. An UNPA Efficiency Review Report supported this position when it concluded that “the terminology archives is not an accurate description” of these items. It found that instead, “they are artifacts of varying interest and potential commercial value.”³³⁸ The report, issued in July 1996, was reviewed by, *inter alia*, Ms. Fagerlund, Mr. Fouracre, and Ms. Guptil, former Chief of ARMS.

262. In May 2001, the Procurement Service submitted a draft of the proposed contract to OLA for its review. Mr. David Jeffrey, a senior legal officer, made several recommendations, one of which was that the Procurement Service confirm from Mr. Fouracre whether the auction had been “coordinated with [ARMS].”³³⁹ This was a very important point because archives are defined as those “records to be permanently

³³² Staff Member 25 interview (28 August 2006).

³³³ The Task Force note-to-file (5 October 2006) (regarding telephone conversation with Staff Member 26).

³³⁴ ST/SGB/242 (26 June 1991).

³³⁵ *Id.*

³³⁶ Staff Member 21 interview (29 September 2006).

³³⁷ *Id.*

³³⁸ Efficiency Review Report, DAM/OCSS/BCSD/CAS/UNPA (17 April 1996)

³³⁹ David Jeffrey email to Anthony Fouracre (6 July 2001).

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preserved for their administrative, legal, historical or informational value.”³⁴⁰ Mr. Fouracre replied that the artifacts were not archives and thus, the involvement of ARMS was unnecessary.³⁴¹

The items to be auctioned consist of original works of art, stamps, proof sheets, and related material from the printing of stamps and other philatelic-related material. This material is superfluous to or not appropriate for inclusion in the holdings of the Philatelic Museum at UNOG. As regards ARMS involvement, that section reports through me and [I can confirm that none of the items under review qualifies as, or could be considered as archival material in the sense as defined by the various administrative guidelines relating to ARMS.] In fact the purists in ARMS were [horrified] at our use of the word archives to describe our holdings.

Figure Anthony Fouracre email to David Jeffrey (6 July 2001)

263. Ms. Guptil, former Chief of ARMS, was copied on Mr. Fouracre’s response to Mr. Jeffrey. Staff Member 27 told the Task Force that she could not remember any particular circumstances of the sale. Staff Member 27 also did not recall whether Mr. Fouracre ever asked for a formal approval of the sale. Staff Member 27 indicated that she was not an expert in philatelic issues, but in her professional opinion, she did not consider the items to constitute archives.⁴²

264. Conversely, Staff Member 28, believed the items sold would have met the definition of archives and as such, could not have been sold.³⁴²

265. The Task Force does not profess expertise in the field and therefore cannot, and does not opine, upon whether the UNPA archives were properly classified. Even the experts at the United Nations (i.e., the Chiefs of ARMS) did not reach a consensus. Although the decision to define this material as “artifacts” and not “archives” was, and continues to be a controversial issue, the Secretary-General Bulletin ST/SGB/242 clearly provided that the Chief of Section had authority to “determine which records have sufficient historical or other value to warrant their continued preservation as the archives of the United Nations.”

266. In November 2001, Siegel withdrew its offer due to what it claimed were security concerns following the events of 11 September 2001.³⁴³ As a result of its recusal, a new auction house was required to be hired. The HCC met on 26 March 2002, and awarded the contract to the next acceptable bidder, Feldman S.A.³⁴⁴ At the HCC’s recommendation, Mr. Niwa, in his capacity as the Assistant Secretary-General of OCSS, approved the award of the contract to Feldman S.A.³⁴⁵ Mr. Saunders, as Chief of the Procurement Service, executed the contract on 13 May 2002.³⁴⁶

³⁴⁰ ST/AI/326 (28 December 1984).

³⁴¹ Anthony Fouracre email to David Jeffrey (6 July 2001).

³⁴² The Task Force note-to-file (29 August 2006) (regarding telephone conversation with Staff Member 27).

³⁴² Staff Member 28 interview (23 August 2006).

³⁴³ Scott Trepel interview (22 August 2006); Scott Trepel email to Brian Streb (9 November 2001).

³⁴⁴ Minutes of HCC meeting no. HCC/02/17 (26 March 2002) (approved by Mr. Niwa on 12 April 2002).

³⁴⁵ *Id.*

³⁴⁶ Contract no. PD/C0055/01.

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267. During the year between the execution of the contract in May of 2002 and the actual auction held in May 2003, the UNPA engaged in numerous discussions with Feldman S.A. in anticipation of the sale. David Feldman, Chairman of the Feldman S.A., contacted Mr. Robert Gray, the then Chief of UNPA, to discuss issues surrounding the remaining archival material held by the UNPA's printers. Mr. Feldman strongly emphasized that it was critical that all "printers stock" be returned to UNPA to ensure all related matters were included in this "one and only offer."³⁴⁷ In response, UNPA wrote to its respective printers requesting them to return any remaining UNPA philatelic material to ensure the integrity of the auction.³⁴⁸ Company Representative 3 stated that a lot of material was subsequently returned by the printers.³⁴⁹

268. The UNPA reported this information to Mr. Feldman, who then requested that the United Nations issue a letter certifying the authenticity and completeness of the UNPA postal archive material. The letter was to be included in the auction catalog, and was important as it ensured potential buyers that the material was unique and genuine UNPA material.³⁵⁰ Mr. Feldman enclosed a template of the form of the letter he required.³⁵¹

269. Upon receipt, Mr. Gray forwarded the correspondence to the Subject and asked him whether he could sign it as "head of UNPA."³⁵² The Subject responded that he would sign the letter in his capacity as Director of FCSD.³⁵³ On 4 February 2003, the Subject signed the letter and certified in writing that "to the best of his knowledge" the UNPA postal archive material provided was complete and authentic.³⁵⁴

³⁴⁷ David Feldman email to Robert Gray (19 September 2002).

³⁴⁸ Anthony Fouracre letters to printers (24 September 2002).

³⁴⁹ Company Representative 3 interview (19 September 2006).

³⁵⁰ Company Representative 4 interview (2 October 2006).

³⁵¹ David Feldman email to Robert Gray (3 February 2003).

³⁵² Robert Gray email to the Subject (4 February 2003).

³⁵³ The Subject email to Robert Gray (4 February 2003).

³⁵⁴ The Subject letter to David Feldman (4 February 2003).

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Dear Mr. Feldman,

I hereby certify that to the best of my knowledge the items included in the eight auction lots offered under our instructions by David Feldman in this public auction which include all the art-work, imperforates die proofs and progressives listed in the accompanying catalogue, constitute ALL such form of items pertaining to the stamp issues and philatelic products produced by the United Nations Postal Administration (UNPA) from its first issue in 1951 through the year 2000.

I can furthermore confirm that having made a comprehensive search and request for any materials to all printers and producers of UNPA issues since 1951 that no other items exist.

The items are genuine UNPA property and are officially released for sale by means of this auction to the public. They constitute all known items to exist of this kind.

Yours sincerely,

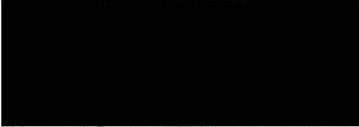

Facilities and Commercial Services Division
Office of Central Support Services

Figure: The Subject's letter to David Feldman (4 February 2003)

270. According to Staff Member 20 (Officer-in-Charge of UNPA Geneva), the United Nations philatelic museum in Geneva still houses UNPA postal archive material, even though the museum closed in 2003 due to lack of funding. Staff Member 20 stated that approximately 95% of the stamp issues that were contained in the UNPA postal archive auction can also be found amongst the materials of the United Nations philatelic museum in Geneva.³⁵⁵

271. Mr. Feldman stated that he was aware that these items may have existed in the United Nations philatelic museum in Geneva but since these were considered museum pieces, and as such they were not available to the public generally, they did not affect the value of the archives.

272. In his written response of 9 May 2006 to the Draft UNPA Audit Review, the Subject stated that he signed this letter "*to the best of his knowledge*" following appropriate inquiries with the person responsible for the transaction, and after consultation with his supervisor.³⁵⁶ In an interview with the Task Force investigators, the Subject stated that he was not aware that philatelic material was left in the United Nations philatelic museum in Geneva.³⁵⁷ The Subject claimed he could not recall the circumstances surrounding the letter, or with whom he may have consulted prior to

³⁵⁵ Staff Member 20 interview (2 October 2006).

³⁵⁶ The Subject letter to Christopher Burnham (9 May 2006).

³⁵⁷ The Subject interview (4 October 2006).

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executing the document.³⁵⁸ The Task Force did not locate any evidence to confirm or contradict the Subject's assertions in this regard.

273. On 12 May 2003, Feldman S.A. held a public auction in Geneva, Switzerland, for the UNPA philatelic archives. The items originally had been divided into eight separate categories, and offered in individual lots. In accordance with Swiss auction procedures,³⁵⁹ after the lots were offered individually Feldman S.A. offered the complete material at a 10% higher rate than the sum of the prices obtained for the individual lots.³⁶⁰ The archives were sold as a single lot to Champion Stamp Company, a New York based company for approximately US\$3.1 million. The sale netted the UNPA approximately US\$2.5 million.³⁶¹ The archives were resold within three weeks from the date of the initial auction.³⁶²

E. EVALUATION BY THE TASK FORCE

274. Mr. Fouracre clearly exceeded his authority by recommending potential auction houses to the Procurement Department, and failed to report the intended sale of the archives to the Property Survey Board.

275. The omission of a reference to the Property Survey Case in the RFP constitutes a breach of Procurement Regulations. The existing rules and regulation require the participation of the Property Survey Board to ensure the appropriate mode of sale and disposal. The Subject, as Chief of the Procurement Service, failed to ensure that these regulations were followed. The Task Force disagrees with the Subject's assessment that such a referral was a dispensable procedure because approval had been implicitly given by the Under Secretary-General. The relevant rules do not provide for an exception upon the approval of the Under Secretary-General. Moreover, at the time the RFP was issued, neither the Procurement Officer nor the Chief of PD was aware of a memorandum indicating such approval by the Under Secretary-General.

276. The 4 February 2003 letter authored and signed by the Subject making certain representations about the composition of the archive includes erroneous claims regarding the completeness of the materials which were put to auction. By executing such a letter without consultation with either OLA, or the relevant department, the Subject made statements and representations of material facts ultimately transmitted to the public about the archive which later turned out to be inaccurate.

³⁵⁸ *Id.*

³⁵⁹ Staff Member 20 interview (2 October 2006); Company Representative 4 interview (2 October 2006).

³⁶⁰ Scott Trepel, President of Robert Siegel Auction Galleries, David Feldman, and other philatelic experts from the field could not agree whether it was better to sell the lots individually or together as one item. Consequently, the Task Force did not take reach a conclusion on this issue. See, e.g., The Task Force note-to-file (16 August 2006) (regarding Michael Lawrence); Company Representative 5 interview (17 August 2006); Company Representative 6 interview (21 August 2006).

³⁶¹ While the auction actually raised US\$3.068 million, the auction house retained a portion as a fee for its services. Contract no. PD/C0055/01 and Company Representative 4 interview (2 October 2006).

³⁶² "U.N. archive resold three weeks after auction sale," *Linn's Stamp News*, 23 June 2003, p. 1.

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IX. ACCESS TO TELEPHONE RECORDS

A. BACKGROUND

277. On 20 April 2006, pursuant to ongoing investigative efforts of the Task Force, a search was conducted of the offices of the Subject. Amongst the items retrieved by investigators during this search were several computer floppy diskettes found in the Subject's desk drawer. After reviewing their contents, investigators discovered one diskette contained the detailed outgoing telephone call records for three telephone extensions associated with two United Nations staff members. The records covered the period of May and June 2004. During these two months, the telephone extensions had been assigned to the office of Dileep Nair, Under-Secretary-General for OIOS, and his administrative assistant, Olivia Ellis.

278. As an Under Secretary-General for OIOS, Mr. Nair was responsible for conducting oversight investigations within the United Nations and reporting their results. During this time, his telephone extensions were 3-6196 and 6197, while his personal assistant, Ms. Ellis, was issued extension 8008.³⁶³

279. The Task Force thereafter examined the retrieval of this sensitive information and whether existing regulations or rules were contravened by such actions. It is important to note that while this matter does not concern procurement, the Task Force was directed to pursue it by the Under Secretary-General for OIOS as it properly was within her purview.

B. UNITED NATIONS TELEPHONE SYSTEM

280. At relevant times, the telephone records for the United Nations Headquarters were electronically maintained in the Secretariat building. These records detailed *inter alia* the telephone numbers of the outgoing calls dialed, the times, duration of the call and the extension from which the calls were made.

281. The department with responsibility for maintaining these records is the Information Technology Services Division ("ITSD") and is within the authority of the Department of Management.

282. ITSD is headed by a senior officer who answers directly to the Assistant Secretary-General for the Department of Management. In June 2004, the Assistant Secretary-General for the Department of Management was the Subject.

C. RULES GOVERNING IT RESOURCES

283. Prior to April 2001, the United Nations did not have a formal staff rule in place governing the legitimate retrieval of Information Technology ("IT") data and protecting against its unauthorized use. Such data includes information detailing the use of United Nations telephones. However, it is axiomatic that such information is sensitive, and its

³⁶³ Staff Member 29 interview (28 August 2006).

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retrieval is a delicate matter. It is further clear that access to such information and records is available to only a very few within the Organisation. It was well established that only OIOS and Department of Security personnel were authorized to retrieve such data.

284. In that regard, on 24 April 2001, Mr. Toshiyuki Niwa of the OCSS, sent a memorandum to Mr. Hans Corell of OLA, entitled "Protection of electronic records," which addressed this issue. The memorandum set forth interim procedures to be immediately instituted and outlined steps to be followed for any request of IT data, which included telephone, computer, and email records. Staff Member 6, Director, ITSD told the Task Force that these guidelines were designed and implemented to protect the privacy rights of the staff member. The underlying objective was to insure that only duly authorized access to data was given and that such requests for access were fully noted. Requests for certain information had to be directed to the Director of ITSD. ITSD was authorized to only accept requests from OIOS, OLA, the Office of Human Resources Management ("OHRM"), and Chief of Security and Safety Service. The memorandum further provided that any request must be in writing and provide pertinent information, such as a short description of the data required, the name of the staff member from the requesting office in whose presence the search will be conducted, and to whom the records will be delivered. In exceptional cases, ITSD could respond to verbal requests from an authorized official if the requester submitted a written request immediately thereafter. Moreover, the designated staff member from the requesting office was required to sign a note confirming his request for access to the data. Finally, the memorandum established a special register to be maintained in a secure place in the Office of the Director of ITSD, with limited access control.

285. On 8 June 2001, Mr. Corell responded with a written memorandum.³⁶⁴ He agreed interim measures were warranted, and suggested that a more formal review of the matter was necessary, by way of an Administrative Instruction. He believed the matter would need to be carefully examined, and felt any future United Nations rules on the practice should be based on those of the national jurisdictions and other similar international organizations.

286. During 2001, the Subject, in his capacity as Director of Facilities and Commercial Services Division, received a copy of Mr. Correll's memorandum.

287. On 29 November 2004, a Secretary-General's bulletin was issued regarding the use of information and communication technology resources and data.³⁶⁵ This bulletin was a comprehensive approach in dealing with the proper use and security of information technology and its related resources and data. Many of the provisions incorporated into this bulletin were taken from Mr. Niwa's 24 April 2001 interoffice memorandum, referred to above, and were included as requirements.

³⁶⁴ Hans Corell memorandum to Toshiyuki Niwa (8 June 2001).

³⁶⁵ ST/SGB/2004/15.

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D. INVESTIGATION BY THE TASK FORCE

288. An initial review of the floppy diskette revealed a spreadsheet format which contained the detailed outgoing telephone calling records for extensions 3-6196, 6197 and 8008, for the period May and June 2004. After a more thorough examination, the Task Force discovered the information had been generated from the computer of Mr. Henry Withers, on 29 June 2004 at 12:39:18 p.m.³⁶⁶

1. The Subject's Request for the Information

289. In the spring 2004, Staff Member 7 was the Chief of the Voice Communications Unit, and Voice and Messaging Section of ITSD. In the past, Staff Member 7 occasionally received requests for detailed telephone calling records. Because this information was highly confidential, he provided it only to those individuals who were authorized to receive it. Staff Member 7 typically received such requests from the U.N. Security Service or from OIOS. He explained that if a request came from one of his superiors, he followed the established protocol. If he received a request from someone outside his chain of command, however, he referred the matter to Mr. Eduardo Blinder or Mr. John Campbell in ITSD.³⁶⁷

290. Initially, Staff Member 7 said he did not recall generating the records found on the diskette in the Subject's office, nor any requests made by the Subject.³⁶⁸ However, he later admitted that over the years, he had received "confidential" requests for telephone data, including one from the Subject. After his interview, he telephoned a Task Force investigator to clarify his original statement.³⁶⁹ In this subsequent conversation, he told the Task Force that in June 2004 he was called to the Subject's office and the Subject asked him to run call histories on certain telephone extensions, which the Subject provided. The Subject further instructed him that he was not to disclose this request to anyone. Staff Member 7 ran the numbers, copied the information onto an electronic storage device and delivered it to the Subject. The Subject then asked Staff Member 7 whether he saved the data on his computer. After confirming he had, Staff Member 7 said the subject instructed him to delete both the request and the telephone numbers from his computer. He again cautioned Staff Member 7 he was "not to say anything." Staff Member 7 returned to his office and ran a deletion software program to remove all the information and make the fact of the search undetectable.³⁷⁰

2. Absence of Formal Request for the Information

291. The Task Force contacted Staff Member 6, Director of ITSD, to determine whether there was any protocol in place governing access to U.N. telephone calling records or other sensitive IT data. According to Staff Member 6, requests for such

³⁶⁶ Spreadsheet of Dileep Nair telephone calls (May and June 2004).

³⁶⁷ Staff Member 7 interview (12 May 2006).

³⁶⁸ *Id.*

³⁶⁹ *Id.*

³⁷⁰ *Id.*

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information are only made either by OIOS or Security personnel. Staff Member 6's unit indeed had an established procedure for documenting such requests. Staff Member 6 told the Task Force that once a request is made, his unit entered the request into a binder to memorialize and maintain such requests.

292. At the Task Force's request, Staff Member 6 provided investigators access to the binders containing the official requests so a review could be conducted. A search of the records did not identify any request for Mr. Nair's telephone records for the months of May and June 2004. Staff Member 6 told the Task Force that as a result of this inquiry, he discovered the Subject had indeed contacted Staff Member 6 directly to obtain this information. He confirmed that the Subject's request was not officially recorded, nor was it handled in the proper manner.

3. Absence of Notification to Dileep Nair

293. Mr. Nair had never been advised by any United Nations official that his office telephone records were sought or obtained for review. In fact, he only learned of this fact recently, after the Task Force's investigation exposed the matter. If Mr. Nair had been advised of such a request, he said he would have vehemently objected because he considers such actions to be highly improper. Mr. Nair explained that OIOS was intended to be operationally independent. Accordingly, special measures should have been taken to obtain the telephone records of any OIOS representative, especially that of its USG. While he could not cite any explicit rules preventing the release of this information, in his view, this conduct threatened OIOS's statutory independence.

294. The Task Force investigators asked Mr. Nair whether he had been subject of any investigative action. He informed the Task Force that an incident had occurred in June or July 2004. An anonymous letter surfaced in connection with complaints made by the United Nations Staff Council alleging corrupt practices in recruitment and promotion in his office. At that time, the Chef de Cabinet told him Ms. Catherine Bertini, Under-Secretary-General for the Department of Management, would be looking into this matter. Mr. Nair said he was cleared of these allegations.

295. Notwithstanding this complaint, Mr. Nair reiterated his belief that it was highly improper for the Department of Management to investigate OIOS. On the contrary, any investigation into OIOS should have been conducted by an external, independent entity. Pursuant to the Rules of Protocol and Investigation which were formulated in 2003 or 2004, all investigations were strictly within the purview of OIOS alone, and no other division. Mr. Nair acknowledged a lack of clearly defined supervisory rules on this issue, and believed the Secretary-General had the authority to investigate all improprieties.

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4. The Subject's Explanation

296. The Task Force showed the Subject several interoffice memorandums discussing the "Protection of Electronic Records," at least one of which he received as a copy.³⁷¹ He admitted that at the time of his request, he knew the protocol stipulated that all requests for this material needed to be documented.

297. Shortly before Mr. Withers carried out the Subject's instruction to obtain the telephone data, the Subject was called to Ms. Bertini's office. Ms. Bertini asked the Subject to retrieve Mr. Nair's telephone records for a specific time period. Although the Subject claimed Ms. Bertini never provided a specific reason for her request, she did explain that the Secretary-General himself requested the investigation.³⁷² She added that the investigation was extremely confidential.

298. The Subject conceded that while it was Ms. Bertini's idea to retrieve the telephone records, it was his decision to circumvent the proper procedure in light of the confidential nature of the investigation. Consequently, he decided he would not submit the request to Mr. Blinder and have it recorded; instead, he chose to deal directly with the staff member who conducted this type of search.

299. The Subject also admitted he contacted Mr. Withers directly to run the request and that Mr. Withers provided him with the results of his search. The Subject stated that he never instructed Mr. Withers to delete the print out. However, the Subject confirmed instructing Mr. Withers not to divulge the search to anyone.³⁷³

300. The Subject claimed he relied on Ms. Bertini's assertion that the Secretary-General authorized this investigation. The Subject acknowledged that it was unclear as to which department had the authority to investigate the head of OIOS. Nevertheless, he believed the Secretary-General had the necessary authority to do so. In his view, he was simply doing what he had been instructed to do by his superior.

301. The Task Force uncovered some evidence which appeared to corroborate the Subject's belief that the Secretary-General authorized the investigation. The Task Force was told by Ms. Bertini that she instructed the Subject to obtain the telephone records as she in turn had been instructed by the Secretary-General himself to conduct an inquiry of Mr. Nair and leaks to the press. In fact, the Task Force identified an email of 29 June 2004, sent by the Subject to Ms. Bertini which referred to "Your call with SG." In the message, the Subject informed Ms. Bertini that "I am checking other details. The one communication previously mentioned on 28 May for 11 mins."³⁷⁴ The Task Force discovered that a telephone call had been placed to Switzerland from Mr. Nair's extension, on 28 May 2004.³⁷⁵ According to the telephone records, the call lasted 11

³⁷¹ Toshiyuki Niwa memorandum to Hans Correll (24 April 2001); Dileep Nair memorandum to Toshiyuki Niwa (3 May 2001); Hans Correll memorandum to Toshiyuki Niwa (8 June 2001).

³⁷² The Subject interview (4 October 2006).

³⁷³ Staff Member 7 interview (12 May 2006).

³⁷⁴ The Subject email to Catherine Bertini (29 June 2004).

³⁷⁵ Spreadsheet of Dileep Nair telephone calls (May and June 2004).

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minutes. Initially, the Subject told the Task Force that he was not told of the reason for the investigation. However, when he was asked why he focused on this particular call, he admitted he had been told to look for telephone calls to Switzerland and possibly Vienna.³⁷⁶ The Subject believed the investigation of Mr. Nair was related to a pending OIOS investigation into Mr. Rudd Lubbers.

302. The Secretary-General was asked about his knowledge of events surrounding the retrieval of Mr. Nair's telephone records. The Secretary-General explained that he had been concerned about leaks of confidential information from OIOS and in particular by Mr. Nair and he therefore charged Ms. Bertini to look into the matter. He said, he was not aware how Ms. Bertini was to accomplish this, nor did he inquire.

E. EVALUATION BY THE TASK FORCE

303. The Subject claimed the only reason he requested Staff Member 7 to extract the history for these telephone numbers was as a result of the instruction of his supervisor, Ms. Bertini, and believed that the Secretary-General had authorized this investigation, having been so assured by her. This belief appears to have been made in good faith, as evidenced by his 29 June 2004 email to Ms. Bertini, in which he references the Secretary-General.

304. Nevertheless, the Subject admitted he knew there were firm procedures in place at the time to gather such sensitive information and that he failed to follow them. In fact, a protocol existed which required such requests to be memorialized in writing, and tracked. Such information is obviously sensitive, and access should be duly noted. In fact, a Bulletin came into effect shortly thereafter in November 2004, providing precise and exhaustive guidance on the manner in which such information may be obtained, and those authorized to retrieve such information. The Subject admitted to knowingly circumventing the established protocol at the time, but claimed he did so in order to maintain confidentiality.

305. The Task Force is of the view that the process the Subject employed to obtain this information, and thereafter maintain the secrecy of the search, was improper. Although there was no formal rule at the time governing the access to such material, there were several memorandums addressing the topic, and ITSD had an established procedure in place.³⁷⁷ The Subject failed to comply with the spirit and practice of these protocols, and his acts resulted in a failure to document the request in any manner and resulted in the destruction of evidence of the search.

³⁷⁶ The Subject interview (4 October 2006).

³⁷⁷ The Secretary-General's bulletin governing access to this material was not published until 29 November 2004. ST/SGB2004/15.

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X. TCIL**A. INTRODUCTION**

306. On 27 July 2006, the Task Force issued a Report on Telecommunications Consultants of India, Ltd. (“TCIL”), Thunderbird Industries (“Thunderbird”), and PCP (“the TCIL Report”).³⁷⁸ In that Report, the Task Force summarized its investigations into allegations of wrongdoing and favouritism by Procurement Officer Mr. Sanjaya Bahel regarding a support staff contract with TCIL. The Task Force has investigated the allegations at length and found that: the contract for Information Technology and Communications Staffing Support (“the TCIL contract”) had been steered towards this vendor; that the vendor was favoured in the process; and that representatives and agents of the vendor bestowed tangible and intangible benefits upon Mr. Bahel. As a result, the Task Force concluded that the United Nations had been defrauded.³⁷⁹

307. The current Report addresses the Subject’s conduct, participation, and management oversight of the TCIL contract and Mr. Bahel. In particular, the Task Force examined the Subject’s knowledge and participation in the procurement exercise, and the exercise of his managerial responsibility of Mr. Bahel as his direct supervisor. As the Chief of the Procurement Section, Director of Facilities and Commercial Services and the Officer-in-Charge of the Procurement Service, the Subject bore managerial responsibility for the decision-making process in connection with the TCIL contract, certainly on those matters in which he was made aware and approved the actions of subordinate staff.³⁸⁰

B. PROCUREMENT OF THE TCIL CONTRACT

308. In 2000, the Organisation required support staff for its peacekeeping operations (Missions) located throughout the world. In particular, some Missions needed staff that specialized in communications and information technology. Since this was a global contract, the Procurement Service at Headquarters handled the procurement after the Communications and Electronics Services Section (“CESS”) of FALD submitted the requisition.³⁸¹

309. Mr. Bahel, who was then the Chief of the Headquarters Procurement Section, was also appointed by the Subject to serve as the Officer-in-Charge of the entire Procurement Service. As such, Mr. Bahel supervised the procurement exercise and the procurement

³⁷⁸ Procurement Task Force, TCIL/Thunderbird/PCP Investigation Report – Interim Report on Mr. Sanjaya Bahel (27 July 2006).

³⁷⁹ Contract for Communications and IT Staffing Support Services no. PD/CO049/00.

³⁸⁰ The Subject email to the Task Force (5 October 2006); Toshiyuki Niwa memorandum to OCSS Programme Managers (1 November 2000).

³⁸¹ Rudy Sanchez memorandum to Sanjaya Bahel (26 November 1999); Sanjaya Bahel memorandum to Rudy Sanchez (30 November 1999).

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officers assigned to the case.³⁸² Mr. Bahel participated in the implementation of the contract from its inception in 1999, and until he was reassigned in the fall of 2002.³⁸³

310. In October 1999, the Procurement Service issued an RFP to 60 vendors. In the RFP, the United Nations sought submissions for “Communications and Information Technology Staffing Support, including network installation, and maintenance of communications and information technology equipment in support of United Nations operations world wide.”³⁸⁴ Six vendors responded. The Procurement Service forwarded the responses to CESS for technical evaluations.³⁸⁵

311. During the evaluation process, CESS raised a concern about the ability of one vendor to provide sufficient qualified staff in a timely manner and suggested that the award be split among several vendors.³⁸⁶ Mr. Sanchez, the Chief of CESS, therefore contacted Mr. Bahel and recommended such a proposal. Later, Mr. Phelan, the Chief of Logistics and Communications Service, reiterated the recommendation in a written confirmation to the Subject.³⁸⁷

312. Nevertheless, Mr. Bahel refused to split the award since the RFP never informed vendors about this option.³⁸⁸ However, in an effort to assuage CESS’s concerns, he promised that the Procurement Service would take “prompt and appropriate action” to ensure that the United Nations received qualified support staff, and that adequate safeguards would be incorporated into the contract.³⁸⁹ Relying on CESS’s technical evaluation of the submitted proposals, the Procurement Service then recommended that TCIL be awarded the entire contract since it was the lowest technically compliant bidder.³⁹⁰

C. THE AWARD OF THE CONTRACT

313. On 8 February 2000, upon the request of the Subject, the HCC heard an unscheduled—“walk-in”—presentation of the contract by the Procurement Service due to the operational urgency claimed by Mr. Bahel for the services in question.³⁹¹

314. During the hearing, the Committee members raised several concerns with the proposed contract. First, they questioned the quality of the recommended company and its ability to perform in compliance with all of the terms set forth in the contract, especially since it had been selected solely on the basis of offering the lowest cost.

³⁸² The Subject memorandum to Sanjaya Bahel *et. al.* (14 November 2000).

³⁸³ *Id.*; Sanjaya Bahel Personnel File (30 June 2002).

³⁸⁴ RFP for the TCIL Contract (13 October 1999); The Subject memorandum to Eduardo Blinder (8 February 2000).

³⁸⁵ Presentation to the HCC (8 February 2000).

³⁸⁶ Rudy Sanchez memorandum to Sanjaya Bahel (26 November 1999).

³⁸⁷ *Id.*; Peter Phelan memorandum to the Subject (6 December 1999).

³⁸⁸ Sanjaya Bahel memorandum to Rudy Sanchez (30 November 1999).

³⁸⁹ Rudy Sanchez memorandum to Sanjaya Bahel (5 January 2000).

³⁹⁰ *Id.*; Sanjaya Bahel memorandum to Rudy Sanchez (30 November 1999).

³⁹¹ The Subject memorandum to Eduardo Blinder (08 February 2000); Minutes of HCC meeting no. HCC/00/10 (8 February 2000).

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Second, the members noted “the lack of control over the contracted staff, including payments to staff and their duration at the mission.” Third, the Committee members queried whether it was appropriate that the Mission Subsistence Allowance (“MSA”) payments were to be made directly to the company rather than the contracted staff. Finally, the HCC was concerned with other non-monetary issues, including that the Organisation was required to comply with the minimum labour standards when contracting for staffing services. Accordingly, the HCC recommended that the Procurement Service consult OLA to make sure these personnel issues, humanitarian concerns, and administrative matters were fully addressed.³⁹² Despite its apprehension, the HCC recommended TCIL be awarded the contract on the grounds that TCIL had the lowest acceptable proposal.³⁹³

315. The following month, Mr. Bahel requested that OLA conduct a speedy review of the draft contract. In an effort to expedite the matter, he advised OLA that the proposed contract was “tailored along the lines” of another contract, United Nations contract for engineering support with IECS-IRCON. This latter contract had already been vetted by OLA.³⁹⁴ Mr. Bahel, familiar with both contracts, failed to notify OLA of the existing problems with IECS-IRCON contract.³⁹⁵ In effect, he deprived OLA of having the opportunity to prevent similar problems from occurring during the subsequent implementation of the TCIL contract.

316. Four months after the presentation to the HCC, the United Nations entered into a three-year staffing contract with TCIL. Valued originally at almost US\$8 million, TCIL contract was subsequently extended and capped at over US\$33 million in the fifth and final year of the contract.³⁹⁶

317. Although the Subject signed the request for a “walk-in” presentation, the Subject later claimed that he recalled little about the HCC process.³⁹⁷ He asserted that he did not remember CESS requesting a split award, even though he received a memorandum from CESS regarding this specific matter.³⁹⁸ The Subject also said he had no recollection of being briefed on any of the Committee’s concerns with regard to MSA payments, compliance with labour standards, or the quality of the company recommended for the award. Similarly, the Subject did not recall being informed of the HCC’s recommendation that the Procurement Service confer with OLA to address certain matters. Furthermore, the Subject claimed he never knew that the Procurement Service

³⁹² *Id.*

³⁹³ *Id.* The award was based on Financial Rule 10.21 as the lowest acceptable proposal.

³⁹⁴ Sanjaya Bahel memorandum to Bruce Rashkow (23 March 2000).

³⁹⁵ The IECS-IRCON contract for engineering support was entered into by the United Nations in 1995; Christopher Fathers email to Amrit Basnyat (29 February 1996); Christopher Fathers facsimile to Radha Oberoi *et. al.* (12 June 1996); Christopher Fathers facsimile to IECS/IRCON (12 June 1996) (copied to copy to Mr. Bahel); William Galland facsimile to Stephen Etsell (7 August 2000).

³⁹⁶ Contract PD/CO049/00 (20 June 2000); List of Contracts with Purchase Order Information, System Contracts Database, Field Procurement Section Communications (6 October 2006).

³⁹⁷ Peter Phelan memorandum to the Subject (6 December 1999).

³⁹⁸ The Subject interview (4 October 2006) (agreeing with Mr. Bahel’s position and maintained his belief that such action would not have complied with the RFP).

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relied on the IECS-IRCON contract as a basis for the TCIL contract, or that there were any prior problems with the IECS-IRCON contract.³⁹⁹

D. PROBLEMS WITH THE TCIL CONTRACT

318. In late August 2000, TCIL began to provide support staff to the United Nations missions. From the very beginning, the Organisation experienced serious problems as a result of TCIL's failure to comply with the contract terms, as well as the RFP. The concerns of the HCC expressed at the time (termed as "hypothetical" at the time by Mr Bahel)—TCIL's ability to perform all of the services of the contract, its control over the contracted staff, and its payment of MSA to deployed staff—in fact emerged as real obstacles for the continuity and efficiency of operations of the United Nations missions, as discussed below.

319. First deployments proved that TCIL was not prepared to meet its obligation under the contract to supply missions with qualified personnel in a timely manner primarily because of two reasons. First, the majority of TCIL staff deployed to the missions either did not have a valid driver's license (an RFP requirement) and/or could not pass the United Nations driver's test for the operation of a 4x4 motor vehicle.⁴⁰⁰ Second, TCIL was not adequately providing for the general welfare of its personnel, as stipulated in Article 13 of the contract.⁴⁰¹ Deployed with US\$300 to US\$500 on hand, TCIL staff was unable to cover their boarding and food.⁴⁰² In fact, the situation became so dire that the missions themselves were forced to intervene and take steps to help the employees pay their bills and survive.⁴⁰³ Some missions advanced the staff money, or provided the actual food and accommodations against future MSA payments. Others used a combination of both methods, and then deducted the amounts against future disbursements to TCIL.⁴⁰⁴

320. Both problems affected United Nations peacekeeping missions operationally and financially because TCIL staff could not be efficiently deployed throughout the missions

³⁹⁹ *Id.*

⁴⁰⁰ Hocine Medili facsimile to Administration of UNMIK, UNMIL, UNLB, UNTAET, MONUC, UNAMSIL Missions (19 September 2000); Kanwarjit Sachdeva facsimile to G.S. Chauhan (14 September 2000); TCIL Technicians letter to MONUC CAO (23 November 2000); Rudy Sanchez memorandum to John Mullen (4 October 2000).

⁴⁰¹ Contract PD/CO049/00, art. 13.

⁴⁰² Rudy Sanchez email to Kanwarjit Sachdeva and Henry Thompson (31 October 2000); Hany Abdel-Aziz facsimile to Hocine Medili (12 November 2000); Hany Abdel-Aziz facsimile to Hocine Medili (10 November 2000); Livio Calgaro facsimile to Hocine Medili (23 October 2000).

⁴⁰³ Hany Abdel-Aziz facsimile to Hocine Medili (25 October 2000); TCIL Technicians letter to CAO MONUC (23 November 2000).

⁴⁰⁴ Hocine Medili facsimile to Hany Abdel-Aziz (12 September 2000); Hany Abdel-Aziz facsimiles to Hocine Medili (10 and 12 November 2000); Livio Calgaro facsimile to Hocine Medili (25 October 2000).

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or to remote locations.⁴⁰⁵ Although these problems existed at several missions, they were most pronounced at the missions in Congo, Liberia and Kosovo.⁴⁰⁶

E. KNOWLEDGE OF THE PROBLEMS BY THE UNITED NATIONS HEADQUARTERS

321. As early as September 2000, the missions began to complain to the United Nations Headquarters about the situation with TCIL-deployments.⁴⁰⁷ At the same time, TCIL staff complained directly to its senior management at TCIL.⁴⁰⁸ These issues affected not only the morale of the technicians, but they also affected TCIL's performance under the contract.⁴⁰⁹

322. CESS officials turned the matter over to the Procurement Service as the Procurement Service was responsible for negotiating and dealing with the commercial aspects of the contract. CESS brought both of these issues to the Procurement Service's attention and urged the Procurement Service to force TCIL to comply with the contract terms.⁴¹⁰

323. The Procurement Service followed with a series of communications between case officer Mr. Sachdeva and TCIL representative to the United Nations, Mr. N. Singh, in September-October 2000. Mr. Sachdeva urged Mr. N. Singh to look into voiced allegations that TCIL was not reimbursing its employees for their services and to resolve the issues.⁴¹¹ Mr. Sachdeva warned TCIL that that was a "very serious issue" that "could have potential impact on UN activities."⁴¹²

324. In his replies, Mr. N. Singh blamed the delay in reimbursements on a banking error, assured that the matter had been resolved and that TCIL's staff had "received sufficient and surplus funds."⁴¹³ He also advised the Procurement Service that a senior executive, Mr. U.B. Singh, would be dispatched to the United Nations Mission in Congo ("MONUC") to "investigate the matters there."⁴¹⁴

⁴⁰⁵ Hocine Medili facsimile to Administration of UNMIK, UNMIL, UNLB, UNTAET, MONUC, UNAMSIL Missions (19 September 2000); Hany Abdel-Aziz facsimile to Hocine Medili (10 November 2000).

⁴⁰⁶ *Id.*; Hany Abdel-Aziz facsimile to Hocine Medili (6 November 2000).

⁴⁰⁷ Hocine Medili facsimile to Hany Abdel-Aziz (12 September 2000).

⁴⁰⁸ TCIL Staff letter to G.S. Chauhan (19 September 2000).

⁴⁰⁹ Michael Fletcher email to Kanwarjit Sachdeva (2 November 2000).

⁴¹⁰ Rudy Sanchez email to Henry Thomson (31 October 2000) (forwarding the email from Henry Thomson and letter of the TCIL personnel regarding TCIL failure's to provide for them); Michael Fletcher email to Kanwarjit Sachdeva (02 November 2000).

⁴¹¹ Kanwarjit Sachdeva email to N. Singh (6 October 2000).

⁴¹² Kanwarjit Sachdeva email to N. Singh (11 October 2000).

⁴¹³ N. Singh email to Kanwarjit Sachdeva (11 October 2000).

⁴¹⁴ N. Singh email to Kanwarjit Sachdeva (11 October 2000).

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325. The visit of Mr. U.B. Singh to MONUC did not resolve the issue with MSA payments.⁴¹⁵ The Mission Administration told Mr. U.B. Singh that the Mission had advanced his employees US\$2,000 just to allow them to pay their hotel bills, since TCIL had not provided such support. Mr. U.B. Singh also was advised to seek amendments to the contract with the Procurement Service in New York, if TCIL was unable to transfer funds to its staff in the mission's operations area.⁴¹⁶

326. As a result of the visit, the situation for many of TCIL's staff actually worsened. In fact, Mr. U.B. Singh and team leaders threatened some support staff with termination and deportation back to India if they continued to complain to the United Nations or seek payment of their subsistence allowances from the Mission.⁴¹⁷ Despite TCIL's assurances, FALD continued to receive complaints and requests for assistance from the Missions, which it continued to forward to the Procurement Service.⁴¹⁸

327. In November 2000, Mr. Sachdeva received a facsimile from TCIL headquarters in India which flatly denied the staff complaints. TCIL wrote that as a "Government of India Organization," most of its employees were government workers. Accordingly, the company was "dutifully bound to provide them pay and allowance and other facilities as per statutory rules." TCIL claimed it was paying the employees their daily allowance as per the contract. Moreover, TCIL bore "all their expenses towards full boarding, lodging, medical insurance, transport, etc." The company assured that it would quickly resolve outstanding issues with its staff in MONUC.⁴¹⁹

⁴¹⁵ Mike McNally note-to-file (17 October 2000); TCIL staff letter to the Mission's Chief Communication Officer (13 October 2000).

⁴¹⁶ Mike McNally note-to-file (17 October 2000).

⁴¹⁷ *Id.*; TCIL staff letter to the Mission Chief Communication Officer (13 October 2000); TCIL staff letter to Henry Thomson (31 October 2000).

⁴¹⁸ Johannes Wortel facsimile to Hocine Medili (27 October 2000); Henry Thompson email to Rudy Sanchez (31 October 2000); Rudy Sanchez memorandum to John Mullen (31 October 2000).

⁴¹⁹ Johannes Wortel facsimile to Hocine Medili (27 October 2000); Henry Thompson email to Rudy Sanchez (31 October 2000); Rudy Sanchez memorandum to John Mullen (31 October 2000); G.S. Chauhan facsimile to Kanwarjit Sachdeva (3 November 2000).

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We are a Govt of India organisation and most of our personnel are Govt employees. They are governed by Govt of India rules and regulations. Accordingly, we are dutifully bound to provide them pay and allowances and other facilities as per statutory rules. While on deputations to UN Missions, we pay them Daily allowance and, in addition, we bear all their expenses towards full boarding, lodging, medical, insurance, transport etc. Keeping in view their security, they are accommodated in groups. With such arrangements, they are more comfortable off-duty and more efficient on the job.

Besides this, we are posting our Team Leaders to the Missions at our cost to take care of their common problems and welfare. In India, we pay them full salaries and allowances for the upkeep of their families. They and their families are given all other benefits such as housing or house allowance, medical leave travel, pensionary and gratuity contribution, insurance etc in India.

1. TCIL staff assigned to Missions are being provided necessary allowance as per contract.
2. All TCIL staff are being provided necessary local subsistence in accordance with that agreed to under the contract. As regards MONUC, issue will be resolved soon.

Figure: G.S. Chauhan facsimile to Kanwarjit Sachdeva (3 November 2000) (identifying Mr Chauhan as the Group General Manager of TCIL)

328. Mr. Bahel accepted TCIL's explanation at face value and forwarded the letter to CESS for information. Mr. Bahel recognized that TCIL staff had been complaining to the missions about their lack of MSA, and cautioned that the missions should "handle and manage the contract with care." Nevertheless, he relied on TCIL's assurances and told the missions to encourage TCIL staff to resolve any payment problems directly with TCIL. Only if the mission administration noticed "obvious and verifiable abuse," should it then notify the United Nations Headquarters.⁴²⁰ As more fully set forth in the Bahel report, this act was one in a series to purposefully favour the company, and its agents, Nishan and Nanak Kohli, and advance their collective interests.

F. MONUC RESIDENT AUDITOR'S INVOLVEMENT

1. The Resident Auditor's Findings

329. In October and November 2000, MONUC staff members requested the Mission's Resident Auditor to examine the TCIL contract. One specific area they asked him to examine was whether TCIL was paying MSA amounts to its employees which were required. If not, TCIL was failing to "adher[ing] to labour standards."⁴²¹

330. During the course of his review, the Resident Auditor discovered serious problems with the contract. He contacted both CESS and the Procurement Service, and suggested that OIOS get involved. In particular, he was concerned that the United Nations had been reimbursing TCIL for MSA amounts, but TCIL was not actually paying

⁴²⁰ Sanjaya Bahel memorandum to Mr. Phelan (6 November 2000).

⁴²¹ Edwin Nhliziyo email to Livio Calgaro (24 October 2000); Edwin Nhliziyo email to Kanwarjit Sachdeva (15 November 2000).

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this money to its employees. He questioned whether this action constituted a breach of the contract and whether the United Nations had any obligations with respect to labour laws. Accordingly, he requested OIOS to review the contract to clarify these matters.⁴²²

2. Response of the United Nations Headquarters

331. CESS officials responded positively to the Resident Auditor's request and supported both a formal review of the contract and intervention by OIOS. In its correspondence to the Procurement Service, CESS further maintained that TCIL was supposed to show "proof of payment [of MSA amounts] before" the United Nations paid the Contractor and expressed "hope that [the Procurement Service] will enforce this provision in the contract." The exchange with CESS and the Resident Auditor was forwarded by Mr. Sachdeva to Mr. Bahel, Officer-in-Charge of the Procurement Service, and Mr. Mullen, Chief of the Headquarters Procurement Section of the Procurement Service.⁴²³

332. On the other hand, the Procurement Service did not welcome the Resident Auditor's involvement. Mr. Bahel instructed the case officer (with a copy sent to John Mullen and Sergei Shishkin of the Internal Audit Division) to clarify certain provisions in the contract to CESS. Mr. Bahel underscored that MSA amounts were "*payable to the contractor* when they invoice us." He further asserted that no "contractual clause state[d] that MSA/DSA elements [were] payable directly or fully to the contractor's staff." In conclusion, he offered to refer the issue to OLA if FALD needed any further clarification.⁴²⁴

333. Mr. Bahel further expressed his discontent with the Resident Auditor's actions in a critical email that he sent directly to the Resident Auditor and his supervisor, Mr. Sergei Shishkin. Ms. Esther Stern, the Director of the Audit and Management Consultancy Division ("AMCD"), received a copy of Mr. Bahel's email.⁴²⁵ While Mr. Bahel acknowledged that contract was "full of problems" and if not corrected could lead to "a potential dispute," he openly disagreed with the Resident Auditor's interpretation of the contract. Moreover, he criticized the unsolicited involvement by the Resident Auditor because he felt the interpretation of a contract fell within the jurisdiction of the Procurement Service. Furthermore, Mr. Bahel asserted it was the Procurement Service's prerogative to "take action to involve OLA or which ever other office, when considered appropriate."⁴²⁶

334. Mr. Bahel also dismissed the allegations that TCIL was failing to provide for its staff. He told OIOS that the Procurement Service had reported the issue to TCIL, which assured the United Nations that as "a government companies [sic.]," it was legally bound

⁴²² Edwin Nhliziyo email to Kanwarjit Sachdeva (15 November 2000); Rudy Sanchez email to Edwin Nhliziyo (6 November 2000).

⁴²³ *Id.*

⁴²⁴ Sanjaya Bahel email to Kanwarjit Sachdeva (7 November 2000) (emphasis in the original).

⁴²⁵ Sanjaya Bahel email to Sergei Shishkin and Edwin Nhliziyo (17 November 2000).

⁴²⁶ *Id.*

REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER**STRICTLY CONFIDENTIAL**

to follow the “laws and rules regarding wages/benefits including deputing to foreign land.”⁴²⁷ Furthermore, he maintained the Procurement Service had no right to intervene in internal matters between TCIL and its staff. Additionally, Mr. Bahel asserted that the contract did not contain a clause that allowed OIOS to audit the “contractor or its contracts with its employees.” In Mr. Bahel’s view, an internal staffing problem was “not any of [the United Nations] business.”⁴²⁸

335. Contrary to Mr. Bahel’s assertions, the contract did permit the United Nations to audit TCIL and the contract with its staff. Article 16 of the contract required TCIL to “maintain a separate, complete and accurate set of books and records relating to the Staffing Support” which were to be available “at all times . . . for inspection and audit by UN or Mission auditors.”⁴²⁹

336. Similarly, the contract squarely addressed the issue of MSA payments. Article 13 of the contract stipulated that the payment of MSA to TCIL was “conditional upon the contractor's provision of satisfactory proof that equivalent benefits have been paid or applied by the Contractor to or for the benefit of the Personnel.”⁴³⁰ Furthermore, prior to the amendments to the contract in 2001, the Mission’s Chief Administrative Officer had the discretion to make mission subsistence facilities available to the contractor’s staff in lieu of payment of subsistence amounts to the contractor.⁴³¹

337. Finally, Article 7.7 of the contract required that any “contracts between the Contractor and the Personnel shall conform to the relevant provisions of this Contract.”⁴³²

338. Consequently, under these various sections, the United Nations had the right to verify TCIL’s compliance with its obligations, and indeed an obligation to do so. The Procurement Service’s failure to exercise due diligence and to investigate the numerous allegations of TCIL’s non-compliance from both the TCIL and the United Nations staff, was inadequate and questionable. Ultimately, such a failure was an act in furtherance of the fraudulent scheme which existed between Mr. Bahel, the Kohlis and TCIL to enrich the company through inappropriate favourable treatment by Mr. Bahel.

G. THE SUBJECT’S EARLY INVOLVEMENT

339. In November 2000, the Subject became actively involved in the TCIL contract after the Procurement Service received the comments of the Resident Auditor at MONUC.

340. Prior to this date, the Subject generally delegated the matter to Mr. Bahel. For example, this was the case when Mr. N. Singh of TCIL (Nanak Kohli) contacted the

⁴²⁷ *Id.*; G.S. Chauhan letter to Kanwarjit Sachdeva (3 November 2000).

⁴²⁸ Sanjaya Bahel email to Sergei Shishkin and Edwin Nhliziyo (17 November 2000) (copied to Esther Stern).

⁴²⁹ Contract PS/CO049/00, art. 16.

⁴³⁰ *Id.*, art. 13.

⁴³¹ *Id.*, art. 13.

⁴³² *Id.*, art. 7.7.

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Subject to lodge several complaints against the United Nations missions and their actions. In particular, he wanted to meet with the Subject to address the “contradictions and utter confusion between the UN Headquarters and Missions” and problems with the implementation of the contract created by the United Nations missions by paying TCIL “[s]taff in cash without authorization” and “[p]roviding copies of [the TCIL] Contract” in violation of the confidentiality clause.⁴³³ In response, the Subject simply referred the matter to Mr. Bahel and asked that he handle it.

341. However, the Subject became personally involved and reacted strongly in response to the Resident Auditor’s actions. In several emails to Ms. Stern and Mr. Nair, the Subject censured the Resident Auditor for getting involved in and interpreting a contemporaneous contract. The Subject questioned the “competence and expertise” of the Resident Auditor as to his ability and appropriateness of him “trying to interpret contractual terms.” He suggested that the Resident Auditor overstepped his boundaries and that this issue was best left to OLA.⁴³⁴

342. In an email to the senior management of OIOS, the Subject expressed his disbelief that an auditor was interpreting an ongoing contract, and warned of the potential impact the recommendations could have on the contract. He found the Resident Auditor to have gone “beyond prudence to engage in discussions of an operational nature.”⁴³⁵

343. A month later, the ongoing inquiries from the Resident Auditor prompted further involvement of the Subject. In his email to the senior management of OIOS, OLA, and OCSS, the Subject warned that the “auditor may be taking the organisation on a slippery road to litigation through his interpretation of the contract with TCIL.” Striving to ensure ‘there will not be any ugly finger-pointing in the event the exercise of the contract becomes contentious,’ the Subject urged to develop a “clear definition of roles” and address the issue of the auditors’ “acceptance of responsibility for the recommendations or advice they provide.”⁴³⁶ The Subject then forwarded this email to both Mr. Bahel and Mr. Sachdeva. Ten days later, the Subject wrote to Mr. Bahel again suggesting Mr. Bahel contact Ms. Stern “to discuss auditor’s role in tcil contract”:⁴³⁷

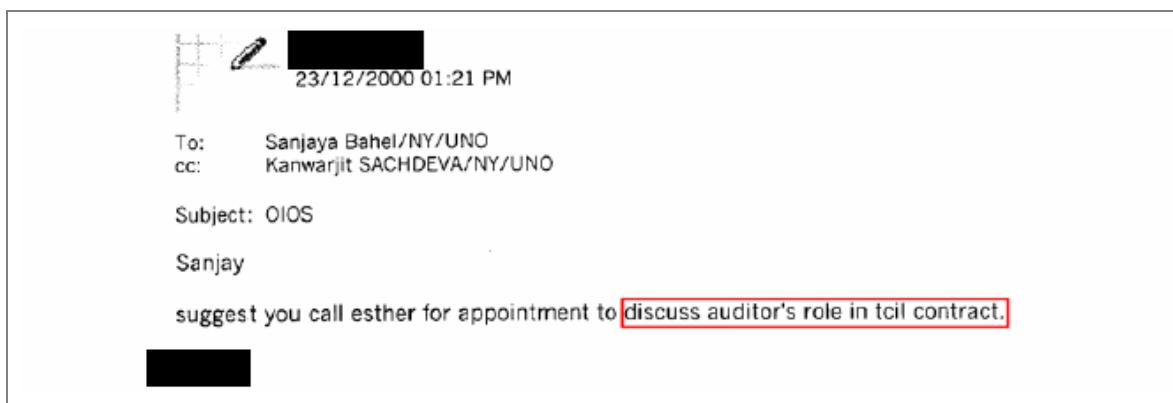
⁴³³ N. Singh email to the Subject (1 November 2000).

⁴³⁴ The Subject email to Esther Stern, Leocadio Dioso, and Dileep Nair (17 November 2000).

⁴³⁵ The Subject email to Esther Stern (16 November 2000); The Subject email to Leocadio Dioso (17 November 2000).

⁴³⁶ The Subject email to Esther Stern, Joseph Connor, Dileep Nair, Toshiyuki Niwa, and Leocadio Dioso (13 December 2000).

⁴³⁷ The Subject email to Sanjaya Bahel (23 December 2000).

REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER**STRICTLY CONFIDENTIAL****Figure: The Subject's email to Sanjaya Bahel (23 December 2000)**

344. The Subject later denied that he was attempting to quash the Resident Auditor's investigation. Nevertheless, the Subject's statements seeking to "define the roles" and "discuss the role of the auditor" stand in sharp contrast to the Subject's previous deference to Mr. Bahel on all the matters surrounding this contract. By criticizing the Resident Auditor before his supervisors, the Subject appears to be attempting to limit the inquiries of the Resident Auditor and effectively thwart his efforts. Such behaviour also directly contradicted the Subject's claim that he merely supervised his employees and played little role in the implementation of the contract itself.⁴³⁸

H. SUBSEQUENT INVESTIGATION

345. In spite of the resistance by the Procurement Service, the Resident Auditor continued his investigation. He eventually learned that TCIL had engaged the services of a third-party, En-Kay Associates. En-Kay Associates provided TCIL with the staff that TCIL eventually sent to staff the United Nations missions. Significantly, TCIL failed to disclose this material fact to the United Nations. In fact, such an arrangement was in direct breach of the contract. Under the contract with the United Nations, TCIL was permitted to use a sub-contractor provided it obtained "the prior written approval and clearance by the United Nations for all subcontractors."⁴³⁹ Since TCIL never notified the United Nations of its arrangements with a third-party, this action violated the contract.

346. There was ample reason for the Resident Auditor's concerns. Reports from MONUC, UNAMSIL, and UNTAET supported the Resident Auditor's finding that the staff deployed by TCIL still did not receive the MSA amounts.⁴⁴⁰ For example, in late November, support staff in Congo wrote to MONUC Chief Administrative Officer

⁴³⁸ The Subject interview (4 October 2006); The Subject email to Sanjaya Bahel (23 December 2000); The Subject email to Esther Stern *et. al.* (13 December 2000), The Subject email to Esther Stern and Leocadio Dioso (17 November 2000); The Subject to Esther Stern (16 November 2000); The Subject email to Leocadio Dioso (16 November 2000).

⁴³⁹ Contract PD/CO049/00, General Conditions of Contract – Annex F, para. 5.

⁴⁴⁰ Hany Abdel-Aziz facsimile to Hocine Medili (12 November 2000); Mike McNally email to Hany Abdel-Aziz (23 November 2000); Hany Abdel-Aziz facsimile to Hocine Medili (21 November 2000).

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(“CAO”) and claimed they had been misled. Specifically, their employer—which they referred to as “EN KAY Associates” and not TCIL—never told them that they needed to possess a driving license or be able to drive.⁴⁴¹ Similarly, despite several visits by a “senior executive,” TCIL still had not made arrangements for the employees’ accommodations and food.⁴⁴² Further, support staff said the employer [En-Kay Associates] had requested an irrevocable bank guarantee of US\$2,175 in its name from each staff to secure employment under the TCIL contract with the United Nations.⁴⁴³

347. In addition, the Resident Auditor examined En-Kay Associates’ contract with the deployed staff. A careful review revealed that En-Kay Associates was not obligated to pay employees dispatched to the field their MSA amounts. The contract did not contain a provision for these payments, even though the TCIL contract required such a clause.⁴⁴⁴ This, too, was in violation of the contract, which required any subcontract to comply with the terms of original TCIL agreement.⁴⁴⁵

348. Furthermore, the Resident Auditor raised the issue of a connection between the TCIL’s representative to the United Nations, Mr. N. Singh, and En-Kay Associates.⁴⁴⁶ He believed Mr. U.B. Singh was a manager of En-Kay Associates, and personally related to Mr. N. Singh, a TCIL representative. Mr. U.B. Singh was also the “senior executive” dispatched to missions to resolve the accommodation and MSA problems of the TCIL staff deployed to the field.⁴⁴⁷

I. AUDIT DIVISION FINDINGS AND THE SUBJECT’S RESPONSE TO THE ALLEGATIONS

349. On 9 January 2001, Ms. Stern forwarded the Resident Auditor’s initial findings to the Assistant Secretary-General for Central Support Services. The Subject received a copy of the report along with a request for “Action.” Ms. Stern advised that there were three major problems with the contract. In particular, TCIL failed to make arrangements for the welfare of its contracted personnel, TCIL failed to disclose and obtain approval for the subcontract with En-Kay Associates, and finally, TCIL failed to deploy qualified staff that possessed a valid driver’s license. Ms. Stern further advised that the final audit of the contract at the United Nations Headquarters level would be postponed until

⁴⁴¹ TCIL Technicians letter to MONUC CAO (23 November 2000).

⁴⁴² N. Singh email to Kanwarjit Sachdeva *et. al.* (11 October 2000); Mike McNally note-to-file (17 October 2000); Hany Abdel-Aziz facsimile to Hocine Medili (25 October 2000); Hany Abdel-Aziz facsimile to Hocine Medili (6 November 2000).

⁴⁴³ TCIL Technicians letter to MONUC CAO (23 November 2000); Bank Guarantee in the name of En-Kay Associates (12 May 2000); Mike McNally email to Hany Abdel-Aziz (23 November 2000); The TCIL Report.

⁴⁴⁴ En-Kay Associates contract with staff (5 July 2000).

⁴⁴⁵ Contract PD/CO049/00, General Conditions of Contract – Annex F, para. 5.

⁴⁴⁶ Edwin Nhliziyo to Sergei Shishkin *et. al.* (24 November 2000).

⁴⁴⁷ N. Singh email to Kanwarjit Sachdeva (11 October 2000).

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February 2001 in order to allow the Procurement Service time to review these findings and “address these and/or other related issues concerning this contract.”⁴⁴⁸

Reference: AUD- 7-15 (0038 /0)

Date: 9 January, 2001

To: Mr. Toshiyuki Niwa, Assistant-Secretary-General
for Central Support Services


From: Esther Stern, Director
Audit and Management Consulting Division
Office of Internal Oversight Services


Subject: **Contract with TCIL**

To: *Mr. Bahel*
cc:

OFFICE OF THE CHIEF PROCUREMENT DIVISION		
LOG	DATE	INITIAL
RC00673	13/1/01	
DISTRIBUTION		FOR
Chief, HPG	<input type="checkbox"/>	Action
Chief, MPPS	<input checked="" type="checkbox"/>	Response
Chief, SSS	<input type="checkbox"/>	Comments
File	<input type="checkbox"/>	Information
Other	<input type="checkbox"/>	Discussion

OLAS

...

- (a) It appeared that TCIL (contractor) has neither paid the subsistence amounts to its staff, nor provided them with food and lodging in the mission area, as required by the contract. Although the contractor was asked several times to correct this situation, he apparently failed to do so;
- (b) The contractor appeared to have sub-contracted the work to another entity (EN-Kay Associates) without the prior approval of the Organization, as required by paragraph 5 of the general conditions of contract;
- (c) The subsistence amounts payable under the contract appeared to have become a source of profit to the contractor and/or certain intermediaries, contrary to the intention that they should be paid to or applied for the benefit of the contractor's staff; and
- (d) Some of the contractor's staff did not possess valid driving licenses as required by the contract, and had to be repatriated after arrival in the mission. This resulted in avoidable problems, which adversely impacted the mission's operations.

...

Copy to:

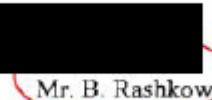

 Mr. B. Rashkow

Figure: Esther Stern memorandum to Toshiyuki Niwa (9 January 2001) (copied to the Subject)

350. The next day, Mr. Bahel received a response from OLA's general legal division regarding his request of November 2000 to determine whether or not the contract required TCIL to “provide Personnel who [had] the ability to pass the UN driver's test, and whether, under the Contract the UN had the right to repatriate any Personnel who failed to pass the test.”⁴⁴⁹ Upon review, OLA advised that the TCIL contract only required a general ability to drive a motor vehicle, and not an “obligation on the part of

⁴⁴⁸ Esther Stern memorandum to Toshiyuki Niwa (9 January 2001).

⁴⁴⁹ Sanjaya Bahel note to Bruce Rashkow (24 November 2000); Bruce Rashkow memorandum to Sanjaya Bahel (10 January 2001).

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the Contractor to provide Personnel capable of passing any of the Mission specific UN driving tests.” Accordingly, the “failure of any Personnel to pass the UN driving test therefore [did] not constitute a valid ground for the UN to request the repatriation of such Personnel.”⁴⁵⁰

351. The response from OLA disregarded provisions of Article 7.6 of the TCIL contract, which permitted the United Nations “at any time and for any reason request the replacement of any of the Personnel. The Contractor shall, at its own cost and expense, replace such Personnel forthwith and in a manner that will not have an adverse impact on the performance of the Staffing Support.”⁴⁵¹ Nevertheless, the Procurement Service proceeded on the basis of OLA’s interpretation of the contract terms. The Procurement Service also accepted OLA’s offer to draft an amendment to the contract to resolve “operational problems” in light of TCIL’s threat to “resort to legal proceedings.”⁴⁵²

352. The response from OLA was incorporated into the Subject’s reply to Ms. Stern’s memorandum. On 29 January 2001, the Subject wrote to Ms. Stern and acknowledged that the Procurement Service was “aware of most of the problems enumerated in your memorandum regarding the subject Contract.” He assured that the Procurement Service was indeed “trying to resolve the issues in due consultation with FALD, OLA, and the vendor.”⁴⁵³

353. With respect to the payment of the MSA to staff, the Subject said the Procurement Service had not been earlier notified of TCIL’s failure to do so. On the contrary, he believed that “for the most part,” TCIL was paying its personnel. Also, the Subject did not believe it would be appropriate for the United Nations to “comment on the financial costing of the company to determine whether or not they was ‘profiting’ from the MSA or any other component of their bid.”⁴⁵⁴

354. The Subject acknowledged that MONUC, however, was a special case because the Mission independently paid TCIL staff advances against future MSA payments, which was in direct violation of the contract. He claimed the Procurement Service was never told about the problems at MONUC prior to the Mission paying out the MSA amounts.⁴⁵⁵

355. Finally, the Subject conveyed TCIL’s explanation that En-Kay Associates was merely a recruiter and not a subcontractor.⁴⁵⁶

356. The Subject later claimed he could not recall the details regarding the developments surrounding the contract. Although he signed the 29 January 2001

⁴⁵⁰ Bruce Rashkow memorandum to Sanjaya Bahel (10 January 2001).

⁴⁵¹ Contract PD/CO049/00, art. 7.6.

⁴⁵² Bruce Rashkow memorandum to Sanjaya Bahel (10 January 2001).

⁴⁵³ The Subject memorandum to Esther Stern (29 January 2001).

⁴⁵⁴ *Id.*

⁴⁵⁵ *Id.*

⁴⁵⁶ *Id.*

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memorandum, he claimed it had been drafted by Mr. Bahel and he merely relied on Mr. Bahel without questioning every detail.⁴⁵⁷

1. Subsequent Developments

357. The Subject's assurance to AMCD that TCIL had resolved these issues soon proved to be untrue. The very next day after his 29 January 2001 memorandum, TCIL staff in UNMIK wrote directly to the Subject to protest their inhumane treatment. Staff members informed the Subject that they were forced to live on US\$5 a day, which was supposed to cover all three meals. When employees complained to the TCIL project manager, they were fired and sent home to India. The manager threatened the remaining staff with termination if they continued to complain.⁴⁵⁸

At the outset, we would like to inform you that we have been working in UNMIK since Sept.2000 employed thru TCIL as EDP technicians(Under contract no.PD/C0049/00 dated 20.June.2000) .

It has been 5 months since we have joined here. Till date we are being for [5us\$ FOR FOOD] we have TO SPENT 2US\$ FOR WATER, A BASIC REQUIRED OF A HUMAN BEING, REMAINING 3 US\$ ARE NOT SUFFICIENT FOR BREAKFAST, LUNCH AND DINNER. AT A NUMBER OF OCCASION ALL OF US REQUESTED TCIL PROJECT MANAGER AT KOSOVO BUT HE REFUSED TO DO ANYTHING ON THE OTHER HAND HE THREATEND US OF OUR JOB IN UN AND IN INDIA ALSO AND HE HAS ALREADY TAKEN THE JOB OF THREE PERSONS AND SEND THEM BACK TO INDIA. THE ACCOMODATION PROVIDED BY PROJECT MANAGER IS NOT SUFFICIENT, FOUR PERSONS ARE FORCED TO

Figure: TCIL staff email to the Subject (30 January 2001)

358. In response, the Subject forwarded the letter to Mr. Sachdeva and Mr. Bahel and instructed that "TCIL has to stop this internal bleeding – NOW."⁴⁵⁹

30/01/2001 10:11 AM

To: Kanwarjit SACHDEVA/NY/UNO@UNHQ, Sanjaya Bahel/NY/UNO@UNHQ
cc:

Subject: Non-payment of Dues

TCIL has to stop this internal bleeding - NOW....

Figure: The Subject email to Kanwarjit Sachdeva and Sanjaya Bahel (30 January 2001)

⁴⁵⁷ The Subject interview (4 October 2006).

⁴⁵⁸ TCIL staff email to the Subject (30 January 2001).

⁴⁵⁹ The Subject email to Kanwarjit Sachdeva and Sanjaya Bahel (30 January 2001).

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359. Nothing, however, was done. Two weeks later, TCIL staff in yet another mission, UNMIL, wrote to the Subject to inform him of the repercussions they suffered for exposing the situation. They alleged that TCIL hired another subcontractor, Guru Trust Investments (“GTI”), and staff members who complained about their living arrangements were being replaced with GTI employees. The following day, the Subject forwarded the letter to Mr. Bahel and Mr. Sachdeva and stated “enough is enough.”⁴⁶⁰

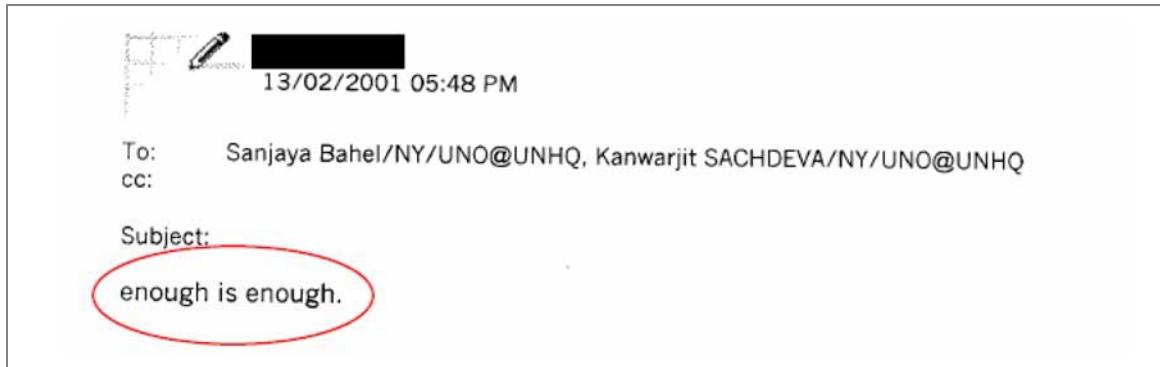


Figure: The Subject’s email to Sanjaya Bahel and Kanwarjit Sachdeva (13 February 2001)

360. Interestingly, on 19 February 2001, the Subject, among others, received a “petition” from several TCIL employees. In the petition, they “affirm[ed] that TCIL [was] providing [them] with all the benefits and dues as per [their] agreement with the company.” The purpose of the letter was to inform the United Nations that “misguided colleagues” who were possibly bribed had been submitting false allegations regarding the payment of benefits. Further, the letter indicated that “interested parties [were] trying to blackmail TCIL so that the UN Staffing Contract with TCIL [was] cancelled.”⁴⁶¹ The Task Force has located a copy of the email to TCIL team leaders that demonstrates that employees were coerced into signing this petition.⁴⁶²

361. In the interview with the Task Force Investigators, the Subject stated that he recognized the problems by this point as being serious, but expected Mr. Bahel to handle the matter. He expected Mr. Bahel to either cancel the contract or amend it to fix the problems, but recalled no other details.⁴⁶³ However, the facts bear out that the Subject weighed in on the side of Mr. Bahel, and principally adopted the company’s defenses to the claims as expressed by TCIL officials and Mr. Bahel. It is on this issue that the Subject’s actions become troubling. On their face, the claims by the TCIL contract staff were serious, and if true, constituted a breach of contract and potentially fraudulent conduct by the company. By accepting Mr. Bahel’s position on the matter without further scrutiny of the claims by an independent entity, and defending his position without a closer examination, the Subject’s actions were faulty.

⁴⁶⁰ The Subject email to Sanjaya Bahel and Kanwarjit Sachdeva (13 February 2001).

⁴⁶¹ TCIL Staff letter to TCIL management (19 February 2001).

⁴⁶² Nishan Kohli email to TCIL technicians (19 February 2001).

⁴⁶³ The Subject interview (4 October 2006).

REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER**STRICTLY CONFIDENTIAL****J. AMENDMENT OF THE CONTRACT**

362. In response to the ongoing issues with TCIL staff's driving and MSA arrangements, the Procurement Service finally decided to amend the contract. Mr. Bahel was involved in negotiations.⁴⁶⁴ He advised the Subject that "all **operational** requirements of FALD were covered by the Procurement Service and concessions [sic] obtained from the contractor."⁴⁶⁵ Mr. Bahel added that the contract was amended on the basis of TCIL's assurances that hence forth TCIL would provide evidence that the MSA was being applied for its intended purpose. Mr. Bahel also advised the Subject of other changes, which he characterized as non-operational.⁴⁶⁶

363. The Subject agreed with Mr. Bahel's view of the non-hire clause and the payment of MSA to TCIL staff as "non-operational." Furthermore, while acknowledging his desire to obtain FALD's support for the amendment, he nevertheless was determined to quickly resolve the matter, rather than continuously re-hashing "issues that have been discussed and concurred."⁴⁶⁷

364. Consequently, the Subject executed Amendment 1 to the TCIL contract ("Amendment 1") on 15 May 2001⁴⁶⁸ which contained several major changes. First, the amendment clearly and firmly stated that the United Nations was to pay the MSA amounts to TCIL, and not to its personnel.⁴⁶⁹ Second, the amendment extended the deployment schedule for TCIL staff from 15 to 30 business days. Third, the amendment prohibited the missions from offering employment to TCIL staff for at least six months after their contract with TCIL was terminated. In return, TCIL "made a concession" to take "all reasonable measures to ensure that the Personnel conform to and abide by all written or oral UN rules and regulations . . . to pass the UN driver's test and obtain a UN driver's permit issued by such mission to have the ability to operate UN vehicle with the mission area."⁴⁷⁰ These terms were further to the detriment of the Organisation and the contract staff, and allowed the company a method to defend against the contract staff's claims. The changes benefited the company, and placed the Organisation in a weaker position to ensure that funds delivered to the company were being properly applied.

365. Even with the amendment to the TCIL contract, the problems with MSA continued. The following month, field officers in MONUC received claims from TCIL

⁴⁶⁴ Staff Member 30, Staff Member 31, Staff Member 32, Staff Member 33, and Staff Member 34 interview (15 May 2006); Sanjaya Bahel email to the Subject (22 February 2001).

⁴⁶⁵ *Id.* (emphasis in the original).

⁴⁶⁶ *Id.*; Staff Member 30, Staff Member 31, Staff Member 32, Staff Member 33, and Staff Member 34 interview (15 May 2006).

⁴⁶⁷ The Subject email to Hocine Medili, Michael Sheehan, Toshiyuki Niwa (22 February 2001) (blank copy to Sanjaya Bahel).

⁴⁶⁸ Amendment 1 to Contract PD/CO049/00 (15 May 2001).

⁴⁶⁹ Amendment 1 provided that payment of MSA was conditioned upon satisfactory proof that TCIL had paid or applied equal amounts for the benefit of its personnel. Notably, under the amendment, a mission's Chief Administrative Officer no longer had the discretion to provide "subsistence facilities" to the support staff in lieu of MSA payments to TCIL. *Id.*

⁴⁷⁰ *Id.*

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staff that they were being forced to sign blank forms indicating they had received subsistence amounts in full or else lose their jobs.⁴⁷¹ Assistant Secretary-General Michael Sheehan, following a visit to MONUC, informed the Subject that there were still problems with payments to TCIL staff. Again, the Subject turned to Mr. Bahel, asking for clarifications on the executed amendments.⁴⁷²

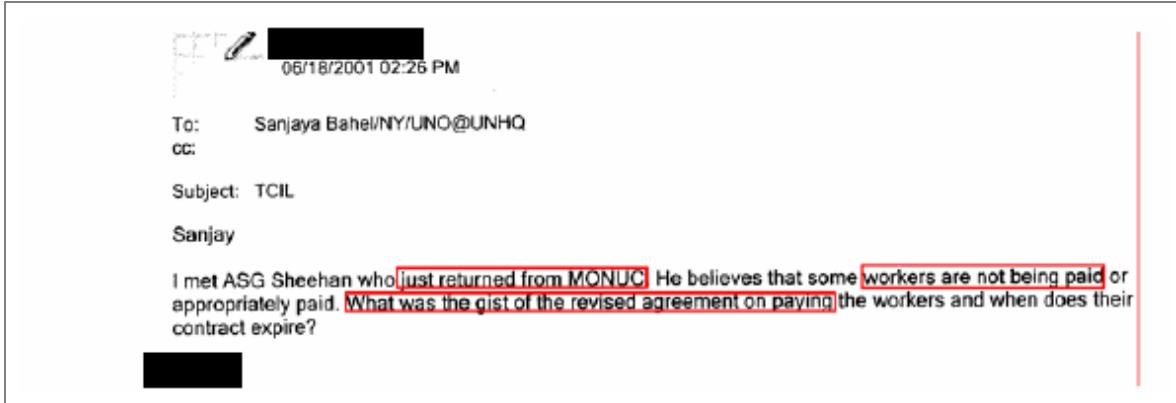


Figure: The Subject's email to Sanjaya Bahel (18 June 2001)

366. Once again, MONUC was not the only mission experiencing problems. Several days later, TCIL staff deployed to Brindisi, Italy, complained to FALD. One staff member alleged that TCIL presented fraudulent documents to the United Nations, misrepresented candidates qualifications and staff members' identities, inflated airfare invoices, which were reimbursed by the United Nations, and used another subcontractor.⁴⁷³

367. Likewise, staff at the United Nations Mission to Sierra Leone contacted the United Nations, and in the summer of 2002 a group of seven TCIL-deployed staff refuted TCIL's claim that they were Government of India employees and paid accordingly. A facsimile was addressed to the Assistant Secretaries-General for OHRM, OLA, DPKO, and Under-Secretary-General for OIOS, and informed the United Nations that they had been actually employed by GTI, not TCIL. They attached to the facsimile supporting documentation of their employment and reimbursements from GTI.⁴⁷⁴

⁴⁷¹ Peter Hornsby facsimile to Hany Abdel-Aziz (16 June 2001).

⁴⁷² The Subject email to Sanjaya Bahel (18 June 2001).

⁴⁷³ Amiendu Kumar email to Mr. Sanchez (22 June 2001).

⁴⁷⁴ UNMISIL technicians facsimile to Dileep Nair, Rafiah Salim, Ralph Zacklin, Michael Sheehan, and Rudy Sanchez (22 June 2002).

REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER**STRICTLY CONFIDENTIAL****Description of the extenuating circumstances:**

Before joining UN Mission in Sierra Leone in [August 2000] we individually signed a contract with a private company at New Delhi called [Enkay Associates] (for the second year contract for Aug2001-Aug2002, the same group has made us to sign a new contract with "GTI Investments"). We never signed any contract with TCIL. We were advised to [introduce ourselves as TCIL Staff]. When we joined UNAMSIL from 24th August 2000, we got the "Hazard Pay" of US\$33/day till November 2000 from UNAMSIL. We also received food allowance and were provided with accommodation until December 2000. (This, we presume, was due to

...

When our Sponsor came to know about the above, consequently, [TCIL communicated] with UNHQ-NY through a Fax stating [lies about our contract]. The copy of that Fax is attached for your reference. In particular, it is [totally false] where they state; quote "In India, we pay them full salaries and allowances for the upkeep of their families. They and their families are given all other benefits such as housing or house allowance. Medical leave travel, pensionary and gratuity contribution, insurance etc in India" unquote. We wish to confirm that [we do not receive any benefit] repeat any benefit as stated in that fax. We have enough evidence that we never received anything more than salary amount averaging USD 1600 per month from our Sponsor. Whereas TCIL has [fraudulently stated to UN] that we are getting all perks and allowances as applicable to government of India, the biggest lie in that Fax Statement is that [none of us has been ever government of India employees].

...

Moreover, our Sponsor [pressurized us to sign two more declarations] every month, one on the [receipt of salary] amount averaging USD 1600 per month and the other reflecting that we are [getting paid for due allowances] by them [under] the [provision of contract No: PD/C0049/00 signed between UN and TCIL]. Under the adverse circumstances, we had no option but to keep signing these two statements, one of which, i.e. receipt of subsistence allowance, are totally false. **WE CATEGORICALLY DISCLAIM THAT WE HAVE EVER RECEIVED ANY SUBSISTENCE ALLOWANCE** from our Sponsor, which the UN is supposed to be

Figure: Facsimile from UNMISIL Technicians to Dileep Nair, Rafiah Salim, Ralph Zacklin, Michael Sheehan, and Rudy Sanchez (22 June 2002)

368. The contract staff also enclosed information for bank transfers to the TCIL team leaders in the field. This banking information revealed the involvement of yet another entity in the management of the TCIL contract, also not disclosed to the United Nations: Thunderbird Industries.⁴⁷⁵ (As described above, this constituted another breach of the General Conditions of the TCIL Contract).⁴⁷⁶

369. The technicians also claimed that the arrangements for their welfare, health and life insurance were deficient. They also asserted that insurance policies were not renewed in a timely manner.⁴⁷⁷ These insurance issues gained particular prominence in the case of an injured TCIL technician. The insurance company refused to cover medical

⁴⁷⁵ Thunderbird Industries was the subject of a separate investigation by the Task Force in connection with other contracts awarded to and executed by TCIL. The TCIL Report.

⁴⁷⁶ General Conditions of Contract, Annex F, Contract PD/C0049/00, para. 5.

⁴⁷⁷ UNMISIL technicians facsimile to Dileep Nair, Rafiah Salim, Ralph Zacklin, Michael Sheehan, and Rudy Sanchez (22 June 2002).

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expenses related to the injury claiming the insurance only covered travel, and not losses “arising directly or indirectly from manual work.”⁴⁷⁸

370. The United Nations confronted this issue again in August and October 2001. The new case officer found that TCIL’s failure to provide adequate insurance constituted a breach of the contract.⁴⁷⁹ In response, Mr. N. Singh (TCIL representative to the United Nations) denied any wrongdoing and claimed the company did provide sufficient insurance coverage to the deployed staff.⁴⁸⁰

371. The gravity and totality of the contract staff’s claims finally prompted FALD to request an OIOS investigation into the case.⁴⁸¹ The Procurement Service, on the other hand, took no steps and simply accepted TCIL’s confirmations that it provided sufficient benefits for its staff despite the fact that FALD officials had warned the Procurement Service that TCIL-deployed staff were coerced into signing the afore-mentioned confirmations.⁴⁸²

K. OIOS AUDIT AND THE SUBJECT’S RESPONSE

372. On 25 July 2001, the Internal Audit Department issued a report (Report AN/2001/63/1) which identified numerous deficiencies and failures in the implementation of the TCIL contract.⁴⁸³ Spearheaded in part by the allegations reported by the Resident Auditor in MONUC, the audit confirmed the “implementation of the contract was seriously hampered by TCIL’s failure to provide its personnel in the various missions with adequate food and lodging or to pay their salaries in full and on time.”⁴⁸⁴ Furthermore, the audit found that TCIL’s actions constituted “*a violation of the contract on TCIL’s part, [which] resulted in disruptions in the missions’ operations and obliged two missions, MONUC and UNAMSIL, to make cash advances and to provide other direct assistance—totalling \$76,383—to the personnel concerned over a 2-3 month period.*”⁴⁸⁵

373. The auditors also looked into the allegations of TCIL profiteering from MSA payments by the United Nations. As a result, the auditors suggested that “*subsistence-related payments to TCIL should be on an actual-cost basis—but not to exceed the food and accommodation elements of the applicable United Nations subsistence allowance rates—to ensure that such payments are used solely for their intended purpose and do not*

⁴⁷⁸ Gurvinder Bindra email to cyberser@hotmail.com (27 July 2001).

⁴⁷⁹ Contract PD/CO049/00, Art. 7.2 (stating that staff are to be “adequately covered by health, accident, life and disability insurance,” a satisfactory proof of which was to be submitted to the United Nations); Walter Cabrera email to N. Singh (30 August 2001).

⁴⁸⁰ N. Singh facsimile to Walter Cabrera (25 October 2001).

⁴⁸¹ Peter Phelan memorandum to Esther Stern (3 July 2001) (sent through Mr. Sheehan).

⁴⁸² Peter Hornsby memorandum to Hany Abdel-Aziz (15 June 2001).

⁴⁸³ AN/2001/63/1 (25 July 2001) (OIOS Audit).

⁴⁸⁴ *Id.*, pt. (a) (25 July 2001) (Executive Summary).

⁴⁸⁵ *Id.* (emphasis added).

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continue to be, however unintended, an additional source of income for TCIL in connection with the contract.”⁴⁸⁶

374. On 27 August 2001, the Subject responded to the audit review. Although the Subject admitted the report was factually accurate, he nonetheless characterized the auditors’ observation as “speculative in nature.”⁴⁸⁷ The Subject felt the auditors “los[t] sight of the key and basic objective of the contract that [was] to provide technical support staff to the UN field operations.” The Subject also questioned the findings and opinion of the auditors with regard to the MSA arrangements. The findings had “undue emphasis on the manner in which an independent contractor conducts its internal personnel administration.”⁴⁸⁸

375. The Subject conceded that TCIL’s internal policies had become relevant to the United Nations since they had an “impact [on the] operational efficiency of the contract.”⁴⁸⁹ Nevertheless, he claimed that any problems experienced during the initial stages of the contract had been identified and resolved by the subsequent amendment.⁴⁹⁰

SUBJECT : OIOS Audit No. AN2001/63/1: Contract PD/CO049/00 between the United Nations and Telecommunications Consultants of India Ltd.
 OBJET : Nations and Telecommunications Consultants of India Ltd.

1. In response to OIOS Memorandum No. AUD-8-3:1 (866/01) dated 25 July 2001, please find enclosed our seriatim comments on each paragraph. As will be seen from the enclosed comments, it is Procurement Division’s observation that, while a number of issues raised by Audit are factual, nonetheless its substantive part of their observation are speculative in nature.
2. Some of the observations made by Audit seem lose sight of the key and basic objective of the contract that is to provide technical support staff to the UN field operations and appear to be placing undue emphasis on the manner in which an independent contractor conducts its internal personnel administration. PD acknowledges that if a contractor’s internal policies impacts operational efficiency of the contract, this then becomes relevant to the United Nations. However, in the last year of operation on this contract, especially in the last six months or so, the requisitioner (both FALD and missions), have generally expressed satisfaction over performance by the contractor’s staff which is the basic certification before payment is made to the contractor.
3. There were a number of shortcomings and teething problems at the initial stages contract, as mentioned by OIOS in its report. These problems were identified and resolved through Amendment 1 to the contract crafted after protracted negotiations with the contractor and the involvement of OLA. That, overall, the contract is working

Figure: The Subject’s memorandum to Esther Stern (27 August 2001)

376. Contrary to the Subject’s assertions, the issues regarding the welfare of the staff remained problematic. In particular, TCIL never resolved the issue of MSA payments to its staff, nor had the company reconciled the issue regarding its improper subcontracting and corresponding misrepresentations to the United Nations.

⁴⁸⁶ *Id.*, pt. (e) (emphasis added).

⁴⁸⁷ The Subject memorandum to Esther Stern (27 August 2001).

⁴⁸⁸ *Id.*

⁴⁸⁹ *Id.*

⁴⁹⁰ *Id.*

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377. In the fall of 2001, these ongoing problems finally reached the level of the Secretary-General. That year, the Secretary-General visited MONUC and while there, TCIL-deployed technicians presented him with a list of complaints about their circumstances.⁴⁹¹

- 2. While many of **these issues are clearly of a contractual nature**, I bring this matter to your attention in the hope that your office can assist in resolving the issues which have the potential to reflect badly on the United Nations.
- 3. Noting that the issue has been passed to Ms. Rafiah Salim and the **Secretary General Mr. Kofi Annan** personally during their recent trips to MONUC, we look forward to a speedy conclusion to these matters.

Figure: Clemens Adams memorandum to Sanjaya Bahel (25 September 2001)

378. In sum, the problems with the arrangements for the welfare of the TCIL deployed staff were never solved and existed throughout the entire term of the contract. In fact, the Subject continued to receive complaints from TCIL about their MSA payments in 2004 and 2005, after he left the Procurement Service and was appointed Assistant Secretary-General for OCSS.⁴⁹²

L. TASK FORCE EVALUATION

1. Greater Due Diligence Was Required

379. The frequency, consistency and severity of allegations lodged by TCIL staff against the company warranted that the Procurement Service, at the very least, should have exercised caution and referred the matter to OIOS for a thorough and supported investigation.⁴⁹³ The United Nations had a duty to investigate such matters because it appears that TCIL was in direct breach of its contractual obligations, and was misappropriating the Organisation's funds.

380. First, TCIL failed to comply with the terms of the contract requiring notice to be provided to, and seek the approval of, the Organisation prior to any further sub-contractual relationship. The Task Force investigation confirmed the Resident Auditor's assertion that TCIL utilised a subcontractor to provide staff for the Missions under the contract. TCIL entered into the subcontract without the appropriate notice to or approval by the United Nations.

⁴⁹¹ Clemens Adams memorandum to Sanjaya Bahel (25 September 2001); Videsh Mitra Oriental Insurance Company policy (22 August 2000); Sanjaya Bahel email to Roy Joblin (10 September 2001).

⁴⁹² The Subject emails to Rajat Saha (19 October 2004 and 28 January 2005); The Subject email to Christian Saunders (25 October 2004).

⁴⁹³ On 2 August 2001, Mr. Nair wrote a letter to Kamlesh Sharma, Permanent Representative for the Republic of India to the United Nations, requesting assistance from the Government of India "in order to make recommendations on future business contacts with the company." OIOS further asked for "assistance in seeking reimbursement for any loss resulting from fraudulent action, in case any of the allegations was supported."

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381. Moreover, En-Kay Associates' agreement with its contract staff did not conform to the requirements of the contract between TCIL and the Organisation in that the contract between En-Kay Associates and its workers did not require En-Kay Associates to pay the staff a MSA.⁴⁹⁴ This was a clear requirement in the contract between the Organisation and TCIL. The Task Force's investigation has established that the employment contract between TCIL deployed staff and En-Kay Associates, and later GTI, contained no subsistence allowance clause, and no amounts were paid.

382. Second, the Task Force investigation has revealed that at the time TCIL received the contract award from the Organisation, it entered into a sub-contract with GTI, a company which represented that it was "headquartered" in Vienna, Austria.⁴⁹⁵ The Task Force investigation has established that GTI is not registered at this address. Rather, the investigation has revealed that the company maintains its office in India (and New York), at the address of En-Kay Associates.⁴⁹⁶

383. Third, the Task Force Investigation further revealed that TCIL knowingly failed to disclose its subcontracting arrangements with GTI, misrepresented GTI's role in the contract, as well as the origin of deployed staff to the United Nations. In an interview with the Task Force investigators, TCIL representatives admitted they transferred the management of the contract to GTI. Virtually all (97% of invoiced amounts) payments by the Organisation to TCIL were transmitted to GTI, which then distributed the monies to the deployed personnel.⁴⁹⁷

<p>1. It has been agreed by both the parties that UN agreement No.PD/C0049/00 becomes a part and parcel of the main agreement entered between GTI and TCIL. It has been further agreed that GTI shall be providing the balance manpower committed and to be supplied by TCIL to UN w.e.f. the signing of this addendum and shall be responsible for all the responsibilities and obligations to implement this project on back to back basis.</p> <p>...</p> <p>5. GTI will invoice TCIL for the manpower supplied by them after the effective date of this addendum at the rate of 97% of all the invoices to be submitted by TCIL to UN. For the persons deputed earlier to effective date of this addendum, the terms of payment shall be applicable mentioned in addendum dt.20th June'2000.</p>

Figure: Addendum to the Consultancy Agreement, cl. 1 and 5 (13 November 2000)

384. Fourth, the Task Force investigation has further revealed that Mr. U.B. Singh, who was represented to the United Nations as a TCIL senior manager, visited deployed staff in the Missions as an officer of TCIL. Mr. U.B. Singh was also an officer of En-

⁴⁹⁴ Contract PD/C0049/00, General Conditions, Annex F, para. 5.

⁴⁹⁵ Addendum to the Consultancy Agreement, cl. 1 (13 November 2000).

⁴⁹⁶ Anglo-Irish Bank facsimile to the Task Force (28 June 2006).

⁴⁹⁷ Addendum to the Consultancy Agreement, cl. 5 (13 November 2000).

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Kay Associates. Mr. U.B. Singh is a brother of Nanak Kohli, who represented himself to the United Nations as Mr. N. Singh.⁴⁹⁸ The Task Force investigation has revealed that Nanak Kohli was associated with both companies, GTI and En-Kay Associates.⁴⁹⁹

385. Fifth, the Task Force found that the Procurement Service failed to enforce certain provisions in the contract which may have prevented significant losses to the Organisation. As described above, Article 7 required any TCIL subcontract to comply with the terms of its agreement of the United Nations contract. Similarly, the United Nations had the right under Article 16 to audit TCIL's subcontract and related records.⁵⁰⁰ Accordingly, had the United Nations examined the contract between the deployed staff and the subcontractor (GTI)—an examination permitted under both provisions—it immediately would have discovered TCIL's breach of its contractual obligations.

386. It is now evident that the Procurement Service failed to enforce its contractual rights and simply accepted TCIL's hollow representations at its face value because Mr. Bahel favoured the company and its agents. The Procurement Service's inaction is highly problematic in light of the numerous reports from the field regarding abuse and fraud, which affected both the morale of staff and the overall image of the United Nations.

387. TCIL confirmed to the Task Force that support staff did not receive their MSA payments as required under the United Nations contract. According to TCIL, GTI failed to honour its obligations to pay MSA to the support staff. Indeed, TCIL claimed this was the primary reason the company eventually severed ties with GTI in 2003.⁵⁰¹ However, under the contract, it was TCIL that was obligated to "take all reasonable steps to keep all costs and expenses for which the United Nations is responsible for reimbursing the Contractor at the lowest possible level."⁵⁰² Even though the contract between En-Kay Associates and its staff did not have an MSA provision, it nevertheless remained TCIL's obligation to ensure these costs were paid. Furthermore, the lack of MSA payments to personnel had considerable financial implications on the United Nations. It appears that none of the amounts paid to TCIL as reimbursement for MSA ever reached the staff.⁵⁰³ (On average, a subsistence allowance of US\$4,000 was paid by the Organisation to TCIL per worker). On the contrary, the Task Force has confirmed that En-Kay Associates and GTI actually required each staff to post an irrevocable bank guarantee of US\$2,175 in

⁴⁹⁸ G.S. Chauhan facsimile to Eritrea Administrative Officer (15 December 2000); The TCIL Report.

⁴⁹⁹ *Id.*; S.K. Tandon facsimile to the Subject (24 April 2002) (identifying Mr. Tandon as Director of TCIL); Nanak Kohli facsimile to G.S. Chauhan (7 June 2000).

⁵⁰⁰ Contract PD/CO049/00, arts. 7.7 and 16.

⁵⁰¹ The TCIL Report.

⁵⁰² Contract PD/C0049/00, art. 5.4.

⁵⁰³ Ibrahim Zeekeh memorandum to Hocine Medili (9 November 2000); Duncan Robinson email to John Richards (21 November 2000); Hany Abdel-Aziz memorandum to Hocine Medili (30 November 2000); Hany Abdel-Aziz memorandum to Logistics and Communications Service (3 March 2002); David Tiny email to United Nations agencies (2 June 2003); Edwin Nhliziyo to Sergei Shishkin, *et. al.* (24 November 2000).

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order to secure employment under TCIL's contract with the United Nations.⁵⁰⁴ Consequently, the United Nations reimbursed TCIL for costs it never incurred and as a result, the United Nations suffered a financial loss.

2. The Subject's Explanation

388. The Subject told the Task Force that he could not remember the specifics of the TCIL contract, which he claimed was merely one of many procurements carried out under his supervision. The Subject further maintained that while in the Procurement Service, he concentrated on the systemic shortcomings and deficiencies of procurement at the United Nations, and not on the day-to-day details or specifics in contracts. He simply relied on the professionalism of his staff and refused to micromanage his subordinates.⁵⁰⁵

389. The Task Force confirmed that the Subject did not sign the original contract with TCIL in June 2000. The investigation also established the fact that the requisition was started and the contract was prepared during his tenure as the Chief of the Procurement Service. Furthermore, the Subject did sign Amendment 1 in May 2001, which introduced substantial changes to the contract, aimed at resolving the underlying problems which existed at the time.⁵⁰⁶ In addition, as the Officer-in-Charge of the Procurement Service and the signatory on numerous correspondences in connection with the Contract, he maintained a responsibility for an awareness of the significant activities of his subordinates in supervising high value contracts, and an awareness of, and responsibility for, severe issues which are brought to his attention and not resolved by subordinates.

390. In the interview with the Task Force investigators, the Subject asserted that the Procurement Service exhausted the avenues available to it under the terms of the contract: the Procurement Service forwarded staff complaints to and raised the issues of MSA payments and subcontracting with the vendor; when appropriate, the Procurement Service engaged OLA for legal assistance. The Subject further defended that PS had no reasons to doubt the response from the Vendor who refuted the allegations, as well as affidavits from TCIL staff regarding the full receipt of their dues.

391. Given the extent of the allegations and the magnitude of supporting documentation amassed by the United Nations, the Task Force is not persuaded that the Subject appropriately placed his full confidence in the representations made by TCIL and its representative to the United Nations without requesting a cursory review of the claims by OIOS. The provisions in the contract allowed the United Nations to investigate these claims, and yet the Subject and the Procurement Service under his stewardship failed to take advantage of this mechanism.

392. In the interview with the Task Force investigators, the Subject asserted he took issue with the principle of the auditor's involvement in a contemporaneous contract. The

⁵⁰⁴ TCIL Technicians letter to MONUC CAO (23 November 2000); Bank Guarantee in the name of En-Kay Associates (12 May 2000); Mike McNally email to Hany Abdel-Aziz, (23 November 2000); The TCIL Report.

⁵⁰⁵ The Subject interviews (23 June and 4 October 2006).

⁵⁰⁶ Amendment 1 to Contract PD/C0049/00.

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Subject could not recall seeing the product of the MONUC Resident Auditor's investigation, or the supporting documents used as the basis for the latter's activities. He claimed he relied on Mr. Bahel who was his primary source of information for these issues.⁵⁰⁷ Such heavy reliance was misplaced. While the Subject cannot be faulted for failing to identify Mr. Bahel's role in the fraud and his clear favouritism towards the company and its representatives, he should have scrutinized Mr. Bahel's actions to a greater degree and tested his continuing assertions defending and supporting the company.

393. The Task Force does not agree with the Subject's criticisms of the Resident Auditor's involvement in the matter, and his efforts to discourage the address of the serious allegations of misconduct by the vendor, TCIL. The Subject now claims that had he known all the facts and the documents, he undoubtedly would have referred the issue to OLA and considered terminating the contract.⁵⁰⁸ Although the Subject claimed that he relied heavily on his subordinates to whom he delegated responsibilities of making sure "that work [was] not disrupted due to [his] intermittent presence in [Procurement Service],"⁵⁰⁹ he did not believe that he was misinformed or that information was withheld from him by his subordinates.⁵¹⁰

394. The Task Force is of the view that the Subject was fully aware of the developments with the contract and in the Procurement Service and failed to take appropriate steps to prevent the abuse of position and favouring of the vendor by the individual the Subject appointed to manage the Procurement Service on his behalf, Mr. Bahel. Consequently, the Subject's inaction constitutes a management failing.

XI. FINANCIAL DISCLOSURE

A. TASK FORCE REQUEST FOR INFORMATION AND THE SUBJECT'S RESPONSE

395. In August 2006, in connection with its ongoing investigations and examination of allegations of corruption, the Task Force requested the Subject to provide certain personal financial information. In that regard, on 24 August 2006, the Task Force investigators presented the Subject with its request for personal financial information, memorialized in a two-page form, and requested that he provide the relevant information responsive to the form's contents. In essence, the Subject (as were other staff members placed upon special leave with pay) was asked to provide bank account and asset details as well as details concerning transactions in excess of US\$10,000.⁵¹¹ (See Appendix A).

⁵⁰⁷ The Subject interview (4 October 2006).

⁵⁰⁸ *Id.*

⁵⁰⁹ The Subject memorandum to Sanjaya Bahel *et. al.* (14 November 2000).

⁵¹⁰ The Subject interview (4 October 2006).

⁵¹¹ The Task Force Financial Disclosure Request to the Subject (24 August 2006).

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The Subject declined to provide the information, strongly objecting to the Task Force's request.⁵¹²

396. Thereafter, as reflected in the series of emails (see Appendices B, D, F, and H), the Subject continued to object to providing his financial information unless and until the Task Force demonstrated to him that there was a credible claim that he received an improper benefit in connection with his position with the Organisation.⁵¹³ On 6 September 2006, and again on 16 October 2006, the Deputy Chairman of the Task Force restated the Task Force's request for financial disclosure.⁵¹⁴ (See Appendices C and G). The Subject thereafter offered to produce merely one year of his UNFCU account.⁵¹⁵ (See Appendix F). The Task Force expressed the limited utility of such a narrow disclosure. In the Task Force's opinion, the Subject's offer was insufficient and meaningless without the full portrait of his full financial condition and the production of records in the appropriate time periods. Otherwise, such an exercise would be fruitless.⁵¹⁶ (See Appendix G).

397. In furtherance of the Task Force's request to examine the Subject's personal financial records, on 6 November 2006, the Deputy Secretary-General, quoting the relevant Staff Regulations and Rule set forth herein, authored a note (hereinafter "the DSG Note") to the Subject notifying him that he was required to produce specific financial information to the Task Force, and attached an Annex which set forth the information requested.⁵¹⁷ (See Appendix I). The information directed to be produced outlined in this Appendix was within the subset of documents and information the Task Force had previously requested in August 2006. It is important to note that the DSG Note required the Subject to produce records dating back to 1998.⁵¹⁸

398. Thereafter, the Chairman of the Task Force wrote to the Subject and informed him that he was required to produce the financial information referred to in the DSG Note no later than close of business on 10 November 2006.⁵¹⁹ (See Appendix I). The Subject failed to produce the information by 10 November 2006, and did not respond by the deadline, only to later communicate to the Deputy Secretary-General that he intended to challenge the Staff Rules and Regulations cited in the DSG Note, which he did.⁵²⁰ The

⁵¹² The Subject interview (4 December 2006).

⁵¹³ The Subject emails to the Task Force (25 August, 6 September, and 12 and 16 October 2006).

⁵¹⁴ The Task Force emails to the Subject (6 September and 16 October 2006).

⁵¹⁵ The Subject email to the Task Force (12 October 2006).

⁵¹⁶ The Task Force email to the Subject (16 October 2006). The Bahel case is a good example. The vendors in that case bestowed benefits upon Mr. Bahel in the form of New York real estate shortly *after* the relevant contracts had been gained by the vendor. The TCIL Report.

⁵¹⁷ The Task Force memorandum to the Subject (8 November 2006) (including the DSG Note and Annex thereto).

⁵¹⁸ *Id.*

⁵¹⁹ *Id*

⁵²⁰ The Subject email to Mark Malloch-Brown (12 November 2006); Mark Malloch-Brown email to Nicolas Michel (13 November 2006).

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Task Force Chairman then advised the Subject by email that he was referring the matter to the Under-Secretary-General for OIOS.⁵²¹ (See Appendix J).

399. Under protest, the Subject offered to produce a limited set of his financial records to the Task Force. The Subject nevertheless continued to challenge the bases of the request.⁵²²

400. The Subject attended the offices of the Task Force on 27 November 2006 and again on 4 December 2006, and provided account detail records to the Task Force for the following accounts:⁵²³

- (i) UNFCU Account, USA (from 1999 to 2005);
- (ii) Merrill Lynch Account, USA (from 1999 to 2005);
- (iii) DBS Singapore Account, Singapore (from 1999 to 2005); and
- (iv) Barclays Account, UK (from 1999 to 2005).

401. A review of the records, which consisted of bank account statements for the four accounts between 1999 and 2005 did not reveal any evidence of improper payments or benefits to him. The Subject did not allow the Task Force to retain documents provided by him, nor make copies or scrutinize them in his absence.⁵²⁴ These restrictions limited the Task Force's ability to thoroughly examine the documents provided.

402. Further, the Subject refused to provide records prior to 1999 and for 2006, claiming that he was not employed by the United Nations Secretariat in 1998, and effectively was not a United Nations staff member in 2006 by virtue of the fact that he had been suspended by the Organisation.⁵²⁵ However, the Subject was a staff member of the WFP since October 1980. The WFP is an organ of the United Nations.⁵²⁶ Furthermore, the fact that the Subject had been placed on administrative leave in 2006 did not alter his status as a staff member or in any way diminish his duties and obligations as such. The Subject has an active contract with the Organisation which expires in July, 2007.

403. Further, the Subject was asked to provide purchase details regarding two major assets, namely his residence in Connecticut, USA and another residence that he had purchased in 2002 in Singapore, and disposed of in 2006.⁵²⁷ The Subject refused to provide documentary evidence supporting the manner in which the Connecticut house

⁵²¹ The Task Force email to the Subject (10 November 2006).

⁵²² The Subject interviews (27 November and 4 December 2006).

⁵²³ *Id.*

⁵²⁴ The Subject interview (4 December 2006).

⁵²⁵ The Subject interviews (27 November 2006 and 4 December 2006).

⁵²⁶ World Food Programme, Administrative Details (undated); World Food Programme, "Frequently Asked Questions," (undated), http://www.wfp.org/aboutwfp/faq/index.asp?section=1&sub_section=9#wfp (stating that "[WFP] is the United Nations frontline agency mandated to combat global hunger, which afflicts one of every seven people on earth").

⁵²⁷ The Subject interviews (27 November 2006 and 4 December 2006).

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was funded, based on the fact that it had been purchased prior to 1999.⁵²⁸ The Subject ultimately informed Task Force investigators that he had paid for the Connecticut residence from the sale proceeds of a residence he had sold in the United Kingdom, but did not produce any documentation to support this assertion.⁵²⁹

404. The Task Force learned through an examination of the records provided by the Subject of the purchase of his residence in Singapore, and requested details of the acquisition of this property.⁵³⁰ Notwithstanding the fact that the Singapore residence was acquired by the Subject in 2002, thus falling within the period that he was willing to disclose, he did not produce any information as of the date of this Report.⁵³¹ In light of the referral to the Task Force, the matters under examination, and the identification of fraud in matters under investigation, these areas are of legitimate concern to the Task Force and the subject of appropriate inquiry. As set forth herein, a legitimate concern is present based upon the Audit Review and concerns that sums of money have been paid to procurement officials to secure United Nations business.⁵³² Indeed, other Task Force investigations have also confirmed such concerns in other cases.

405. The Subject stated that his refusal to provide records other than the account details for the four accounts between 1999 and 2005 was because he wanted "some degree of privacy."⁵³³ He offered that he was not concerned about the consequences of the failure to produce the remaining requested records.⁵³⁴

406. Outlined in Table C below is a summary of the chronology of events pertaining to the Task Force's request to the Subject for financial information, and his record of compliance with that request:

⁵²⁸ The Subject interview (27 November 2006).

⁵²⁹ The Subject interview (4 December 2006).

⁵³⁰ *Id.*

⁵³¹ *Id.*

⁵³² OIOS Procurement Audit Review.

⁵³³ The Subject interview (27 November 2006).

⁵³⁴ The Subject interview (4 December 2006).

REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER**STRICTLY CONFIDENTIAL****Table C: Summary of Chronology of Events**

DATE	EVENT	APPENDIX
24-Aug-06	The Task Force's initial request for Financial Disclosure.	A
25-Aug-06	[REDACTED] refusal stating requirement for "legitimate allegation[s] of any illegal payments."	B
06-Sep-06	The Task Force's reply stating that it does not presuppose wrongdoing and does not need "probable cause". Furthermore it cannot reveal the status of the investigation.	C
06-Sep-06	[REDACTED] communication in response citing an inability to comply with the request based upon factors such as lack of available records, the need to go back to 1950 to satisfy the Task Force's requirement, and again expressing objection to the request demanding proof of illicit payments or illegal transactions.	D
11-Oct-06	Interview with [REDACTED] where he again declines full disclosure by demanding that the Task Force asks for specifics otherwise "it gets too complicated" and declaring that he would consider it although against his principle.	E
12-Oct-06	[REDACTED] informs the Task Force that his legal advisers advised him not to "volunteer personal information without justification" and thereby set "precedence for unwarranted disclosure for other UN staff."	F
16-Oct-06	Further explanation given to [REDACTED] by the Task Force as to the basis for its request.	G
16-Oct-06	[REDACTED] objects to financial disclosure in order to prove his innocence, which he believes is contrary to principles of justice.	H
06-Nov-06	DSG Note to [REDACTED] directing him to provide the Task Force all documents requested citing the relevant Staff Regulations and Rules.	I
08-Nov-06	Letter from the Task Force to [REDACTED] pursuant to the DSG Note of 6 November asking for submission of documents by close of business, 10 November 2006.	I
10-Nov-06	The Task Force informs [REDACTED] that his non-compliance within the given deadline has been noted and will be reported to the Under-Secretary-General of the OIOS.	J
27-Nov-06	[REDACTED] attends the office of the Task Force and allows examination of records of three bank accounts for the period 1999-2005, but only in his presence. He refuses to produce records for 1998 and 2006, and documents to show funding of acquisitions of residences in Connecticut and Singapore, valued at US\$510,000 and US\$270,000, respectively.	K
04-Dec-06	[REDACTED] produces bank account records for his Barclays Account in the United Kingdom from 1999-2005.	L

B. RELEVANT STAFF RULES AND REGULATIONS OF THE UNITED NATIONS

407. Under the Staff Regulations 1.2(n), (m) and (r), as well as the Staff Rule 104.4(e), it is clear that the Subject is required to produce all information requested by the Secretary-General and the Task Force, and that directions to produce personal financial information is clearly proper.⁵³⁵ A plain reading of the relevant rules demonstrates that the Secretary-General is vested with broad discretion to make such requests of staff members, including the production of personal financial information. Staff Regulation 1.2(m) states that the Secretary-General "may require other staff to file financial

⁵³⁵ ST/SGB/2006/1, reg. 1.2 (m), (n), (r) (1 January 2006); ST/SGB/2002/1, rule 104.4(e) (1 January 2002).

REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER**STRICTLY CONFIDENTIAL**

disclosure statements as he or she deems necessary *in the interest of the Organization.*⁵³⁶ Under the regulation the request is not conditional, nor does it require the staff member's consent to the request. Staff Regulation 1.2(n) provides that:⁵³⁷

All staff members at the D-1 or L-6 level and above shall be required to file financial disclosure statements on appointment and at intervals thereafter as prescribed by the Secretary-General, in respect of themselves, their spouses and their dependent children, and *to assist the Secretary-General in verifying the accuracy of the information submitted when so requested.*

408. Staff Rule 104.4(e) provides that:⁵³⁸

A staff member may at any time be required by the Secretary-General to supply information concerning facts *anterior* to his or her appointment and relevant to his or her suitability, or concerning facts relevant to his or her integrity, conduct and service as a staff member.

409. Irrespective of any independent directive by the Secretary-General or his or her designee, the Subject is independently required to produce the information to the Task Force. Staff Regulation 1.2(r) provides that “[s]taff members must respond fully to requests for information from staff members and other officials of the Organization authorized to investigate the possible misuse of funds, waste or abuse.”⁵³⁹ The Secretary-General’s Bulletin ST/SGB/273, establishing OIOS, makes clear that OIOS has the authority to direct staff members to provide information, and that staff members have a duty to cooperate with OIOS. Paragraph 4 of the bulletin states in relevant part:⁵⁴⁰

[OIOS] shall initiate and carry out investigations and otherwise discharge its responsibilities without any hindrance or need for prior clearance. The staff of the Office shall have the right to direct and prompt access to all persons engaged in activities under the authority of the Organization, and shall receive their full cooperation. Additionally, they shall have the right of access to all records, documents or other materials, assets and premises and to obtain such information and explanations as they consider necessary to fulfill their responsibilities.

410. The above rules and regulations are clear and unambiguous. The furnishing of information sought by the Task Force is compulsory without a showing by the requesting entity of the purpose of the request. This principle was subsequently reinforced by the instruction to the Subject from the Deputy Secretary-General requiring him to comply with the request made by the Task Force. On the basis set forth above, the Secretary-General has clear and unequivocal authority to compel the production of a staff member's

⁵³⁶ ST/SGB/2006/1, reg. 1.2 (m), (1 January 2006) (emphasis added).

⁵³⁷ *Id.* reg. 1.2(n) (emphasis added).

⁵³⁸ ST/SGB/2002/1, rule 104.4(e) (1 January 2002) (emphasis added).

⁵³⁹ ST/SGB/2006/1, reg. 1.2(r) (1 January 2006).

⁵⁴⁰ ST/SGB/273, para. 4 (7 September 1994).

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financial information if he or she determines it is in the interests of the Organisation to do so. It is clearly in the interests of the Organisation to do so here. The records are essential for the Task Force to conclude its investigation of the Subject.

411. Further, the Secretary-General and OIOS are vested with authority to make such requests without a *prima facie* showing of wrongdoing being demonstrated to the staff member affected by the request. The plain language of the rules does not require the Secretary-General or OIOS to provide a basis, disclose the purpose of the request, or prove to the staff member that the request is otherwise justified. In sum, the staff member is not entitled to make disclosure conditional upon a *prima facie* showing of wrongdoing on his or her part. To do so would pose obvious risks to any investigation and create an obligation previously not recognized by the Organisation, explicitly or implicitly. Further, such an obligation is not recognized in any investigative body akin to the United Nations, or any other national investigative entity otherwise known to the Task Force. In fact, such a request would pose unprecedented burdens on a fact finding investigative body, and create an unjustified entitlement not plainly set forth in the text of the relevant regulations and rules.

412. As set forth above, the Staff Regulation 1.2(n) requires the Subject to file a financial disclosure statement and “and to assist the Secretary-General in verifying the accuracy of the information submitted when so requested.”⁵⁴¹ The Deputy Secretary-General, on behalf of the Secretary-General, made such a specific request. Full compliance has not yet been achieved.

C. THE SUBJECT’S FINANCIAL DISCLOSURE FORMS

413. In addition to the Task Force request, the Subject has submitted the following financial disclosure forms to the Organisation as required by virtue of his position with the Organisation as an Assistant Secretary-General:

- (i) Financial disclosure filed on 19 August 2003 for the period of 1 July to 31 December 2003;⁵⁴²
- (ii) Financial disclosure filed on 24 March 2004 pertaining to the period of January to December 2003;⁵⁴³
- (iii) Financial disclosure filed on 27 April 2005 pertaining to the period of January to December 2004;⁵⁴⁴ and
- (iv) Financial disclosure filed on 9 January 2006 pertaining to the period of January to December 2005.⁵⁴⁵

⁵⁴¹ ST/SGB/2006/1, reg. 1.2 (n) (1 January 2006).

⁵⁴² The Subject Financial Disclosure Form (19 August 2003).

⁵⁴³ The Subject Financial Disclosure Form (24 March 2004).

⁵⁴⁴ The Subject Financial Disclosure Form (27 April 2005).

⁵⁴⁵ The Subject Financial Disclosure Form (9 January 2006).

REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER**STRICTLY CONFIDENTIAL****1. The Financial Disclosure Form**

414. The 1999 edition of the Financial Disclosure Form consisted of five sections, including Section II entitled “Staff member’s disclosure.”⁵⁴⁶ Part I of Section II required disclosure of “[a]ssets over US\$25,000 and related income.”⁵⁴⁷

415. Similarly, the 2005 edition of the Financial Disclosure Form consisted of five sections, including Section II entitled “Staff member’s disclosure.”⁵⁴⁸ However, Section II contained Part I requiring disclosure of “[a]ssets over US\$10,000.”⁵⁴⁹

2. The Certification and Affirmation

416. Section V of the Financial Disclosure Form requires the staff member to certify and affirm that the disclosures are accurate and complete. The form contains an admonition that false statements are punishable by the institution of disciplinary proceedings against the staff member. The form includes the Subject’s attestation that “failure to provide true, complete and correct information in this Form to the best of my knowledge and belief, may have serious consequences, including the institution of disciplinary proceedings”:⁵⁵⁰

<u>Section V. Certification and Affirmation</u>
<p>A. I certify and affirm that the disclosures I have made in this Form, including this Certification and Affirmation, and all attachments thereto, are true, complete and correct to the best of my knowledge and belief. I certify and affirm that I understand that failure to provide true, complete and correct information in this Form to the best of my knowledge and belief may have serious consequences, including the institution of disciplinary proceedings.</p> <p>B. I understand that I must seek guidance in respect of anything that could affect my objectivity or independence in respect of the performance of my duties for the United Nations, or the perception by others of my objectivity and independence.</p> <p style="text-align: center;">[Redacted Signature Box]</p> <p style="text-align: left;">Signature of the staff _____ Date: <u>09/01/2006</u></p> <p style="text-align: center;">[Redacted Box] 10 [Redacted Box]</p> <p style="text-align: right;">- 31 Dec 2005 P.208(11-05)-E</p>

Figure: The Subject’s Financial Disclosure (9 January 2006)

⁵⁴⁶ Financial Disclosure Form P.208 (12-99)-E.

⁵⁴⁷ *Id.* (emphasis added).

⁵⁴⁸ Financial Disclosure Form P.208 (11-05)-E.

⁵⁴⁹ *Id.* (emphasis added).

⁵⁵⁰ *Id.*

REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER**STRICTLY CONFIDENTIAL****3. Omissions from the financial disclosure forms**

417. Outlined in Table D below is a summary of the respective rules and disclosure forms in force in 2003, 2004, and 2005, and notes the extent of the compliance of the Subject in each case:

Table D: The Subject's Compliance with Financial Disclosure Requirements

Relevant Year (Jan. to Dec.)	Legislation in force at the time	Relevant Disclosure Form	Disclosure Requirement – Real Estate	Disclosure Requirement- Bank Accounts	Full Compliance
Part 2003	ST/SGB/1999/3	P.208 (12-99)-E	Not unless rented out	Yes. If Balance above US\$25,000	YES
2003	ST/SGB/1999/3	P.208 (12-99)-E	Not unless rented out	Yes. If Balance above US\$25,000	YES
2004	ST/SGB/1999/3	P.208 (12-99)-E	Not unless rented out	Yes. If Balance above US\$25,000	NO: Barclays Bank account, with more than £26,000, not disclosed.
2005	ST/SGB/2005/19	P.208 (11-05)-E	Yes. If valued at above US\$10,000	Not specifically mentioned	NO: Two Residences valued at US\$510,000 and US\$270,000 were NOT disclosed.

418. It is evident that the Subject omitted from his financial disclosure forms certain assets required to be disclosed, including real property and a bank account. The investigation has revealed that the Subject owned real property in Singapore and USA during the reporting period, and failed to disclose them in his 2005 financial disclosure form.⁵⁵¹ It is clear, and the Subject concedes, that at that time he owned real property in Connecticut USA which he had purchased in 1998 at a cost of US\$510,000, and another property in Singapore priced at US\$270,000.⁵⁵² The applicable United Nations rules for this period defined assets as “includ[ing] but . . . not limited to stocks, bonds, mutual funds and *real estate*,” thus requiring such assets to be disclosed.⁵⁵³

419. Further, the disclosure form itself states that real estate should be disclosed, and provides an example in the footnotes of personal residences and vacation homes:⁵⁵⁴

⁵⁵¹ The Subject Financial Disclosure Form (9 January 2006).

⁵⁵² The Subject interviews (27 November 2006 and 4 December 2006).

⁵⁵³ ST/SGB/2005/19 (25 November 2005) (emphasis added).

⁵⁵⁴ Financial Disclosure Form P.208 (11-05)-E.

REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER**STRICTLY CONFIDENTIAL****Part 1: Assets**

10. Report assets held that have a market value of US\$10,000 or above per asset, or the equivalent in local currency at the operational rate of exchange. Assets include but are not limited to stocks, bonds, mutual funds and **real estate**. Personal property¹ should be reported only to the extent that it is held for investment or business purposes.²

...

² Thus, for example, the list of assets to be disclosed could look like this:

1. 10000 Shares of joint Stock Company A
2. 5000 Shares of Joint Stock Company B
3. Residence at 111 Elm Road, Long Island City, NY
4. Vacation Home at 8 Circle Road, Miami, FL
5. 9000 Shares of Mutual Fund AAA
6. Government Bonds
7. Persian carpet collection

Figure: Extract from Financial Disclosure Form P.208 (11-05) (showing definition and examples in footnotes of “Assets”)

420. For the year 2004, the applicable United Nations rules and regulations clearly stated: “Assets include but are not limited to currency, *including bank accounts*, stocks, bonds, mutual funds and real estate (excluding personal and vacation residences unless rented out).”⁵⁵⁵ The Subject had filed financial disclosure forms for the year 2004 on 27 April 2005.⁵⁵⁶ In that disclosure, the Subject failed to disclose the existence of the bank account held at Barclays Bank in the United Kingdom, in which he maintained an interest and had a balance in excess of £26,000 at the end of that year.⁵⁵⁷

421. The Subject did not disclose the details of his bank accounts in 2005 altogether, despite an aggregate value in excess of \$US400,000.00. However, the 2005 form did not identify “bank accounts” within the definition of “asset” despite the fact that the definition did include such items before, and after. Likewise, the relevant SGB also failed to identify bank accounts as an asset. Nonetheless, such a disclosure is purely within the spirit of the concept of asset. Officials from the Ethics Office are of the view that such details were required to be disclosed regardless of an absence of identification bank accounts within the definition of asset, reasoning similarly. Further, the absence of these details is compounded by the fact that the Subject served on a working group at this time formulated to examine issues surrounding financial disclosure and consider strengthening reporting requirements.

⁵⁵⁵ ST/SGB/1999/3, sec. 2(a) (28 April 1993) (emphasis added).

⁵⁵⁶ The Subject Financial Disclosure Forms (24 March 2004 and 27 April 2005).

⁵⁵⁷ The Subject interview (4 December 2006).

REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER**STRICTLY CONFIDENTIAL****4. The Subject's Involvement with Working Group on Financial Disclosure**

422. In April 2005, the Subject was asked by the Deputy Secretary-General to lead a working group formulated to “review the issue of Financial Disclosures.”⁵⁵⁸

Message0001	
Subject:	Financial Disclosure
From:	[REDACTED]
Date:	4/22/2005 3:17:24 PM
To:	Nicolas Michel; Rosemary McCreery; Warren Sach
BCC:	Aimee Leung; Zoila Poire
Message Body	
<p>Colleagues,</p> <p>I have been tasked to form a small working group to review the issue of Financial Disclosures within the Secretariat. It will be appreciated if you could nominate a senior person from your department/offices to participate in this forum. They will be contacted directly in due course on the schedule of meetings. Many thanks.</p> <p>[REDACTED]</p>	

Figure: The Subject’s email to Nicolas Michel, Rosemary McCreery, and Warren Sach (22 April 2005)

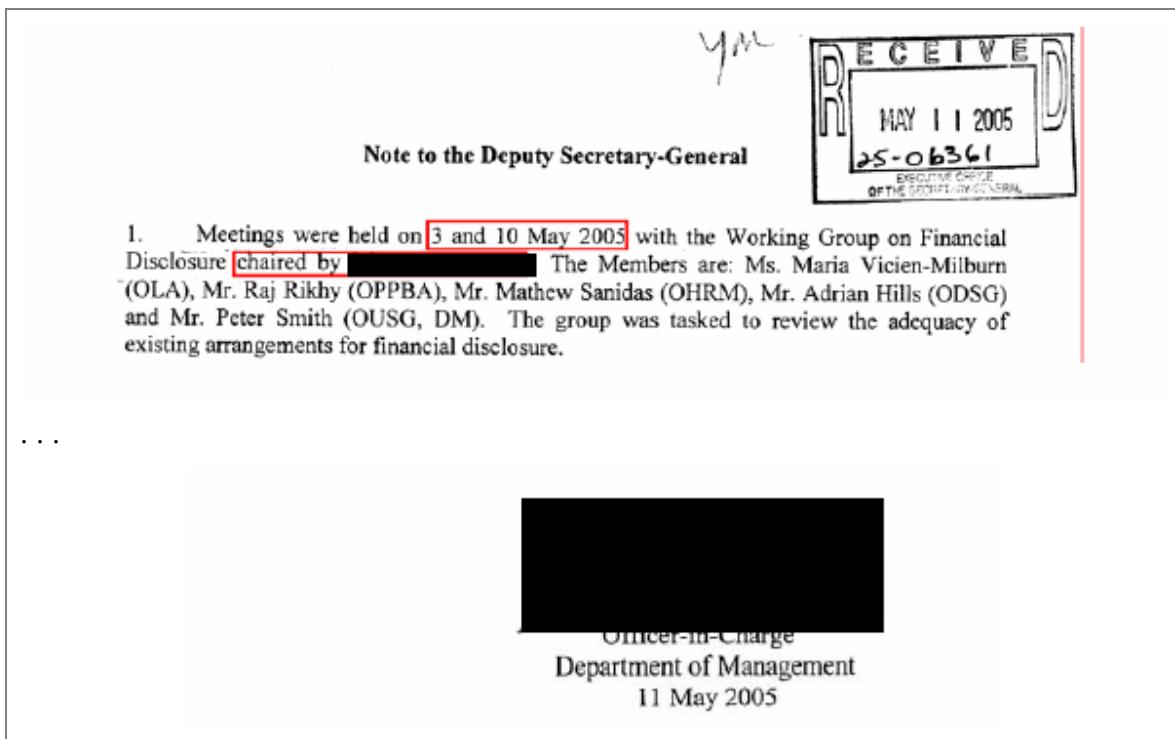
423. The working group was formulated to consider strengthening the Financial Disclosure Form and giving it increased importance in the wake of the findings and recommendations of the Independent Inquiry Committee into the Oil-for-Food Programme (“IIC”). The IIC recommended strengthening oversight and requiring greater scrutiny of personal financial information of senior management.⁵⁵⁹

424. In that regard, the Subject chaired meetings on 3 May and 10 May 2005 with various colleagues from OLA, OHRM and OPPBA and submitted a detailed “Note” to the Deputy Secretary-General on 11 May 2005.⁵⁶⁰

⁵⁵⁸ Adrian Hills note-to-file (28 April 2005) (containing details of Deputy Secretary-General asking the Subject to head working group on Financial Disclosure); The Subject email to Nicholas Michel *et. al.* (22 April 2005).

⁵⁵⁹ Independent Inquiry Committee into the Oil-for-Food Programme, “The Management of The United Nations Oil-for-Food Programme” (7 September 2005).

⁵⁶⁰ The Subject note to Deputy Secretary-General (11 May 2005).

REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER**STRICTLY CONFIDENTIAL****Figure: The Subject's note to the Deputy Secretary-General (11 May 2005)**

425. During the process of conducting the working group review, the Subject contacted officials of numerous United Nations Agencies, Funds, and Programmes and solicited their views on disclosure requirements:⁵⁶¹

⁵⁶¹ The Subject email to various United Nations Agencies, Funds, and Programmes (21 April 2005) (soliciting information on Financial Disclosure requirements).

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-----Original Message-----
From [REDACTED]
Sent: Thursday, April 21, 2005 6:31 PM
To: odonovan@ilo.org; perrin@ilo.org; khalid.mehboob@tao.org;
d.dufresne-klaus@unesco.org; ASingh@icao.int; nordstroma@who.int;
pgallant@worldbank.org; nschroeder@imf.org; jkennedy@imf.org;
schoi@imf.org; guozhong.huang@upu.int; michael.mauer@upu.int;
michel.rolland@itu.int; carlos.sanchez@itu.int; alassane.ba@itu.int;
frank.sap@itu.int; marianne.fabry@itu.int; jmuller@wmo.int;
rjones@imo.org; Carlotta.Graffigna@wipo.int; herman.ntchatcho@wipo.int;

...

Colleagues,

The Secretariat is reviewing its rules on financial disclosure for staff.

It will be appreciated if you could advise me of the financial disclosure arrangements for your respective organisations and provide a copy of such forms as soon as possible. Many thanks.

[REDACTED]

Figure: The Subject's email to various United Nations Agencies, Funds, and Programmes soliciting information on Financial Disclosure requirements (21 April 2005).

426. The precise items required to be disclosed were the subject of extensive debate and discussion in the working group. It necessarily follows that the Subject was intimately involved in issues surrounding financial disclosure, the Organisation's requirement to produce such information, the perceived importance of such disclosure, as well as fully aware of the nature of the items required to be disclosed.

D. EVALUATION BY THE TASK FORCE

427. The Task Force has not identified evidence of fraud or illegal conduct on the part of the Subject in the materials he has produced, which consists of bank accounts in which he has maintained an interest during the period 1999-2005. However, the Task Force has been unable to examine 1998 and 2006, and the sources of funds used by the Subject to purchase real estate in Connecticut in 1998 and in Singapore in 2002. Without such information, the Task Force cannot take a firm and unequivocal view of the matter.

428. It is clear that the Subject has not been fully compliant with the relevant legislations regarding financial disclosure and the requirements of the financial disclosure forms.

429. The Subject has challenged the meaning, extent and applicability of prevailing financial disclosure requirements. A salient feature in his response to the Task Force is the complete absence of recognition of the purpose underlying financial disclosure. Given

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his role as Chairman in the working group established under the aegis of the Deputy Secretary-General to review the financial disclosure regime, his refusal to grant the Task Force full access cannot be said to be one of ignorance as to the purpose underlying the requirement for senior staff to make financial disclosure. The widely publicised findings and recommendations of the Oil for Food Inquiry in relation to financial disclosure are not matters to which he would have been impervious.

XII. THE SUBJECT'S FINAL RESPONSE TO THE ISSUES

430. In the course of finalizing the Report, the Subject was afforded one last opportunity to comment upon the subjects of the investigation and the matters which had been thoroughly canvassed with him and addressed herein.⁵⁶²

To: [REDACTED] @UNHQ
 From: Paul L Roberts/NY/UNO
 Date: 12/13/2006 10:40AM
 cc: Robert Appleton/NY/UNO@UNHQ
 Subject: Draft investigations findings

[REDACTED]

With reference to your e mail to Mr. Appleton last night please be advised as follows.

The Procurement Task Force has been instructed by Mrs. Ahlenius to follow the practice of the Investigations Division of OIOS with regard to writing and submitting reports. The report into the various matters raised with you is being drafted and should be completed today. It will then be presented to Mrs. Ahlenius. I understand she is absent on mission this week and will not have a chance to read it before the weekend. The decision rests with her as to its distribution but in accordance with usual practice I believe she will forward it to the program manager, in your case Mr. Sach. It is a matter for Mr. Sach to decide whether he will act on the report and make it available to you as the staff member concerned.

Each of the matters dealt with in the report has been canvassed at some length with you and on numerous occasions. I believe every opportunity has been afforded to you to respond and produce such material as you consider relevant. If you feel there is anything further you wish to add or supply I would urge you to do so without further delay. You will recall the subjects, broadly described that were raised in the interviews with you were as follows. The acquisition by the UN of a helicopter, the sale of the UN philatelic material, your financial disclosure, the contracts with Petrocelli Electric, the manpower contract awarded to TCIL and the downloading of the telephone records of Mr. Nair. You will also know that written notes of your interviews with the investigators have been made and on each occasion you have been given the opportunity to read, amend or correct the written note as you see fit. Each of these abovementioned topics was dealt with in the Records of Conversation.

Paul Lachal Roberts
 Chairman
 Procurement Task Force
 OIOS
 United Nations

Figure: The Task Force email to the Subject (13 December 2006)

431. While the Subject declined to produce any further or new material, he did make a written response by email. For completeness, the request to him, and in his reply are set forth below:⁵⁶³

⁵⁶² The Task Force email to the Subject (13 December 2006).

⁵⁶³ The Subject email to the Task Force (13 December 2006).

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 [REDACTED] 13/12/2006 12:00 PM

To Paul L Roberts/NY/UNO@UNHQ
 cc Robert Appleton/NY/UNO@UNHQ
 bcc
 Subject Re: Draft investigations findings

Mr. Roberts,

For good order sake, I summarise my position on the issues raised in your earlier message:

Acquisition of a helicopter: I presume you are referring to the Peruvian LOA. LOAs are negotiated exclusively by DPKO with the service provider. I have never been involved in any negotiations for LOAs. As I am in the front line of contacts with vendors when I was Chief of Procurement, it is possible that I may have passed to DPKO an interest expressed by a service provider for an LOA. My role is strictly limited to directing services to the department concerned in the same manner I direct vendors to other UN agencies who may have interest in their goods or services.

Sale of Philatelic material: My involvement was at the tail end of a decision that was taken as far back as 1996 by Messrs Connor, Niwa and Fouracre. As vendors have testified, I have never met with any of them.

Financial Disclosure: I provided all the documents related to my and my wife's bank accounts under the DSG's threat of disciplinary action despite the illegality of the instruction. Your investigators were given all opportunity to seek explanations of every transaction, including expenditures from my legitimate income, which I deem to be an serious invasion of my and my wife's privacy. This notwithstanding, they found no unexplained or illegitimate transactions.

The contracts with Petrocelli Electric: I was never directly involved in any negotiations on the contract. I acted only on the recommendations of the HCC. I do not recall any invitations from the company to events and have never accepted any invitations if any was in fact received. I also do not recall ever meeting any official from the company.

Manpower contracts with TCIL: I have not participated in any negotiations on the contracts and I do not recall ever meeting any officials from the company.

Downloading of phone records of Mr. Nair: It should be noted that I was instructed by Ms. Bertini to instruct a trusted ITSD staff to download the phone records under strict confidentiality. Ms. Bertini acted under the direct instructions of the Secretary-General. I was approached by Ms. Bertini in my position as supervisor of ITSD and my role was limited to giving instructions directly to the person in ITSD who handled such records in order to limit the number of people involved in what was told to me as a strictly confidential matter. Ms. Bertini would attest to the fact that the SG gave authority to obtain this information.

[REDACTED]

Figure: The Subject email to the Task Force (13 December 2006)**XIII. FINDINGS**

432. United Nations Staff Member the Subject joined the WFP in 1980. In July, 1998, the Subject arrived at United Nations Headquarters in New York as part of a secondment to the Office of Coordination of Humanitarian Affairs. In March, 1999, the Subject was appointed Chief of Procurement, and served in that capacity until November, 2000, when he became the Director of the Facilities and Commercial Services Division. While serving in this capacity, the Subject remained as Officer-in-Charge of the Procurement Service until October 2001 when Mr. Saunders was ultimately appointed Chief. In July, 2003, the Subject was appointed Assistant Secretary-General, Office of Central Support Services, where he has remained until the present.

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433. In January, 2006, the Subject was placed upon special leave with pay following an internal Audit Review, which identified fraud indicators in the procurement of an MI-26 helicopter for the United Nations Mission in East Timor, and fraud indicators in a number of other procurement exercises which occurred during the Subject's tenure leading the Procurement Service. In the intervening period, the Task Force has examined several matters during the Subject's tenure as Chief of the Procurement Service, the Director of Facilities Management Division, and Assistant Secretary-General, including:

- (i) the lease of an MI-26 helicopter from Peru for the United Nations Mission in East Timor in 2000;
- (ii) the auction of certain UN owned philatelic material which commenced in 1996 and was ultimately completed in May 2003;
- (iii) the provision of certain electrical and engineering services by the firm Company 2 Electrical Company from 1996 to the present in which the Organisation paid the company in excess of US\$50 million during the entire period; and
- (iv) certain manpower contract for various United Nations missions awarded to the firm Telecommunications Consultants of India Limited between 2000 and 2005.

434. Further, the Task Force has examined three additional matters which have come to the Task Force's attention during its investigations of the above-referenced cases, to include:

- (i) the acquisition of certain telephone call detail records of the then Under-Secretary-General for OIOS, Mr. Nair, procured by the Subject in June 2004;
- (ii) the accuracy and completeness of the Subject's personal financial disclosure statements to the Organisation in calendar years 2003, 2004 and 2005; and
- (iii) issues surrounding the Task Force's request for additional personal financial information of the Subject and his spouse, and which were ultimately required to be disclosed by the Secretary-General through the Deputy Secretary-General.

435. The Task Force has not identified evidence of fraud or illegality on the part of the Subject in any of the matters it has examined. However, the Task Force has not been able to examine the Subject's 1998 or 2006 records, as he has declined to produce them. Further, it has to be noted that the investigation of the MI-26 for the Mission in East Timor in 2000 is not complete in as much as the Task Force continues to await opportunity to review the bank account details and transaction records held in a bank account in Switzerland of a party to the transaction which is relevant to the inquiry. Without a full examination of these financial records, the Task Force cannot take a concluded view of the matter or the Subject's role in it. It is evident that proceeds from the transaction to the lease the MI-26 helicopter were paid into the vendor's account (Company 3), and that the transaction involved fraudulent conduct. That said, an examination of the Subject's personal financial records post 1999 has not revealed evidence of improper benefit, or a transfer of funds, from any vendor or improper source.

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436. The Task Force has also examined all the above-mentioned matters in the context of the relevant financial and administrative rules and regulations of the Organisation, and has addressed the Subject's managerial oversight in the procurement exercises of these significant contracts. In this regard, the Task Force has examined whether the Subject's conduct comports with the Charter and relevant regulations and rules of the Organisation requiring senior management to uphold the highest standards of efficiency, integrity and conduct.

437. First taking these matters individually, and *seriatim*, the Task Force finds that in connection with the sale of the UN owned philatelic archives, the effort to sell the material commenced before the Subject served as Chief of the Procurement Service, and continued after his tenure. The Subject did not initiate the sale (which realized \$US2.47 million net proceeds), nor was he responsible for it. However, as Chief of the Procurement Service, the Subject failed to ensure that the relevant procurement rules were followed in that the Subject did not ensure that the Property Survey Board, an entity within the Organisation established to oversee the sale of UN property, participated in the process. Disposal of any United Nations asset requires prior approval of this Board. Further, the Subject signed a letter prepared by the purchaser which contained claims to the auction house (and therefore ultimately to the public) about the completeness of the materials which turned out to be inaccurate.

438. The Organisation's contract with Company 2 was executed in 1996 before the Subject held the position of Chief of Procurement. However, the Subject was made aware of the significant failings of the contractor in providing electrical and engineering services to the Secretariat building at Headquarters, and the extreme work performance deficiencies of the contractor's agents and employees. Nonetheless, the Subject executed a Memorandum of Understanding with the company in 2000 and a first amendment to the contract against the advice of OLA, allowing the company to continue to provide services to the Organisation under even more favourable terms. Further, the Subject failed to present the matter to the HCC notwithstanding the position of OLA that such presentation needed to be undertaken. The MOU and the execution of the first amendment to the contract allowed the company to continue to proceed to provide services to the Organisation, these work performance failings notwithstanding. The execution of the contract with Company 2, the subsequent MOU, and amendment to the contract, caused the Organisation to sustain further financial losses, and exposed the Organisation to continued performance deficiencies and ongoing financial risk. The company continued to overcharge the Organisation, and failed to cure work performance issues. The Organisation has paid Company 2 more than US\$50 million under these contracts since 1996.

439. The manpower contract between the Organisation and TCIL was tainted by the fraudulent conduct of the vendor and Mr. Bahel, the principal supervising procurement officer responsible for the contract within the Procurement Service. The Subject asserts that he did not have day to day involvement with the procurement exercise or the execution of the contract, vesting Mr. Bahel with responsibility for such matters. Nevertheless, the Subject was repeatedly made aware of issues arising under the contract,

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and the complaints that workers employed by the vendor were not receiving subsistence sums rightfully due and owing to them. While the Subject claims that he questioned and pressed Mr. Bahel on such matters, he nevertheless defended Mr. Bahel's erroneous and partial positions supporting the company on the matters raised. Mr. Bahel clearly favoured the company, TCIL, and its agents, Nanak and Nishan Kohli, in the bidding exercise and throughout the execution of the contract. (Task Force's investigation identified that Mr. Bahel later received substantial benefit from the Kohlis in the form of real estate deals below market value and received other favourable treatment). When OIOS auditors posed questions and raised concerns, the Subject criticized the auditors whose expressions rightfully should have resulted in a full scale investigation and referral to the investigations division of OIOS at the time.

440. In connection with the lease of the MI-26 helicopter to the United Nations Mission in East Timor through Peruvian officials, the Subject learned that officials of the United Nations vendor Company 1 acted as an agent for two vendors on the commercial bid and a de-facto counterparty of the United Nations in the Letter of Assist ("LOA") which was ultimately executed. This circumstance created a conflict of interest and compromised the integrity of the procurement process. Through the process, the Subject gained unique knowledge of the conflict and failed to disclose the conflict to either DPKO or OIOS. Secondly, the Subject also made statements to Task Force investigators about the extent of his knowledge of the transaction which were incomplete and not plausible. Namely, the Subject denied awareness of the role of Company 1 and its principals in the bidding process and execution of the contract. The Subject further initially minimized his knowledge of the identity and role of the Peruvian Generals, only to later acknowledge some awareness after presented with relevant evidence.

441. The Task Force's investigation has identified that a criminal scheme existed in the acquisition and deployment of the Peruvian helicopter to the United Nations Mission in East Timor in 2000. The investigation has further determined that the vendor, Company 1, through its front company Company 3, submitted false documents to the Peruvian officials knowing they would be submitted to, and be relied upon by, the Organisation. In addition, Company 1, through Company 3, overcharged the Organisation for certain rendered services, and falsely billed the Organisation for services in fact not rendered. Although the Subject cannot be held responsible for these failings as they were perpetrated in a surreptitious and clandestine manner by officials of Company 1 and its representatives, there were various red flags which emerged which should have caused an investigation to be launched. Such signals included 1) the role of Company 1; 2) the emergence of Company 3 in the transaction; 3) the request to pay funds into a Swiss bank account in the name of a third party; and 4) various press accounts depicting a possible fraudulent scheme. Had the role of Company 1 been made known to DPKO or OIOS, investigations could have been launched at that time. The Subject was aware of Company 1's role in the transaction and in a unique position to disclose this fact to DPKO and OIOS.

442. At the direction of the then Under-Secretary-General for Management, Ms. Catherine Bertini, the Subject retrieved the telephone call detail records of Mr. Nair, the

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then Under-Secretary-General for OIOS. The request for these records came after the Secretary-General raised concerns with Ms. Bertini that Mr. Nair may have been inappropriately divulging information to a certain official of the press. The Subject, acting at the direction of Ms. Bertini, retrieved the call detail records of Mr. Nair for May and June, 2004, and then instructed the official within the United Nations Information Technology Services Division to keep the matter “confidential.” The manner in which the records were obtained and the resulting destruction of the trace of the search for the records are troubling. The Subject’s direction to “keep the matter confidential” resulted in the destruction of any indication that the records were in fact gathered, and any trace of the search (as the communications official used special software to ensure that the trace could not be identified). These facts resulted in a breach of the established Protocol within ITSD to memorialize all such requests in writing. In effect, there was no documentation generated concerning the gathering of the records, and the appropriate notebook within ITSD failed to contain any reference to it. As a result of such directions, established procedures within ITSD were abrogated.

443. The Task Force has examined The Subject’s financial submissions to the Organisation for the years 2003, 2004, and 2005. Notwithstanding the Subject’s role in a working group established in 2005 to consider strengthening the Organisation’s reporting requirements, and the appropriate need for the Organisation to require production of accurate and reliable financial information, the Subject omitted critical information from his submissions, to include: a) in 2004, a bank account held at Barclays Bank in the United Kingdom in which he maintained an interest; b) in 2005 real property in his name in Singapore and other real property in the United States (purchased for \$510,000 and which was supported by a US\$300,000 down payment). Further, the Subject has failed to identify any information concerning his spouse.

444. A review of the partial information submitted by the Subject to the Task Force does not reveal any evidence of improper payments or improper benefits to him. The Subject has produced personal financial information to the Task Force only after being directed to do so by the Deputy Secretary-General. However, the Note to the Subject from the Deputy Secretary-General required the Subject to present certain financial information to the Task Force between calendar year 1998 and the present. The Subject presented bank account information from 1999-2005, contending that he would provide only those years when he was employed by the Secretariat in New York. However, the Subject refused to provide details of his banking records in 1998 and in 2006 (in the latter claiming that he was effectively suspended from the Organisation and thus not employed by it), and has not produced records of the source of funds used to purchase his Singapore and United States residences. The Subject disclosed his interest in the real property in Singapore which he held between 2002 and 2006 only when the Task Force raised the issue. Similarly, only after the Task Force investigators raised the issue of the Barclays account did the Subject provide the relevant records.

445. The Subject continues to refuse to provide information anterior to 1999 despite being directed to do by the Deputy Secretary-General, and notwithstanding the fact that the Subject was in New York as of July, 1998 seconded to OCHA, and previously

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employed by a United Nations, the WFP, beginning in 1980. The Subject declined to produce information concerning 2006 contending being placed upon administrative leave effectively terminated his employment, despite the fact that he continued to be paid as a staff member, received benefits associated with staff membership, and maintained an active contract with the Organisation which is in existence until July 2007.

XIV. CONCLUSIONS

446. Based on the foregoing, the Task Force finds that United Nations Staff Member the Subject has not committed any fraudulent or corrupt act in any of the matters reported on in this investigation. The Subject has, however, violated staff rules of the Organisation, and has failed in his management responsibilities in the following matters by:

- (i) wilfully refusing to obey the proper instruction given to him by the Secretary-General requiring financial disclosure, and wilfully omitting critical information required to be disclosed by the Organisation's financial disclosure form contrary to UN Staff Regulations (n) and (r), as well as UN Staff Rule 104.4(e);
- (ii) failing to disclose a conflict of interest in the UNTAET helicopter matter of which he was fully aware to the appropriate organs of the Organisation. The conflict compromised the integrity of the process;
- (iii) improperly endorsing the continuation of a major electrical services contract well knowing the performance of the contractor to be wholly unsatisfactory, and thereby exposing the Organisation to continuing risk of financial loss and further performance deficiencies;
- (iv) failing to properly include the Property Survey Board, a relevant component in the Organisation whose approval is required prior to the sale of UN property, in the process to sell UN owned material (philatelic archives), thereby resulting in a violation of UN Staff Rule 110.32;
- (v) not properly scrutinizing and challenging the vendor's denials of claims of misconduct and illegality in a valuable manpower contract for various UN Missions whose position was supported by UN Procurement Officer Sanjaya Bahel, the Subject's designated Officer in Charge of Procurement. The allegations and claims by the vendors' contract staff were ultimately determined to be valid through a subsequent Task Force investigation;
- (vi) causing established procedures within the Information Technology Services Department of the Organisation for requests for sensitive information of staff members to be abrogated.

447. As a consequence, the Subject violated United Nations Staff Regulations (*passim*) in the matters identified above. In the aggregate, this pattern of mismanagement demonstrates a failure by UN Staff Member the Subject to uphold the highest standards of integrity, competence, and efficiency as Chief of the Procurement Service, Director of

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Facilities Management Division, and as an Assistant Secretary-General of the United Nations. The failings in these cases establish a pattern of service well below what is expected of an Assistant Secretary-General of the Organisation. Indeed, these instances of conduct described above are inconsistent with the clear expectations enunciated in the Charter of the United Nations. As the ACABQ recently commented in its 1 December 2006 release:

The Advisory Committee has, in the recent past, pronounced itself strongly in favour of an enhanced accountability framework for senior management. In [a report] the Committee recommended that a specific set of sanctions (up to and including termination of employment) be put in place to deal with failure to perform or poor performance on the part of senior managers at the Under-Secretary-General and Assistant Secretary-General levels.

XV. RECOMMENDATIONS

448. Based upon the foregoing, the Task Force recommends that United Nations Staff Member the Subject be held accountable for the failings described above, and that consideration be given to whether personal financial responsibility is warranted.

REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER**STRICTLY CONFIDENTIAL****XVI. APPENDICES****A. APPENDIX A: FINANCIAL DISCLOSURE REQUEST (24 AUGUST 2006)****United Nations Procurement Task Force
Financial Disclosure Request****Request provided to:** [REDACTED]**Date request made:** 24th August 2006

Dear Sir/Madam,

In the interest of transparency the United Nations Procurement Task Force requests that you voluntarily provide the following financial information for both you and any spouse, regarding your financial and commercial interests worldwide during the previous ten years:

1. Identify any and all bank accounts, held by you or any spouse at any time in the last ten years whether now open or closed, including account numbers, in any location held at any time within the last ten years, whether held individually, jointly with a spouse, family member or other person, or through a partnership, limited liability company or corporation, or in any other name or entity on your behalf.
2. Identify all withdrawals or transfers of funds, by you or any spouse, exceeding \$10,000 whether through wire transfer, cash withdrawal, check, bank or cashiers check, or equivalent, in the past ten years, no matter the source or purpose for the payment or transfer. Please identify the date of the transfer, the location of the transfer, the financial institution making the transfer on your behalf, the individual or entity to whom the transfer was made, and the manner in which the transfer was made (i.e. check, wire transfer, cash, or asset, etc).
3. Identify all transfers or receipts of any assets, by you or any spouse, exceeding \$10,000, to include sum of money, property or other tangible items in the last ten years. Please identify the date of the transfer, the location of the transfer, the financial institution making the transfer on your behalf, the individual or entity to whom the transfer was made, and the manner in which the transfer was made (i.e. check, wire transfer, cash, or asset, etc).

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4. Identify any and all receipts, by you or any spouse, of money, assets, stocks, bonds, tangible property, or any other tangible or intangible benefit, received directly or indirectly, or on your behalf, or through some other person or entity, exceeding \$10,000, including any payments or transfers of funds, assets, or tangible or intangible items exceeding \$10,000 paid to you either directly or indirectly, or to any third party on your behalf or in your favor, within the past ten years.
5. Identify all real or personal property having a value exceeding \$50,000 owned, by you or any spouse, either individually, partially or jointly, within the last ten years;
6. Disclose the names of any corporations, partnerships, groups or entities you or any spouse are associated or affiliated with.
7. Disclose if you have received, directly or indirectly, anything of value, greater than US\$25, from any governmental body or entity, directly or indirectly, within the last ten years;
8. Disclose if you or any spouse have received, directly or indirectly, anything of value, greater than US\$25, for any vendor doing business with, or seeking to do business with, the United Nations at any time.
9. Disclose if you have used any other name, or have been identified by any other surname or alias.
10. Disclose your spouse's full name, full names of immediate family members, and any former spouse.

Please respond to the above numbered questions in full within two weeks from today's date, namely by 8 September 2006.

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B. APPENDIX B: THE SUBJECT'S EMAIL TO THE TASK FORCE (25 AUGUST 2006)

----- Forwarded by [REDACTED] NY/UNO on 09/11/2006 03:39 PM -----

25/08/2006 05:45 PM To [REDACTED]
cc
Subject Meeting on 24 August 2006 [REDACTED]

[REDACTED]

I must confess that I was bewildered by your request yesterday for details of my bank account over 10 years (I have been with the Secretariat for only 7 years). By your own admission, the PTF investigation was triggered by the audit report of December 2005. In that draft report, I was accused of involvement in an LOA concerning Peruvian helicopters despite the fact that negotiations for LOAs are conducted exclusively by DPKO and OLA. I reiterate that no one in OCSS has ever been involved in negotiations on LOAs.

Your request for bank information dating 10 years when there is no allegation of illicit transactions - and therefore no probable cause - imply a fishing expedition at best and at worst, a situation where I am expected to prove my innocence. Guilty until proven innocent. This is not the type of justice in the civilised world. I am bitterly disappointed that the investigation appears to have evolved into a persecution crusade with constantly changing goals.

As I mentioned, I shall be more than happy to give you access to any transaction if there is legitimate allegation of any illegal payments. But to open my entire account over a ten year period without any probable cause is a egregious invasion of privacy.

I have never received a single penny from any vendor, inside or outside of the UN. If I am accused of any illegality, let me face my accuser and resolve the matter in public or in the courts of law. After all, the UN has in recent months publicly pronounced their acceptance of "gold" standards in terms of justice and transparency. What better way to project transparency by having both accuser and accused face the public.

I also urge the PTF to consider changing its rule on expecting a staff member to sign off on the record of their conversation without the benefit of a copy for their own record. This is not only non-transparent but illogical as the staff member is a primary party in the conversation.

Regards,
[REDACTED]

REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER**STRICTLY CONFIDENTIAL****C. APPENDIX C: THE TASK FORCE EMAIL TO THE SUBJECT (6 SEPTEMBER 2006)**

Robert Appleton/NY/UNO
06/09/2006 10:49 AM

To [REDACTED]
cc Paul L Roberts/NY/UNO@UNHQ
bcc

Subject Response to Request for Financial Records

[REDACTED]

Procurement Task Force Investigator [REDACTED] has forwarded to me your email dated 25 August in response to the PTF's request for you to voluntarily provide financial records to the Task Force.

Please be advised that the terms of reference for the Procurement Task Force do not limit its remit to investigating matters raised in the OIOS/AD audit review (audit review). The PTF is properly entitled to consider other matters involving allegations of impropriety concerning procurement, and matters which we have been directed to examine by the USG for OIOS. Therefore, we understand that we are not limited to the allegations concerning the procurement in UNTAET which was the subject of the audit review.

Further, you challenge the PTF's investigation and its request for financial information from you arguing that it is premised upon a determination that the PTF presumes you "guilty." To the contrary, the administrative fact finding investigations of the PTF do not presuppose wrongdoing on the part of any individual. All credible allegations concerning procurement activities are investigated, and the results of those investigations reported to the USG for OIOS. In the event of an adverse finding against an individual, it is our understanding that it is for the Organisation to determine whether it agrees with the finding, and what measures, if any, it should then take.

You also seem to argue that probable cause is required prior to our request for information. Probable cause is required when there is an involuntary investigative intrusion, such as the execution of a search warrant or an arrest warrant. Clearly, these actions must be based upon probable cause. However, each and every investigative step need not be premised upon a finding of probable cause, certainly not one in which a voluntary disclosure is sought.

In conformity with the practice of comparable institutions and relevant investigative bodies, no individual in any factfinding exercise or investigation is informed of his or her status prior to the completion of the investigation, nor is disclosure of the status of the investigation otherwise made until such time. Such a premature disclosure could pose an obvious harm to the investigation and risk damaging the reputation of the individual. We do not read the relevant rules of the Organisation to dictate otherwise.

Similarly, no one is presumed guilty simply as a result of a request for information. While staff regulations enjoin all staff to co-operate with the investigators, the disclosure of your banking records is requested on a purely voluntary basis. The PTF considers such a request to be properly motivated, and relevant to our inquiry.

I hope this addresses all of your concerns.

Regards, Bob

Robert M. Appleton
Deputy Chairman
UN Procurement Task Force
825 Third Avenue, 16th Floor
New York, NY 10022
[REDACTED]

REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER**STRICTLY CONFIDENTIAL****D. APPENDIX D: THE SUBJECT EMAIL TO THE TASK FORCE (6 SEPTEMBER 2006)**

[REDACTED] 06/09/2006 10:03 PM

To Robert Appleton/NY/UNO@UNHQ
cc Paul L Roberts/NY/UNO@UNHQ
bcc
Subject Re: Response to Request for Financial Records

Dear Mr. Appleton,

Thank you for your response. Not being a lawyer, I shall not even try to indulge in the technicalities of "probable cause". I do have other comments.

In the first place, such requests of information, though voluntary, places the person investigated in an untenable situation. On the one hand, a refusal could be perceived as an attempt to deceive. On the other hand, without receiving any cogent justification, the release of private documents could result in a paradoxical situation where the person ends up colluding with himself in a fishing expedition or a witch hunt.

Secondly, I do not know of many people who maintain records of their bank accounts for such lengths of time as they are rolling statements of accounts brought forward monthly. I certainly do not have room to maintain documents for ten years.

Thirdly, being rolling accounts, any bank statement would not be seen in its proper context without first identifying the source of funding. Having come from private business, and having sold properties and assets preceding my recruitment to the UN, not to mention the estate of my father who passed away in 1952, this would necessarily have to go back over 50 years in my case.

As I mentioned to Mr. Trewitt, I shall be more than happy to have my banker provide all information relating to any alleged illegal transaction, or any transactions with individual or company that is alleged to have made illicit payments to me. We will of course have to discuss the issue of costs for such intensive research by the bank.

I remain at your disposal. Regards,

[REDACTED]

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E. APPENDIX E: THE TASK FORCE NOTE TO THE FILE (11 OCTOBER 2006)

 PROCUREMENT TASK FORCE / OIOS	<u>NOTE for the FILE</u> (ID/FB-1/02)
CASE No.:	Date: 11/October/2006 Time: 11:30
TYPE of CONVERSATION: Visit: <u>X</u> Conference: _____ Telephone: _____ Incoming: _____ Outgoing: _____	
NAME of person(s) contacted or in contact with you: [REDACTED]	
ORGANIZATION (Department, Office, Div., etc.): ASG, OCSS	
ADDRESS and TELEPHONE(s), fax, cc: Mail Nos.: [REDACTED]	
ID/OIOS representative(s): Robert Appleton [REDACTED]	
SUBJECT: Financial Disclosure	
<u>SUMMARY</u> of Conversation:	
<p>Following the review of his consolidated record of conversation, [REDACTED] was asked to discuss financial information with Mr. Appleton.</p>	
<p>[REDACTED] said to Mr. Appleton that as long as PTF asks for specific, "no sweat, but otherwise it gets too complicated".</p>	
<p>[REDACTED] offered to sign a release for banks to confirm that either payments were or were not made to any names, aliases, companies PTF provides.</p>	
<p>Mr. Appleton told [REDACTED] that banks do not undertake such analytical tasks but if [REDACTED] were to release bank statements to PTF, Mr. Appleton would ensure that they are looked at within this room safeguarding confidentiality.</p>	
<p>Furthermore, Mr. Appleton reminded [REDACTED] of his own wish to be completely 'cleared' or otherwise by the PTF and that was not achievable unless financial information was disclosed and examined.</p>	
<p>[REDACTED] offered that he had held bank accounts with UNFCU and Merrill Lynch for twenty years; [REDACTED] then wanted an affirmation that should he consider signing a release for these accounts that the PTF would bear the costs.</p>	
<p>[REDACTED] then referred to the allegation that he had received a kickback for the WFP building in Rome. He enquired whether "your trip to WFP" had come up with</p>	

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anything regarding the figure of 3 million dollars quoted by OIOS/ID followed by an exclamation that that was for a five year lease of the building!

[REDACTED] made reference to having moved his funds out of Singapore in the 1980s, as well as having bought a house in Singapore, and that "last year Singapore stopped funds being brought in by [introducing] capital gains".

Mr. Appleton asked [REDACTED] about the wire transfers seen in his office from his UNFCU account to Barclays. [REDACTED] replied that that was for his daughter who had finished school and was now working in London; he had sent a down payment, but that account was now closed. It was a joint account in three names – his, his spouse's and daughter's.

The conversation ended with [REDACTED] stating that he would consider the request but that it was against his principle. He said "I either go on this fishing expedition with you or need to prove my innocence- that I am not a crook".

REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER**STRICTLY CONFIDENTIAL****F. APPENDIX F: THE SUBJECT EMAIL TO THE TASK FORCE (12 OCTOBER 2006)**

 [REDACTED] 12/10/2006 11:09 AM

To Robert Appleton/NY/UNO@UNHQ
cc
bcc
Subject Re: Financial Records 

History:  This message has been replied to and forwarded.

Dear Bob,

I refer to your request for my voluntary disclosure of my UNFCU financial record for the past five years.

My legal advisors tell me that I should not volunteer personal information without justification as such disclosures have a tendency to turn around to bite me. A legal friend in the UN tells me that I should not set a precedence for unwarranted disclosure for other UN staff.

However, I do want closure of this ordeal and I would like to help you, in your words, "to close the loop".

Perhaps a middle path that will provide a modicum of justification for a voluntary disclosure is to provide you with my bank statements for the period 1999-2000 when I was Chief of Procurement. The UN is introducing new financial disclosure rules that will require staff in certain positions, including those in procurement, to make financial disclosures. Therefore, I will not be setting any precedence. Furthermore, limiting the disclosure to the period when I was head of UNPD will ensure that there is no undue invasion of privacy for the period before and after my tenure when I had no direct contact with any vendors.

If you agree, I could bring the statements at our next meeting for your vetting. Cheers,

[REDACTED]

REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER**STRICTLY CONFIDENTIAL****G. APPENDIX G: THE TASK FORCE EMAIL TO THE SUBJECT (16 OCTOBER 2006)**

To: [REDACTED]
From: Robert Appleton/NY/UNO
Date: 10/16/2006 12:41PM
Subject: Re: Financial Records

[REDACTED]

Sorry to not respond sooner. The end of last week became quite hectic. While I certainly appreciate your offer to find a middle ground, the problem which results is that without full disclosure the report will be a qualified one -- a result you firmly told me you did not want to occur. If I recall correctly, your view is that the Task Force should reach a firm conclusion -- either to condemn, or to exonerate.

While I certainly can appreciate your view that a request for the disclosure of personal financial information is invasive, I respectfully disagree with the concern about setting a precedent. First, please know that in varying forms, and to varying degrees, other UN Staff have agreed to complete our form. Second, the use of the form is only for use in those circumstances in which there is an allegation of fraud, or that there is at least *prima facie* evidence that a fraudulent scheme existed. As I informed you when we met, our investigation has identified such a scheme in the UNTAET helicopter matter, in which UN funds were directed by the parties to a Swiss bank account in the name of a third company, the Organisation was billed in excess of amounts properly due and owing to them, that the Peruvian Generals made false statements to the Organisation about the transactions, and about the true parties to the transactions. Further, we have been able to identify losses to the Organisation as a result of the billings submitted and the conduct of the vendors and individuals involved. In sum, I believe the advice you are receiving from within the Organisation expressing concern that your voluntary disclosure would set a troubling precedent is not sound. I hope you are speaking with lawyers with criminal experience, or vast experience with internal investigations.

Finally, again while I certainly appreciate the offer to provide records for the period you served as Chief of Procurement, the problem is that experience in another PTF investigation, as well as experience in many other fraud investigations, has demonstrated that an impermissible benefit can be bestowed well after the events in question (as a result of a promise or implied agreement reached at the operative time). Thus, unfortunately, in order to dispel any such possibility, we truly need to review a broader period of time. Might I suggest records of all deposit accounts (UNFCU, Merrill Lynch, Singapore and the UK account) from 01 January 1999 until the end of 2003? As we discussed, the PTF will pay for the expenses to you charged by your financial institutions for expedited delivery of the information.

Again, many thanks for your efforts to work with us on these issues. I look forward to hearing from you.

Regards, Bob

Robert M. Appleton
Deputy Chairman
Procurement Task Force, OIOS
United Nations
New York

REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER**STRICTLY CONFIDENTIAL****H. APPENDIX H: THE SUBJECT EMAIL TO THE TASK FORCE (16 OCTOBER 2006)**


 [REDACTED] 16/10/2006 04:33 PM
 To Robert Appleton/NY/UNO@UNHQ
 cc
 bcc
 Subject Re: Financial Records
 History:  This message has been forwarded.

Dear Bob

Thank you for your reply. You now appear to have expanded your request on the disclosure. Last Wednesday, you requested me to consider releasing details of my UNFCU account, which is my principal bank account, from 2000-2005.

As I mentioned from the outset, my greatest objection to a voluntary disclosure of my financial transactions is the fact that I have to prove my own innocence. This is, in my mind, against every principle of civilised justice. My compromise proposal was carefully considered as a gesture of goodwill, and to provide a modicum of justification in yielding to your request.

I have also made it abundantly clear that should there be any evidence of criminal activity on my part, the PTF should present such evidence to the authority most equipped to prosecute me to the fullest extent of the law. I have also consistently assured you, and the records will surely bear me out, that I did not participate in any negotiation for the Peruvian LOA, or in any subsequent payment or certification of payment to them.

I do not recall any meeting with the Pervians or their agents regarding the LOA. This notwithstanding, as my procurement officers and I were frequently approached by vendors for items they may wish to offer, regardless of whether it was within or outside the purview of UNPD, it is possible that I had passed to DPKO information I had received from someone that the Peruvians may be interested in providing aircraft. My role in this regard would merely be one of passing information to the appropriate party for response. Nothing more.

However, if there is a single iota of evidence that I have received so much as a dime from any vendor even remotely associated with the Peruvian deal, it should be forwarded to the relevant law enforcement authority for the punishment I surely deserve.

In seeking an unequivocal conclusion of the PTF's investigations, I have also urged that if there is indication of wrongdoing but absent of evidence, the investigation should continue until the PTF is completely satisfied. My family and I have already suffered a nine-month debilitating ordeal. Let us go another nine months if necessary. Given the length of time already taken by the investigators, an inconclusive or qualified conclusion will unlikely be well received by the UN and its legislature.

Despite difference of opinion on matters such as this one, I would like to assure you that I fully appreciate the need for thoroughness, and sometimes aggressive thoroughness, on the part of the PTF investigators. I am fully aware that the PTF was not responsible for the premature administrative action taken against my colleagues and I, or for any administrative action that may result from the investigation. No one should bear any ill will toward the PTF. You therefore have my assurance of my continued full cooperation so that a firm conclusion can be reached. Regards,

[REDACTED]

REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER

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**I. APPENDIX I: THE TASK FORCE MEMORANDUM TO THE SUBJECT
(8 NOVEMBER 2006)**

United Nations  Nations Unies
INTEROFFICE MEMORANDUM MEMORANDUM INTERIEUR

TO: [REDACTED] DATE: 8 November 2006
A: [REDACTED]

REFERENCE:

THROUGH:
S/C DEP:

FROM: Paul Lachal Roberts
DE: Chairman, Procurement Task Force 

SUBJECT: Disclosure of financial records
OBJET:

1. I refer to the note from the Deputy Secretary-General earlier this week requiring you to disclose financial records to the Procurement Task Force.

2. Although the note is very recent the PTF's request for your financial records is not.

3. Kindly provide to the Procurement Task Force by cob Friday, 10 November 2006 records referred to in the attached annex.

Attachment: Annex 1

REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER**STRICTLY CONFIDENTIAL****STRICTLY CONFIDENTIAL**

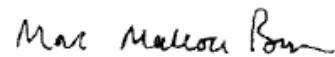

Following discussion with and agreement by the Secretary-General please be advised of the direction hereunder.

The Procurement Task Force (PTF) has represented to us that disclosure of financial information, both past and present, has been sought from you in relation to current investigations being conducted by the PTF.

On the advice of OHRM and OLA, we find that the PTF's request is justified under applicable Staff rules and regulations; the information is appropriately sought and is relevant to the PTF's investigations.

Pursuant to United Nations Staff Regulations 1.29(n), (m) and (r), and Staff Rule 104.4(e), you are required to provide to the PTF as soon as practicable all personal financial information requested by the PTF, including records for all accounts, assets and holdings in which you maintained, or currently maintain, any interest between 1998 and the present.

It is accepted that you may not be in possession of all the information the PTF has requested but that you will take appropriate measures to facilitate access by the PTF to the same.

*Marcelo Ebrard*

The Deputy Secretary-General
6 November 2006

REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER

STRICTLY CONFIDENTIAL

ANNEX

Documents and records in relation to:

1. Any and all financial accounts in which you, or anyone on your behalf, is holding or has held, directly or indirectly, since 1998, any interest.
2. An inventory of all assets, both real and personal, which you or anyone on your behalf, has acquired or transferred to you, directly or indirectly, in whole or part, of a value exceeding US\$10,000, since 1998.

REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER**STRICTLY CONFIDENTIAL****J. APPENDIX J: TASK FORCE EMAIL TO THE SUBJECT (10 NOVEMBER 2006)**

Paul L Roberts/NY/UNO To [REDACTED]
10/11/2006 05:36 PM cc Robert Appleton/NY/UNO@UNHQ
 bcc
 Subject Disclosure of Financial Records

[REDACTED]

I refer to my note to you of Tuesday 8th November requiring you to produce financial records to the Procurement Task Force by close of business today.

You have not complied nor offered any explanation as to why you cannot comply save to say that you propose writing to the DSG about the matter. For avoidance of doubt let me state that I do not regard your statement that you intend to write to the DSG about this matter as a fact which operates as a stay on this requirement to produce your financial records. Under the relevant staff rules, this non compliance constitutes a breach.

This e mail is to advise you of my decision to report your non compliance with the aforesaid request to the USG for OIOS without further recourse to you.

Paul Lachal Roberts
Chairman
Procurement Task Force
OIOS

REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER

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K. APPENDIX K: THE SUBJECT INTERVIEW (27 NOVEMBER 2006)

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REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER

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L. APPENDIX L: THE SUBJECT INTERVIEW (4 DECEMBER 2006)

REDACTED

REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER

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REPORT ON A CONCERNED UNITED NATIONS STAFF MEMBER

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