



United Nations

Nations Unies

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

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*This Report is protected under the provisions of  
ST/SGB/273, paragraph 18, of 7 September 1994*

### **REPORT ON O.P.G. INDUSTRIES INC. AND THE UNITED NATIONS POUCH UNIT**

**Report no. PTF-R001/07**

**Case no. PTF/037/06**

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.

**2 February 2007**

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**I. INTRODUCTION**

1. The following report is the result of an investigation conducted between July 2006 and January 2007 by the Procurement Task Force (“the Task Force”) of the Office of Internal Oversight Services (“OIOS”). The Task Force was created on 12 January 2006 to address all procurement matters referred to the OIOS. The creation of the Task Force was the result of perceived problems in procurement initially identified by the Independent Inquiry Committee into the Oil-for-Food Programme.

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”).

3. The matter set forth herein concerns a company which acted as a vendor with the Organisation providing certain items to the Organisation’s various peacekeeping missions. This Report details the misuse and fraudulent use of the diplomatic pouch to transfer goods to the Missions. The effect of this action was that the Organisation suffered monetary losses and damage to its reputation. Further, the Diplomatic Pouch was misused contrary to the Conventions.

**II. ALLEGATIONS**

4. Article 105 of the Charter of the United Nations provides that “[t]he Organization shall enjoy in the territory of each of its Members such privileges and immunities as are necessary for the fulfillment of its purposes” to ensure that the pursuit of the United Nations’ duties will not be impeded in any unnecessary way.<sup>1</sup>

5. Diplomatic privileges accorded to the Organisation in recognition of this purpose include the right to use “Diplomatic Pouch Bags” (“pouch”) for the distribution of official documents and other material deemed necessary for the use of the United Nations Missions.<sup>2</sup> According to international convention such pouch bags are inviolable in that the pouch cannot be opened or detained and the importation of any items entering a host country through the use of the pouch is not within the jurisdiction of customs officials nor are the items subject to import taxes.<sup>3</sup>

6. Breaches of these diplomatic privileges may prevent national authorities from important income resources and distort the functioning of the local markets.

7. Contraventions of diplomatic law not only expose the United Nations to the risk of legal liability but also jeopardize its reputation in the host countries. An example of

<sup>1</sup> Charter of the United Nations, ch. XVI, art. 105, para. 1 (26 June 1945).

<sup>2</sup> Convention on the Privileges and Immunities of the United Nations, art. 3, secs. 9 and 10 (13 February 1946); ST/AI/368 (10 January 1991) (Instructions Governing United Nations Diplomatic Pouch Service).

<sup>3</sup> Convention on the Privileges and Immunities of the United Nations, arts.2 and 3, section 7 and 10 (13 February 1946).

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such a result is seen in 2006, when Osman Osman, a United Nations mail clerk allegedly used the United Nations diplomatic pouch to smuggle khat, an illegal drug grown in East Africa, into New York. Mr. Osman was arrested by US Federal Authorities and has been charged with illegal drug distribution. A number of other individuals were arrested as well.<sup>4</sup>

8. It is therefore important that procedures are in place to prevent any commodities not for the use of the Mission or even illegal goods from benefiting of the diplomatic privileges.

9. To ensure the security of its official correspondence and the integrity of these diplomatic privileges the United Nations established a Diplomatic Pouch Service which is administered by the Commercial Activities Service of the Facilities and Commercial Services Division.<sup>5</sup>

10. This investigation examines the improper use of the diplomatic pouch.

11. On 6 September 2005, the then Chief of Procurement Service at the United Nations Operation in Cote d'Ivoire ("ONUCI"), Ms. Helen Dodd notified the Procurement Service at the United Nations Headquarters in New York ("the Procurement Service") that a company named O.P.G. Industries Inc. ("O.P.G.") had been delivering goods to ONUCI using the United Nations Diplomatic Pouch Service, while at the same time charging the United Nations for freight costs in their invoices.<sup>6</sup>

12. Similarly, two months later, on 1 November 2005, the former Deputy Chief of Contracts and Procurement Section at the United Nations Office at Nairobi ("UNON"), Ms. Linda Telles informed the Procurement Service that UNON had similar experiences in connection with their procurement from O.P.G. Industries in 2001.<sup>7</sup>

13. As a result of these complaints, in or about 2006, the matter was referred to the Task Force for a full investigation.

14. The investigation has focused on the following issues:

(i) whether the Diplomatic Privileges granted to the United Nations were contravened by the use of the Diplomatic Pouch System for the shipments of commercial goods;

(ii) whether O.P.G. fraudulently charged the Organisation for freight costs for their shipments through the pouch;

(iii) the extent of losses to the Organisation caused by O.P.G.'s misuse of the pouch;

<sup>4</sup> United States Southern District of New York Press Release (26 July 2006).

<sup>5</sup> ST/AI/368(10 January 1991) (Instructions Governing United Nations Diplomatic Pouch Service); Office Commercial Service Sector Organigram.

<sup>6</sup> Helen Dodd email to Christian Saunders (6 September 2005).

<sup>7</sup> Linda Telles email to Jayantilal Karia (1 November 2005).

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(iv) whether United Nations staff member(s) or official(s) were involved in the misuse of the diplomatic pouch or engaged in inappropriate conduct in relation to O.P.G; and

(v) whether the United Nations procedures and rules are sufficient to safeguard the integrity of the Diplomatic Pouch System.

**III. APPLICABLE LAW**

15. This matter is examined under, and in light of, the Charter of the United Nations, the Convention on the Privileges and Immunities of the United Nations, the applicable United Nations Rules and Regulations and the relevant concepts of criminal law.

16. The following provision of the **Charter of the United Nations** is of relevance:

(i) **Article 105** that “[t]he Organization shall enjoy in the territory of each of its Members such privileges and immunities as are necessary for the fulfillment of its purposes.”<sup>8</sup> Consequently, the General Assembly by resolution of 13 February 1946, approved the

17. The following provisions of the **Convention on the Privileges and Immunities of the United Nations** are relevant:<sup>9</sup>

(i) **Article II, Section 7(a)**: the United Nations, its assets, income and other property shall be “exempt from all direct taxes.”

(ii) **Article II, Section 7(b)**: the United Nations, its assets, income and other property shall be “exempt from customs duties and prohibitions and restrictions on imports and exports in respect of articles imported or exported by the United Nations for its official use.”

(iii) **Article III, Section 10**: “the United Nations shall have the right to use codes and to dispatch and receive its correspondence by courier or in bags, which shall have the same immunities and privileges as diplomatic couriers and bags.”

18. The guidelines and procedures for the use of the pouch are set down in **Administrative Instruction ST/AI/368 of 10 January 1991**:<sup>10</sup>

(i) **Paragraph 3**: “[r]estrictions on the content of the diplomatic pouch: The following matter may be sent in the diplomatic pouch: (a) Official correspondence, documents and printed matter of which individual packages must not exceed 35 pounds or 16 kilograms; (b) Articles intended for official use appropriate for inclusion in the pouch, where shipment by other means is not feasible.”

<sup>8</sup> Charter of the United Nations, ch. XVI, art. 105, para. 1 (26 June 1945).

<sup>9</sup> Convention on the Privileges and Immunities of the United Nations, secs. 7, 10, arts. 2-3 (13 February 1946).

<sup>10</sup> ST/AI/368 (10 January 1991) (Instructions Governing United Nations Diplomatic Pouch Service).

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(ii) **Paragraph 5:** “[e]very effort must be made by executive/administrative officers and pouch certifying officers to limit the weight and quantity of material transmitted by pouch.”

(iii) **Paragraph 7:** “[a]s a means of identifying the originating office and for accounting purposes, all pouch items . . . must have a bar-code label affixed thereto and the name and return address of the sender clearly indicated. Items not bearing a bar-code label will be returned to the sender.”

19. The following provisions of the **Staff Regulations of the United Nations** are applicable to this matter:

(i) **Regulation 1.2(b):** “[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.”<sup>11</sup>

20. The following provision of the **Staff Rules of the United Nations** is relevant:<sup>12</sup>

(i) **Rule 112.3:** “[a]ny staff member may be required to reimburse the United Nations either partially or in full for any financial loss suffered by the United Nations as a result of the staff member’s negligence or of his or her having violated any regulation, rule or administrative instruction.”

21. **ST/AI/2004/3** defines the conditions for the implementation of staff rule 112.3 as follows:<sup>13</sup>

(i) **Section 1.3:** “[f]or the purposes of the present instruction, “gross negligence” is negligence of a very high degree involving an extreme and willful or reckless failure to act as a reasonable person in applying or in failing to apply the regulations and rules of the Organization.”

22. The following provision of the **United Nations Procurement Manual** is of relevance:<sup>14</sup>

(i) **Section 4.2.5(1):** “[t]he UN shall communicate to the Vendors during the registration phase, in the solicitation documents and in the contract documents that all UN vendors shall adhere to the highest ethical standards, both during the bidding process and throughout the execution of a contract.”

23. The following concepts of **criminal common law** are applicable to this matter:

(i) **Fraud:** commonly, fraud is defined as an unlawful scheme to obtain money or property by means of false or fraudulent pretences, representations, or promises. A scheme or artifice has been repeatedly defined as merely a plan for the accomplishment of an object. A scheme to defraud is any plan, device, or course of

<sup>11</sup> ST/SGB/2006/4, reg. 1.2(b) (1 January 2006). This is a long-standing provision of the Staff Regulations. See, e.g., ST/SGB/1999/5, reg. 1.2(b) (3 June 1999).

<sup>12</sup> ST/SGB/2002/1 (1 January 2002).

<sup>13</sup> ST/AI/2004/3 (29 September 2004).

<sup>14</sup> United Nations Procurement Manual, Rev. 02, sec. 4.2.5(1) (January 2004).

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action to obtain money or property by means of false or fraudulent pretences, representations or promises reasonably calculated to deceive persons of average prudence.

**IV. METHODOLOGY**

24. The Task Force's investigation included interviews with numerous witnesses, the review and analysis of a significant number of documents, and extensive examination of electronic media and evidence.

25. The Task Force collected and reviewed extensive documentation from the United Nations Headquarters and twelve United Nations Field Missions and Overseas Offices, including procurement files, bids, requisitions, receiving and inspection reports, payment instructions, and related correspondence of the purchase orders and contracts involved.

26. The Task Force investigators further examined the United Nations Headquarters Pouch Unit's ("Pouch Unit") printed and electronic documentation relating to O.P.G.

27. The Task Force interviewed a significant number of United Nations staff members in the Headquarters' Mail Operations Unit, Procurement Service and Department for Safety and Security. Interviews were also conducted with the United Nations staff members in various locations at UNON, ONUCI, and the United Nations Mission for the Referendum in Western Sahara ("MINURSO"). The Task Force investigators further contacted representatives of O.P.G. and its affiliated company.

28. Where available, electronic evidence was gathered.

29. The Task Force's investigation has faced a number of challenges including the fact that certain files, such as procurement files obtained from the United Nations Missions were found to be incomplete and the lack of compulsory process outside of the United Nations System.

**V. INVESTIGATIVE DETAILS****A. O.P.G. INDUSTRIES INC.****1. Company Background**

30. O.P.G. is a New York City based supplier of personal computers, accessories and office equipment.<sup>15</sup> It commenced its business in 1981 and was incorporated in the State of New York on 17 September 1991.<sup>16</sup> At all relevant times, O.P.G. was located at 140 58<sup>th</sup> Street, Bldg 5-B, Brooklyn, New York, 11232.

31. The company's representatives as listed in the United Nations Vendor Registration File are:

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<sup>15</sup> Procurement Service Vendor Listing (27 October 2005) (registered as United Nations vendor no. 3049).

<sup>16</sup> Dun & Bradstreet Business Information Report (21 March 1996).

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- Eden C. Reeves (Sales Manager);
- The Subject (Sales Manager);
- Joe Scott (Manager); and
- Don Thompson (Service Manager).

32. Mr. Eden C. Reeves is a former United Nations staff member. He was appointed as Associate Accountant at the Office of the Commissioner for Namibia on 18 July 1984. From November 1990, until his retirement in April 1997, he worked as Finance Officer for the United Nations Economic Commission for Africa (“ECA”). Prior to his retirement in 1997, while he was appointed as Chief of the Disbursement Unit in Addis Ababa, Mr. Reeves falsified ECA cheques and defrauded the United Nations of more than US\$36,000. Internal records reflect that Mr. Reeves subsequently paid the money back to the Organisation, and is currently retired.<sup>17</sup> The Task Force was not able to reach Mr. Reeves under any of the contact details available and no further information was available as to his whereabouts.<sup>18</sup> It also does not appear that any disciplinary action was sought against him.<sup>19</sup>

33. The Subject was contacted by the Task Force and claimed to be highly interested in discussing his case and his unjustified removal from the United Nations vendor roster with the Task Force. Asked about the contact details of Mr. Joe Scott and Mr. Don Thompson, the Subject stated that “they were all still around.”<sup>20</sup> He informed the Task Force that he would call to schedule an appointment for an interview, but the Task Force has not received any response by the Subject. All further attempts by the investigators to reach the Subject have failed.<sup>21</sup>

34. The Task Force investigators tried to identify the company’s other manager “Mr. Joe Scott”, and it appears that Joe Scott is an alias name of the Subject. Staff Member 1, Procurement Assistant at the Procurement Service told the Task Force investigators that the individual who had initially introduced himself as the Subject later introduced himself as Joe Scott.<sup>22</sup> It is remarkable that, although this fact became known to a procurement assistant at the Procurement Service, it did not raise concerns about the integrity of the supplier O.P.G.

35. Although the investigators could not identify the subject named “Mr. Don Thompson”, there is substantial reason to assume that this name too, may be another alias of the Subject. Correspondence under the name of Mr. Thompson has repeatedly been sent from the Subject’s email address.

<sup>17</sup> Report of the Office of Internal Oversight Services IS/0109/97 (4 April 1999). Mr. Reeves admitted to OIOS investigators that he had stolen over \$30,000 prior to his retirement in 30 April 1997 and subsequently had paid the money back through his UN Joint Pension plan account. OIOS recommended referral to local Ethiopia law enforcement; Eden Reeves personnel file.

<sup>18</sup> The Task Force note-to-file (18 January 2007).

<sup>19</sup> Eden Reeves personnel file.

<sup>20</sup> The Task Force note-to-file (12 January 2007)

<sup>21</sup> *Id.*

<sup>22</sup> The Task Force note-to-file (11 January 2007).

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36. The Task Force visited O.P.G.'s company location in an industrial section on 58<sup>th</sup> Street, Brooklyn, New York, but found the office facilities vacated. The Task Force was told by the building's manager that O.P.G. had been evicted in September 2006 by the New York City marshals for failure to pay rent.<sup>23</sup>

## **2. Vendor Registration and First Complaints**

37. On 25 March 1996, O.P.G. was registered under the current United Nations vendor roster as approved vendor no. 3049 although purchase orders date back as early as 1993.<sup>24</sup> Although the procurement registration procedures required potential suppliers to submit audited financial records in order to verify the financial background of the companies, O.P.G. was approved and registered with only a printout of an unaudited financial statement.<sup>25</sup>

38. On 3 June 1996, the Procurement Service received a letter dated 16 May 1996 from a law firm representing Hewlett Packard ("HP") complaining that it suspected O.P.G. of using, selling, and refurbishing HP toner cartridges improperly. The letter cautioned that the United Nations may have been a victim of O.P.G.'s activities and provided information on various company names under which O.P.G. operated:<sup>26</sup>

As per our telephone conversations, please find enclosed names and telephone numbers used by a suspected distributor of counterfeit, Hewlett Packard (HP), laser toner cartridges. As we discussed, we represent HP and have received information from a confidential source that the United Nations may have been victimized by this suspect. The suspect is known by the following names:

✓ - O.P.G. INDUSTRIES; ✓  
 aka GLOBE COMPUTER SUPPLY CO., INC.; ✓  
 aka RAIHCO EIGHTEEN, INC.;  
 aka TIFFANY BUSINESS PRODUCTS;  
 aka ENCORE; O.P.G. LTD.

The suspect company has used many different telephone numbers and addresses including:

140 58th St.; Bldg.5-B in Brooklyn, NY 11220; and 5802 3rd Avenue in Brooklyn, NY 11220  
 Tel.: 718 492-0037 718 439-9300; 718 492-9069; fax 718 680-7765; 800 292-7788

**Figure: M. Morgan Cherry & Associates, Ltd. to the United Nations (16 May 1996)**

39. An advisory note referring to this letter was subsequently placed in the Procurement Database, cautioning Procurement Officers against using O.P.G. The letter

<sup>23</sup> The Task Force note-to-file (12 January 2007).

<sup>24</sup> United Nations Purchase and Transportation Service Vendor Listing (8 November 1996). As O.P.G. was a registered vendor prior to 1996, the Task Force requested all O.P.G. files from archives but as of 24 January 2007 no earlier registration files could be found. Grace Montelibano email to the Task Force (24 January 2007) (stating O.P.G. purchase orders (hereinafter "POs") were found dating back as early as 1993, but the Procurement Service was unable to determine any earlier POs as all POs prior to 1993 do not indicate vendor name).

<sup>25</sup> Vendor Application receipt and evaluation form (28 February 1996); O.P.G. Balance sheet and Income statement for the year ended 28 February 1995.

<sup>26</sup> Morgan Cherry & Associates letter to Michael McCann (16 May 1996).

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also identified that the company utilized several aliases to conduct its business, a clear red flag. However, only four months later, on 8 November 1996, this note was deleted from the system.<sup>27</sup> Staff Member 2, former Procurement Officer at the Procurement Services who had deleted this note, could not recall the circumstances as to why, other than they were told by the Supplier Committee to do so.<sup>28</sup>

40. Further, just four months later, on 12 March 1997, Osborne Jackson, then the Deputy Director of the Statistics Division lodged an additional complaint against O.P.G. with the Procurement Service and Transportation Division for its “irresponsible service.”<sup>29</sup> Again, O.P.G. was suspected of having sold a remanufactured Toshiba computer notebook to the United Nations.

The irregularity of this service prompted the project to investigate the matter further. Toshiba was contacted to see if it were possible to identify a remanufactured unit by providing the serial number. Mr Carlos Armas of Toshiba provided excellent support on this and their investigations concluded that the notebook was a remanufactured unit.

O.P.G. Industries, Inc. performed irresponsibly and misled the project. If the investigation was not made, we would have paid the price of a new computer notebook for a remanufactured unit.

**Figure: Osbourne Jackson facsimile to Allan Robertson (12 March 1997)**

41. The matter was brought to the attention of Sanjaya Bahel, the then Officer-in-Charge of the Procurement and Transportation Division, who recommended the suspension of O.P.G. from consideration in subsequent bidding exercises.<sup>30</sup>

42. The matter was also brought to the attention of the HQ Supplier Roster Committee, which - in its meeting of 20 June 1997 – held that O.P.G. shall be excluded from future bidding exercises.<sup>31</sup>

43. However, just one month later, on 15 July 1997, Mr. Allan Robertson, then the Officer-in-Charge of the Procurement and Transportation Division informed the Subject, O.P.G.’s representative, that “because O.P.G. was not given the opportunity to fully respond to all the complaints, [they] should only be suspended from future United Nations procurements for the period ending 31 December 1997.”<sup>32</sup> Thereafter, in January 1998, the company was re-registered as an approved supplier.<sup>33</sup>

44. From June 1996 and continuing to or about April 2005, O.P.G. engaged in substantial business with the Organisation. An examination of purchase orders reflects that at least US\$1,469,911 worth of business was awarded to O.P.G. by the United

<sup>27</sup> United Nations Purchase & Transportation Service Vendor Listing (8 November 1996).

<sup>28</sup> Staff Member 2 interview (24 January 2007).

<sup>29</sup> Osborne Jackson letter to Allan Robertson (12 March 1997).

<sup>30</sup> Sanjay Bahel note to Mr. Jackson (30 May 1997).

<sup>31</sup> Allan Robertson letter to the Subject (30 June 1997).

<sup>32</sup> Allan Robertson letter to the Subject (15 July 1997).

<sup>33</sup> Vendor 3049 Abstract (14 January 1998).

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Nations Headquarters alone.<sup>34</sup> Significantly, in July 2002 the company was further awarded a one year systems contract for the provision of FLUKE Optiview Network Analyzers in the amount of US\$1,890,200.<sup>35</sup>

45. In addition, purchase orders totaling at least US\$2,875,051 were issued to O.P.G. by 13 different United Nations Field Missions and Overseas Offices between 2002 and 2005.<sup>36</sup>

46. In 2001, however, complaints began to arise at UNON that O.P.G. was misusing the pouch for their commercial shipments and improperly sending goods to the mission through the use of the pouch service.

### **3. The United Nations Office at Nairobi**

47. In June 2001, Ms. Linda Telles, the then Deputy Chief, Contracts and Procurement Section at UNON, discovered an incident in which UNON was charged US\$4,474.40 by O.P.G. for the shipment of 52 boxes of toner cartridges through the pouch.<sup>37</sup>

Shipper's Name and Address <b>UNITED NATIONS HEADQUARTERS DIPLOMATIC POUCH UNIT UN PLAZA, NEW YORK, NY 10017 USA</b>	Shipper's Account Number	Not negotiable <b>Air Waybill</b>	BRITISH AIRWAYS WORLD CARGO		
Consignee's Name and Address <b>UNITED NATIONS ENVIRONMENT PROGRAMME GIGIRI NAIROBI, KENYA TEL: 25420724</b>		Issued by British Airways London Member of IATA			
Consignee's Account Number		Copies 1, 2 and 3 of this Air Waybill are originals and have the same validity It is agreed that the goods described herein are accepted in apparent good order and condition, (unless otherwise specified) for carriage SUBJECT TO THE CARRIERS CONDITIONS OF CARRIAGE ROAD OR AIR GENERAL TERMS CARRIED FOR APPROPRIATE CARRIER'S declaration of liability by stating such limitation of liability by declaring a higher value for carriage and paying a supplemental charge if required.			
Issuing Carrier's Agent Name and City <b>INTER-WORLD EXPRESS SERVICES, LTD. JAMAICA, NY 11434 FAA# EA9401192</b>		Accounting Information --- <b>BA 2069/09 Jun TES# 133029 JFK0005/02172/0152</b>			
Agent's IATA Code	Account No.				
Airport of Departure (Addr. of First Carrier) and Requested Routing <b>JFK INTL AIRPORT</b>		Reference Number	Optional Shipping Information		
<b>LGH BRITISH AIRWAYS</b>		Currency CHGS WT/VAL Other <b>USD X X</b>			
Airport of Destination <b>NAIROBI, KENYA</b>		Amount of Insurance	Declared Value for Carriage <b>FDR30.55 (H) FTSR</b>		
		INSURANCE - If carrier offers insurance, and such insurance is requested in accordance with conditions thereof, indicate amount to be insured in figures in box marked "Amount of Insurance".			
Handling Information					
SCI					
THESE COMMODITIES, TECHNOLOGY OR SOFTWARE WERE EXPORTED FROM THE UNITED STATES IN ACCORDANCE WITH THE EXPORT ADMINISTRATION REGULATIONS. DIVERSION CONTRARY TO UNITED STATES LAW PROHIBITED					
Item No. Pieces RCP	Gross Weight kg lb	Rate Class Commodity Item No.	Chargeable Weight Rate Charge Total Nature and Quantity of Goods (incl. Dimensions or Volume)		
<b>2</b>	<b>470 K</b>	<b>470 K</b>	<b>\$9.52/K</b>	<b>\$4,474.40</b>	<b>UNITED NATIONS DIPLOMATIC MAIL</b>

**Figure: British Airways World Cargo Air Waybill (4 June 2001)**

<sup>34</sup> Procurement Service, List of Purchase Orders issued from 13 June 1996 to 14 April 2005 (19 August 2005).

<sup>35</sup> Contract no. PD/C0149/02 between the United Nations and O.P.G. Industries Inc. for Provision of Fluke Optiview Integrated Network Analyzers (signed by Sanjay Bahel and the Subject on 26 July 2002).

<sup>36</sup> Calculation based on records provided by 13 Missions. However, records by the Pouch Unit and Procurement Services indicate that goods were shipped to 20 UN Missions and Overseas offices.

<sup>37</sup> Air Waybill no.125-85274523 British Airways World Cargo (4 June 2001).

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48. It is clear that under the terms of the Purchase Order for the toner cartridges they should have been shipped by commercial means of transportation and not through the pouch as the delivery terms of the Purchase Order stipulated “Delivery Duty Unpaid Nairobi” or “DDU Incoterms 1990.”<sup>38</sup>

49. Incoterms are trade terms established by the International Chamber of Commerce in order to provide a set of international trading rules. The use of Incoterms establishes the respective contractual obligations of the buyer and seller. Commonly used terms are “Delivery Duty Unpaid or DDU” meaning that the vendor shall pay for transportation costs and bear all risk until the goods have been delivered to the final point at the destination or named place in country of importation; and “Carriage and Insurance Paid to or CIP” meaning the vendor shall pay for the transportation costs and bear all risks until the goods have been delivered to the port of destination.<sup>39</sup>

50. In the case of O.P.G. shipments, delivery terms of the Purchase Orders stipulated DDU and CIP.<sup>40</sup> Thus, O.P.G. had to deliver goods at its own risk to the respective missions. The company was further responsible for arranging necessary insurance and commercial freight forwarding. These costs were therefore included in O.P.G.’s prices and invoices.

51. Included in the purchase amount of US\$23,435 was the cost of the “Carriage and Insurance” for the shipment to Nairobi (“C.I.P. Nairobi”) meaning that the seller bore the expense of the delivery of goods and the cargo insurance to the place of destination.<sup>41</sup>

<p><b>In accordance with our General Conditions (Annex 1), please supply DDU Nairobi, (Incoterms 1990) the following:</b></p> <p>...</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 5px;"><b>TOTAL C.I.P NAIROBI</b></td><td style="width: 50%; padding: 5px; text-align: right;"><b>23,435.00</b></td></tr> </table>	<b>TOTAL C.I.P NAIROBI</b>	<b>23,435.00</b>
<b>TOTAL C.I.P NAIROBI</b>	<b>23,435.00</b>	

**Figure: Purchase Order no. 2001-20-40508/EM (14 May 2001)**

52. O.P.G., however, billed the mission for freight and insurance costs, despite the fact that the goods were actually shipped free of charge for the vendor through the pouch.

53. As a result, O.P.G. engaged in double dipping – achieving free shipment and then billing for transportation costs that were actually not incurred. UNON was twice victimized, once through the use of the pouch by the vendor for a commercial shipment, and again when it was charged for transportation costs not in fact incurred.

<sup>38</sup> Purchase Order no. 2001-20-40508 (14 May 2001) (for provision of toner cartridges).

<sup>39</sup> Export911, “International Commercial Terms (INCOTERMS),”  
<http://www.export911.com/e911/export/comTerm.htm>.

<sup>40</sup> See, e.g., Purchase Order no. 2001-20-40508 (14 May 2001) (for provision of toner cartridges).

<sup>41</sup> Export911, “International Commercial Terms (INCOTERMS),”  
<http://www.export911.com/e911/export/comTerm.htm>.

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54. On 24 August 2001, Ms. Telles sent a facsimile communication to Mr. Don Thompson, an O.P.G. representative, informing him that the use of the pouch for commercial cargo was not only illegal but also constituted an abuse of the duty free privileges extended to the Organisation by the Government of Kenya:<sup>42</sup>

**6. We take this opportunity to inform you that the use of the UN Diplomatic Pouch for commercial cargo is not only illegal, it also constitutes an abuse of the duty free privileges extended to us by the Government of Kenya.**

**Figure: Linda Telles facsimile to O.P.G. (24 August 2001)**

55. On 26 July 2001, Don Thompson sent an email to Gideon Nzuve, the then Receiving and Inspection Officer at UNON, defending O.P.G.'s use of the pouch to transport its goods to the missions, stating that the option to ship goods via the pouch was discussed with some of the United Nations agencies based upon losses sustained through commercial transportation.<sup>43</sup> Although it is unclear, Mr. Thompson suggests that the issue of approval for the use of the pouch was discussed when these issues were raised with the mission. However, he does not represent that such authorisation was thereafter provided. Mr. Thompson stated that the agencies "had been very receptive to the POUCH option" provided that "prior approval" by the agencies was given:<sup>44</sup>

examine what steps to take to ensure fully secure delivery. The Pouch was one of the options, assuming we would have prior approval, of the UN agency. Since we do a large volume of Computer Replacement Parts for COMPAQ COMPUTER and others, some of the agencies have been very receptive to the POUCH option, assuming prior approval.

**Figure: Don Thompson email to Gideon Nzuve (26 July 2001)**

56. As a result of this incident in June 2001, UNON researched their records dating back to 1996 and discovered that O.P.G. had been using the pouch for its shipments since 1996 while at the same time charging the Organisation for the purported freight costs of their deliveries.<sup>45</sup> The purported freight charges the company had claimed to have incurred and bill to the Organisation was in the amount of US\$5,209. These amounts were subsequently recovered and deducted from an open invoice issued by the company in 2001.<sup>46</sup>

57. The matter was brought to the attention of the Pouch Unit on 27 July 2001 when Simon Towett, from the UNON registry, in an email to Raphael Lindo, Mail Assistant at

<sup>42</sup> Linda Telles facsimile to O.P.G. (24 August 2001) (Att. D. Thompson).

<sup>43</sup> Don Thompson email to Gideon Nzuve (26 July 2001).

<sup>44</sup> *Id.*

<sup>45</sup> Linda Telles facsimile to Don Thompson (2 November 2001).

<sup>46</sup> Linda Telles memorandum to David Hastie (25 July 2002) (Mr. Hastie was the Chief Accounts Section, of BFMS).

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the Headquarters Mail Operations Unit, explicitly asked that the Pouch Unit seek UNON's authorisation before accepting goods from O.P.G. Industries.<sup>47</sup>

**Please refer to your pouch number 423 to 474 (52 bags) which we received on 11 June 2001. Please note that these were office supplies. OPG Industries was supposed to dispatch these goods by airfreight instead of dispatching them by diplomatic pouch. The charges for airfreight were already included in their invoice for goods. Please advise by fax whether they have paid you the freight charges.**

**In future, appreciate if you would kindly inform us in advance before you accept goods from OPG Industries.**

**Figure: Simon Towett email to Raphael Lindo (27 July 2001)**

58. The then acting Chief of Headquarters' Mail Operations Unit, Mr. Gerson de Almeida was also notified of the issue. He was copied on an email Ms. Telles sent to Raphael Lindo on 28 August 2001.<sup>48</sup>

59. However, UNON did not alert the Procurement Service. The Task Force investigators were told by Staff Member 3, the current Chief of the Procurement, Travel and Shipping Section, that due to the culture of poor communication and coordination between Headquarters and Missions, the matter was not brought to the attention of the Procurement Service.<sup>49</sup>

60. Furthermore, although these practices were discovered, O.P.G. was not removed from the UNON vendor roster. Staff Member 3 told the Task Force investigators that O.P.G. had been temporarily removed from the UNON vendor list but was reinstated when the company's representatives promised to improve.<sup>50</sup>

61. UNON continued its business transactions with O.P.G. until 2003 when a new incident of freight fraud was discovered. On 16 June 2003, UNON received a "freight collect" invoice from DHL for US\$376.90 on a shipment that had been sent by O.P.G., although freight costs again were included in O.P.G.'s quotation and invoice.<sup>51</sup>

62. From 2000 until its removal from the UNON vendor roster in 2003, purchase orders in the amount of US\$87,169 were issued to O.P.G (see Appendix A).

#### **4. The United Nations Logistics Base in Brindisi**

63. On 8 August 2001, Mr. Lindo, Mail Assistant, notified all United Nations Pouch Officers by an email communication warning them of O.P.G.'s corrupt practices of using the pouch while at the same time charging the Missions for freight costs:<sup>52</sup>

<sup>47</sup> Simon Towett email to Raphael Lindo (27 July 2001).

<sup>48</sup> Linda Telles email to Raphael Lindo (28 August 2001) (copied to Mr. Gerson de Almeida).

<sup>49</sup> Staff Member 3 interview (21 April 2006).

<sup>50</sup> *Id.*

<sup>51</sup> Linda Telles letter to Don Thompson (1 July 2003).

<sup>52</sup> Raphael Lindo email to Pouch Officers (8 August 2001).

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Attention pouch officer. Several United Nations offices have been ordering materials from OPG Industries/New York for some period of time. Most of this material has been delivered to the Pouch Unit for shipment via Diplomatic Pouch. It has however come to our attention in at least two instances that the freight charges for these items has been paid by you the buyer for these items to be shipped via Airfreight and not via the Diplomatic pouch. OPG has been delivering this material and U.N Departments are being charged for shipments, while in some case these charges have already been paid by you for shipment via Airfreight and not the Diplomatic Pouch.

We are kindly requesting that you inform soonest if you have purchased material from OPG and paid for your material to be shipped by means other than the diplomatic Pouch, e.g Airfreight. If you have paid to have your material sent via Airfreight and have received it via pouch, please send P.O numbers and the weight of items that your office can be re-imbursted for these charges. Your most urgent reply to this is appreciated. Rgds.

**Figure: Raphael Lindo email to Pouch Officers (8 August 2001)**

64. On 7 September 2001, Hubert Price, Chief Administrative Officer at the United Nations Logistics Base Brindisi ("UNLB"), sent a facsimile to Mr. de Almeida, Head of Mail Operations Unit at Headquarters, advising him that UNLB had also received goods procured from O.P.G. via the pouch and requested confirmation that procedures were in place to prevent any further reoccurrences.<sup>53</sup> Mr. Price sent two follow-up facsimiles to Mr. de Almeida again requesting confirmation that appropriate pouch procedures were in place.<sup>54</sup>

65. Incidents of improper use of the pouch by O.P.G. in UNLB were discovered on 24 July 2001, when the Chief General Services UNLB was called by Italian authorities to verify the correct use of the pouch, as a shipment of 14 boxes containing goods from O.P.G. was delivered to Rome.<sup>55</sup>

66. Upon research by the then Chief of Procurement, Lisa Langlois, it was discovered that O.P.G. had used the pouch for their shipments since 1997 without prior authorization by UNLB.<sup>56</sup>

67. Ms. Langlois' investigation had revealed that O.P.G. had charged freight costs for these shipments on at least four separate occasions, although the terms of the purchase orders, again, stipulated that regular means of transportation should be used and that the vendor should pay for freight and insurance.

68. In this context, Daniela Esposito, from UNLB Procurement sent a facsimile to O.P.G. on 2 August 2001 requesting that Mr. Thompson "provide a full explanation . . . [and] . . . confirm that this will not happen again in the future."<sup>57</sup>

69. In his written response of 6 August 2001, Mr. Thompson claimed that the unauthorized use of the pouch was an "oversight," and that O.P.G. would not use the

<sup>53</sup> Hubert Price facsimile to Gerson de Almeida (7 September 2001).

<sup>54</sup> Hubert Price facsimiles to Gerson de Almeida (27 September and 18 October 2001).

<sup>55</sup> Hubert Price facsimile to Gerson de Almeida (7 September 2001).

<sup>56</sup> Pompeo Leopardi email to Lisa Langlois (23 November 2001).

<sup>57</sup> Daniela Esposito facsimile to O.P.G. (2 August 2001).

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pouch without prior approval. Mr. Thompson also represented that their staff had been instructed not to send goods by pouch unless requested and authorized by the Mission:<sup>58</sup>

**As a matter of policy we do not ship to any U.N. location, via Pouch, without first getting prior approval. We do ship to U.N. locations, a large amount of Computer Spare Parts, which they ask that we ship via the Pouch to expedite the rush delivery.**

**Our staff has been instructed to verify in advance that the Pouch delivery has been requested and approved. Apparently, this was not done on these orders, which was our shipping oversight.**

**This lapse has now been corrected, and we can assure you that no further deliveries will be shipped via Pouch (to UNLB, specifically) unless clearly requested, and approved by the Shipping Manager.**

**Figure: Don Thompson facsimile to UNLB (6 August 2001)**

70. In another facsimile to UNLB, dated 18 February 2002, Mr. Thompson further stated that “[their] staff has now been instructed to discontinue using the pouch for all deliveries.”<sup>59</sup>

71. Subsequently, UNLB recovered freight costs of US\$1,083.00 from O.P.G.<sup>60</sup>

72. In his facsimile to Mr. de Almeida, Mr. Price expressed his concern about the misuse of the rights and privileges of the United Nations and - again - requested that no commercial goods be accepted by the Pouch Unit without prior authorisation by UNLB:<sup>61</sup>

5. The purpose of this fax is to bring this matter to your attention and to request you to confirm what measures are in place to preclude further shipments of this nature to UNLB via pouch, unless specifically authorized by UNLB.

**Figure: Hubert Price facsimile to Gerson de Almeida ( 7 September 2001)**

73. After repeated requests by UNLB, Mr. de Almeida finally replied on 30 October 2001, stating that the use of the pouch had been an accepted practice for several years due to the difficulty of shipping commercial goods to certain regions by regular means of transportation.<sup>62</sup> He confirmed that the Unit would no longer accept such items without prior approval by the requesting office:<sup>63</sup>

<sup>58</sup> Don Thompson facsimile to Daniela Esposito (6 August 2001).

<sup>59</sup> Don Thompson facsimile to Marina Kravchenko (18 February 2002).

<sup>60</sup> Clorinda Gigante facsimile to O.P.G. (6 September 2001); Don Thompson facsimile to Clorinda Gigante (6 September 2001).

<sup>61</sup> Hubert Price facsimile to Gerson de Almeida (7 September 2001).

<sup>62</sup> Hubert Price facsimile to Gerson de Almeida (27 September 2001); Hubert Price facsimile to Gerson de Almeida (18 October 2001).

<sup>63</sup> Gerson de Almeida facsimile to Hubert Price (30 October 2001).

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2. Over the last few years, O.P.G. Industries has been supplying goods to several UN offices overseas. Due to the difficulty to certain regions in receiving materials via regular shipping/mail channels, pouch service has been used as a means to send these commercial materials. Over a period of time, this no doubt became a rule than an exception. Unfortunately, O.P.G. Industries took the opportunity and in many instances charged freight costs to the recipients while sending the materials to the UN offices overseas via UN pouch service. Also, at that time there was no mechanism in place to verify that the requisitioning offices had actually requested the pouch service be used for transporting the material.

3. We have since established procedures whereby Mail Operations will no longer accept anything from OPG Industries until such time as we have contacted the recipient to verify authorisation for the shipment of the articles via the pouch service. Hopefully these procedures will eliminate the misuse of diplomatic pouch service.

**Figure: Gerson de Almeida facsimile to Hubert Price (30 October 2001)**

74. Although UNLB contacted the Pouch Unit, the matter was not brought to the attention of the Procurement Service. Staff Member 4 told the Task Force investigators that UNLB had discussed whether the issue should be reported to the Procurement Service, but that the problem was considered to have been resolved once Mr. de Almeida's reply was received.<sup>64</sup>

75. Despite this incident UNLB continued to procure goods from O.P.G. until the company's final removal from the Headquarters vendor roster in 2005. The records provided to the Task Force indicate that from the year 2000 until 2005 14 purchase orders in the amount of approximately US\$498,985 were issued to O.P.G (see Appendix A).

76. Although not reflected in the records obtained, the Task Force has identified that O.P.G. again used the pouch for deliveries to Brindisi in 2003 and billed the Mission for the freight charges notwithstanding the fact that the company did not incur any such charges. On 31 March 2003, a box containing items procured under Purchase Order no. 3LBB-20003 was delivered to the Pouch Unit and accepted for dispatch.<sup>65</sup> Once again the mode of delivery stipulated under this Purchase Order was "DDU Incoterms 2000." Freight charges of US\$2,000 were included in O.P.G.'s invoice and paid for by UNLB.<sup>66</sup>

77. The Task Force calculated that O.P.G. claimed a total amount of freight costs of approximately US\$2,883, although these shipments were made through the pouch and the company did not incur this expense. UNLB recovered from O.P.G. US\$883; however, US\$2,000 of fictitious freight costs were never recovered or reimbursed by O.P.G. (See Appendix A). This calculation does not include the actual costs incurred and paid by UNLB for the use of the pouch.

<sup>64</sup> Staff Member 4 interview (9 January 2007; Staff Member 4 email to the Task Force (12 January 2007).

<sup>65</sup> The Pouch Unit Compact Disc, Outgoing Mail folder, Log no. 3277.

<sup>66</sup> Purchase Order no. 3LBB-200003 for Provision of Toner Cartridges (19 February 2003), O.P.G. invoice no. 39531 (26 February 2003), UNLB request for payment (11 April 2003).

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78. Despite the explicit warnings from Mission officials in Brindisi and Nairobi, staff at the Pouch Unit continued to accept goods from O.P.G. for dispatch through the pouch. Although requested by the Task Force, staff members of the Pouch Unit were unable to supply any documentation that the use of the pouch was ever authorized by any of the Organisation's requisitioning offices.<sup>67</sup> When interviewed by the Task Force, Staff Member 6 stated that no measures were set in place by Mr. de Almeida to ensure that prior authorisation was sought from the receiving offices before goods from commercial vendors were accepted for transmission via the pouch.<sup>68</sup> Thus, O.P.G. was able to continue its fraudulent practices unchecked and uninterrupted. Based on the Pouch Unit's records, 108 O.P.G. shipments were sent to 17 United Nations missions between the years 2003 and 2005.<sup>69</sup>

## **5. The United Nations Mission for the Referendum in Western Sahara**

79. The records provided to the Task Force by the Pouch Unit indicate that, between 2003 and 2005, O.P.G. used the pouch for their shipments to 17 different United Nations offices (see Appendix B).<sup>70</sup> According to these records, the UN Mission that received the majority of O.P.G.'s pouch shipments was MINURSO. The files indicated that from 2003 to 2005 alone, O.P.G. used the pouch for shipments to MINURSO on at least 31 separate occasions.<sup>71</sup>

80. According to the procurement files provided to the Task Force by MINURSO in October 2006, MINURSO issued 38 purchase orders totaling US\$232,817 to O.P.G. between 2002 and 2005. (See Appendix A). However, none of the files contained any indication that the procured goods were delivered through the pouch. Delivery terms were exclusively "DDU" and except for one shipment, freight costs were charged by O.P.G. for all purchase orders.

81. However, when the Task Force visited MINURSO, Staff Member 7, one of the procurement assistants, told the investigators that O.P.G. consistently used the pouch for their deliveries to MINURSO, although the terms of the purchase orders clearly stipulated that commercial mode of transportation should be used. Staff Member 7 asserted that change orders were raised and freight costs deducted from O.P.G.'s invoices whenever such cases were brought to his attention. However, Staff Member 7 confirmed that freight costs might have been paid in several other cases.<sup>72</sup>

82. The Task Force found that this had happened in several cases. O.P.G. claimed freight costs for a total amount of US\$7,546 for shipments that were actually made through the pouch.<sup>73</sup> Only US\$2,848 of these fictitious freight charges were recovered

<sup>67</sup> Staff Member 5 interview (26 July 2006).

<sup>68</sup> Staff Member 6 interview (28 November 2006);Staff Member 12 (26 January 2007).

<sup>69</sup> The Pouch Unit Compact Disc, Outgoing Mail folder.

<sup>70</sup> The Pouch Unit Compact Disc.

<sup>71</sup> *Id.*

<sup>72</sup> Staff Member 7 interview (21 November 2006).

<sup>73</sup> See Appendix A, "Loss Calculation – O.P.G. Shipments to the United Nations Missions."

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from O.P.G.<sup>74</sup> The costs incurred and paid by MINURSO for the use of the pouch for the delivery of these items are not included in this calculation.

83. The Task Force has also identified several change orders and notes-to-file issued by Staff Member 7 where freight costs had been deducted from the original purchase orders.<sup>75</sup> Credit memos issued by O.P.G. confirmed that the matter –again– was discussed with O.P.G.:

**Further to my telephone call on Wednesday 28 April, 2004 with O.P.G. Industries concerning the freight charges of USD100.00 should be decreased from purchase order No.4MIN-200214 as per instructions from the vendor.**

**Figure: Staff Member 7 note for the file (5 May 2004)**

84. Staff Member 7 confirmed that O.P.G. was certainly aware that the use of the pouch was not allowed for their shipment to MINURSO, as he and other procurement assistants had telephone conversations on this matter with Joe Scott, an O.P.G. representative. Staff Member 7 further confirmed that there was no reason to use the pouch for shipments to MINURSO as goods could easily be shipped to the Western Sahara via commercial means of transportation.<sup>76</sup>

85. Although the former Chief of Procurement, Debbie Bolipata, signed the change orders issued by Staff Member 7 and therefore was on notice of O.P.G.’s activities, the Task Force could not find any indication that the matter was ever brought to the attention of the Procurement Service.

86. Again, O.P.G. was able to continue its fraudulent practices until 2005 when ONUCI informed the Procurement Service that they had also been charged freight costs for shipments through the pouch.

## **6. The United Nations Operations in Cote d’Ivoire**

87. On 5 September 2005, Ms. Helen Dodd, the then Chief of the Procurement Section at ONUCI, was notified by the Chief of the General Services Section, Mr. Godwin Oguzie, that a shipment of 26 boxes of computer equipment and security cameras from O.P.G. had arrived through the use of the pouch.<sup>77</sup> These items had been procured from O.P.G. on 24 May 2005.<sup>78</sup>

88. The Purchase Order again stipulated that the method of delivery was “DDU Incoterms 2000.” O.P.G.’s quotation and the Purchase Order included freight costs of US\$19,000.<sup>79</sup>

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<sup>74</sup> *Id.*

<sup>75</sup> *Id.*

<sup>76</sup> Staff Member 7 interview (21 November 2006).

<sup>77</sup> Godwin Oguzie email to Helen Dodd (5 September 2005).

<sup>78</sup> Purchase Order no. SOCI-300656 (24 May 2005).

<sup>79</sup> *Id.*

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89. When contacted by ONUCI, the Subject, O.P.G. Senior Representative, stated in an email to Ms. Dodd, dated 8 September 2005, that O.P.G. faced problems in delivering goods to Ivory Coast by regular means of transportation. The Subject claimed that the company's freight forwarder, DHL, was reluctant to ship to Abidjan and that they therefore consulted with the Pouch Unit and asked to "try their system." He further stated that they would have used the pouch only for "some deliveries (6 P.O.?s) [sic] over the past 5-6 months."<sup>80</sup> On 12 September 2005, the Subject sent another email to Ms. Dodd and "apologized for this oversight."<sup>81</sup>

90. The Task Force investigators interviewed procurement officials as well as officials in the General Services Section at ONUCI who unanimously confirmed that there have never been problems with DHL or other shipping companies delivering goods to the Mission.<sup>82</sup>

91. ONUCI was able to identify several other cases where freight costs had been charged and paid to O.P.G., although deliveries were made through the pouch.<sup>83</sup> According to Ms. Dodd, the value of all "fake" freight costs was subsequently deducted from an outstanding bill.<sup>84</sup> However, records provided by the Pouch Unit to the Task Force show that more shipments were actually made through the Pouch than previously identified by ONUCI.<sup>85</sup>

92. Since its inception in May 2003, ONUCI issued 17 purchase orders to O.P.G. for a total amount of US\$332,289.<sup>86</sup> The Task Force calculated that during this period O.P.G. claimed a total amount of freight costs of approximately US\$24,316 on at least 10 separate occasions, despite the fact that the pouch was used for these deliveries. Although US\$22,107 was deducted from an outstanding invoice, approximately US\$1,940 in freight costs were overpaid by ONUCI and were not recovered or reimbursed by O.P.G.<sup>87</sup> This calculation does not include the actual cost incurred and paid by ONUCI for the delivery of these items through the pouch.

## **7. O.P.G.'s removal from the vendor roster**

93. On 6 September 2005, Ms. Dodd sent an email to Mr. Christian Saunders, then the Chief of the Procurement Service, and notified him of O.P.G.'s misuse of the pouch for their shipments to ONUCI.

94. Mr. Saunders replied that same day via email and requested that all Chief Procurement Officers ("CPO") check their business transactions with O.P.G. He

<sup>80</sup> The Subject email to Helen Dodd, (8 September 2005).

<sup>81</sup> The Subject email to Helen Dodd (12 September 2005).

<sup>82</sup> Staff Member 8 interview (14 November 2006); Staff Member 23 interview (15 November 2006).

<sup>83</sup> Staff Member 9 interview (15 November 2006).

<sup>84</sup> Helen Dodd email to Grace Montelibano (21 November 2005).

<sup>85</sup> For further details, see Section V.A.9; CD provided by UN Pouch Unit, folder Outgoing Mail.

<sup>86</sup> See Appendix A, "Loss Calculation – O.P.G. Shipments to the United Nations Missions."

<sup>87</sup> *Id.*

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suggested that the matter be referred to OIOS for investigation and possible forwarding to the relevant authorities.<sup>88</sup>

95. On 9 September 2005, Mr. Saunders referred the matter to Ms. Barbara Dixon, the then Director of OIOS, for further investigation.<sup>89</sup>

96. The matter was subsequently brought to the attention of the Headquarters Vendor Review Committee (“VRC”) which, in its meeting on 20 October 2005, recommended the removal of O.P.G. from the United Nations vendor roster including all field offices.<sup>90</sup>

97. On 25 October 2005, Mr. Warren Sach, Assistant Secretary-General, Controller informed the Subject about this decision.<sup>91</sup> On 2 November 2005, O.P.G. was removed from the United Nations vendor roster.<sup>92</sup>

## **8. O.P.G.’s later reappearance under different company names**

98. The Task Force found that the Subject, who was formerly operating under the company name of O.P.G., is still engaged in, and seeking to do further business with the United Nations Headquarters and Field Missions under various company names and aliases.

99. On 17 November 2005, Mehboob Rahman, Officer-in-Charge of the Procurement Section at the United Nations Interim Administration Mission in Kosovo (“UNMIK”) notified Mr. Karia, Officer-in-Charge of Procurement that UNMIK received a request from a company named Technology & Communication Supply Co. (“TCS”) to be included in UNMIK’s vendor roster. Upon review of the Supplier Registration Form, it was discovered that the telephone number provided as well as “City” and “Zip code” fields in the company’s mailing address were the same as the one associated with O.P.G.<sup>93</sup>

100. A similar case was brought to the Procurement Service’s attention on 29 November 2005, when Mr. Gronnerod, Officer-in-Charge, Procurement Section at the United Nations Interim Force in Lebanon (“UNIFIL”) informed Mr. Karia by facsimile that UNIFIL had recently received a request for registration from TCS as well. The information provided by TCS, namely telephone numbers and the address included on the request again were identical to those of O.P.G.<sup>94</sup>

101. In May 2006, a company named Express Distributors, LLC (“Express Distributors”) was registered as a supplier with the United Nations Mission in Liberia

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<sup>88</sup> Christian Saunders email to Helen Dodd (6 September 2005).

<sup>89</sup> Christian Saunders memorandum to Barbara Dixon (9 September 2005).

<sup>90</sup> Vendor Review Committee no. VRC A 10-05 (20 October 2005).

<sup>91</sup> Warren Sach letter to the Subject (25 October 2005).

<sup>92</sup> Jayantilal Karia memorandum to all Procurement Service Staff Members (2 November 2005).

<sup>93</sup> Mehboob Rahman facsimile to Jayantilal Karia (17 November 2005).

<sup>94</sup> Christian Gronnerod email to Jayantilal Karia (29 November 2005).

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(“UNMIL”).<sup>95</sup> Again, contact details provided by the company were the same as those of O.P.G. In fact, the Subject is listed as a registered agent for Express Distributors.<sup>96</sup>

102. On 30 June 2006, UNMIL issued a purchase order for the supply of medical equipment to Express Distributors.<sup>97</sup> On 13 July 2006, Danny Gohari, representative of Express Distributors, sent an email to UNMIL Procurement Section, asking if they “could arrange a United Nations Pouch delivery . . . The Pouch is familiar with these shipments and could get your purchase order delivered properly.”<sup>98</sup> On 31 August 2006, the purchase order was canceled due to the company’s unprofessional and incompetent work.<sup>99</sup>

103. Express Distributors was registered as approved Vendor No. 25280 under the Procurement Service vendor roster on 10 August 2006.<sup>100</sup> In October 2006, the company was awarded a contract by the Procurement Service for the provision of digital cameras for an amount of US\$8,299.00.<sup>101</sup>

104. The Task Force visited the office address listed by Express Distributors located at 701 Flatbush Avenue, Brooklyn, NY 11223, and found that the company operates out of the backroom of a pharmacy and consists of one individual, Mr. Gohari.<sup>102</sup>

105. Mr. Gohari did not comply with the investigators request for an interview and claimed to have nothing to do with O.P.G. Mr. Gohari did provide a response to written questions posed to him through email. According to Mr. Gohari, he was approached by the Subject who asked him whether they wanted to do business together. In his written response, Mr. Gohari stated that the Subject joined Express Distributors as Vice President after O.P.G. closed operations in early 2006. He further stated that Express Distributors had no contact with any Pouch Unit personnel and claimed that the company had never used the pouch for their shipments.<sup>103</sup>

106. According to the correspondence found in UNMIL’s procurement files, Express Distributors is also doing business with the UN Stabilization Mission in Haiti (“MINUSTAH”) and other “UN Organisation[s].”<sup>104</sup> In Mr. Gohari’s email response to the Task Force, he confirmed that purchase orders for a total amount of US\$80,895 have been issued to Express Distributors by MINUSTAH, the Procurement Service and the United Nations Mission in the Democratic Republic of Congo (“MONUC”).<sup>105</sup>

<sup>95</sup> Ksenija Thompson letter to Express Distributors, LLC (11 May 2006).

<sup>96</sup> Danny Gohari email to the Task Force (11 January 2007).

<sup>97</sup> Purchase Order no. 6MIL-201224 (30 June 2006).

<sup>98</sup> Danny Gohari email to Alkhirisheh Ghazi (13 July 2006).

<sup>99</sup> UNMIL note-to-file (31 August 2006) (6MIL-201224 (Express Distributors)).

<sup>100</sup> Grace Montelibano letter to Express Distributors (10 August 2006).

<sup>101</sup> Purchase Order no. P-G-19980 (16 October 2006).

<sup>102</sup> The Task Force note-to-file (5 January 2007).

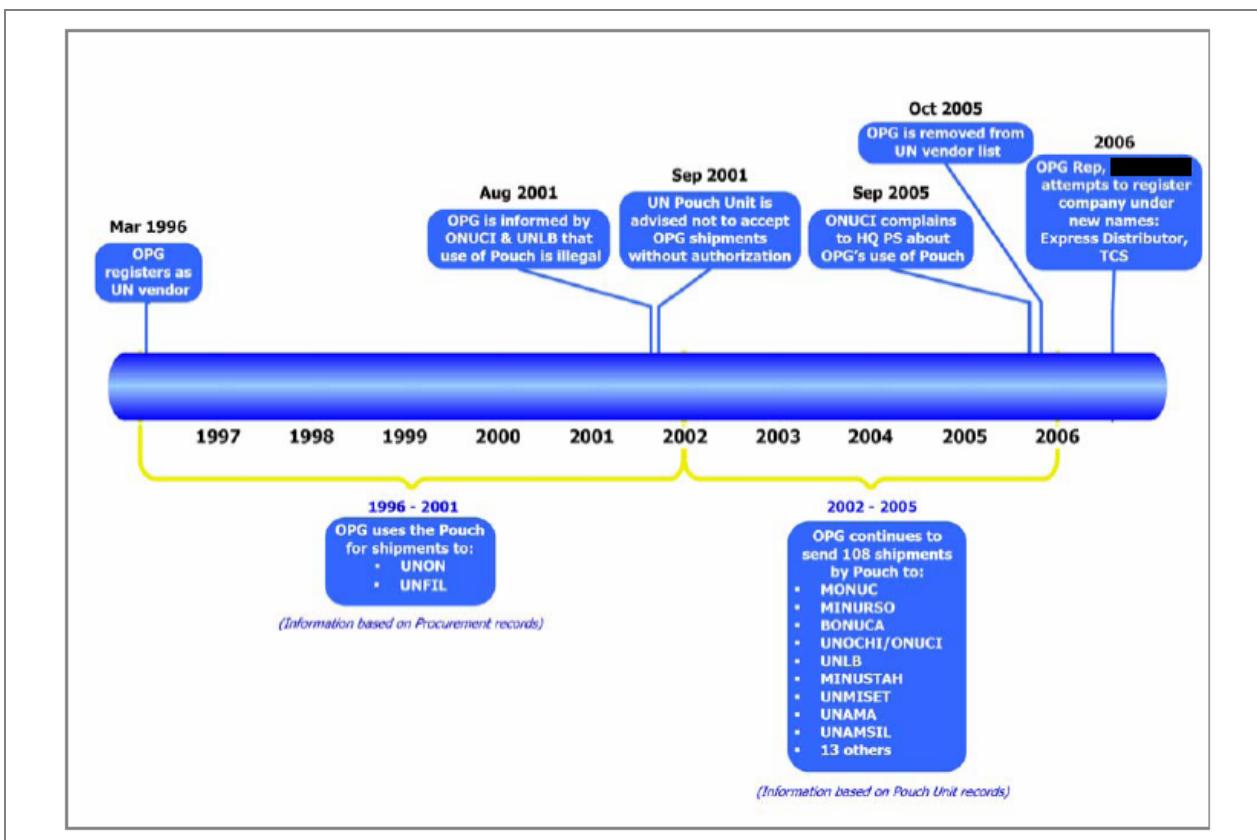
<sup>103</sup> Danny Gohari email to the Task Force (11 January 2007).

<sup>104</sup> Danny Gohari email to Julius Parker UNMIL (2 May 2006).

<sup>105</sup> Danny Gohari email to the Task Force (11 January 2007).

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**Figure: O.P.G. Chronology****9. Loss Calculation**

107. In order to determine the overall loss to the Organisation caused by O.P.G., the Task Force requested all records pertaining to O.P.G.'s shipments from the Pouch Unit. The Task Force further requested all records pertaining to purchase orders issued to O.P.G. from all United Nations Field Missions and Overseas Offices.

108. The Pouch Unit does not maintain comprehensive records of all outgoing shipments. Records are kept only in cases when especially valuable or important documents are transmitted by the pouch, and so called "Summaries of Enclosures" are issued, which indicate the name of the sender but do not specify the contents of the pouch boxes. Electronic records of outgoing pouch shipments were only available from the year 2003.

109. Although the Pouch Unit's records do not allow a complete and accurate analysis of all outgoing shipments, the documents obtained by the Task Force indicated that from 2003 to 2005 alone, O.P.G. used the pouch for shipments to 17 Missions and Overseas Offices worldwide (see Appendix B).<sup>106</sup>

<sup>106</sup> The Pouch Unit Compact Disc.

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110. The Task Force therefore sent multiple requests for the provision of relevant files pertaining to O.P.G. to the Procurement Departments of 20 United Nations Field Missions and Overseas Offices. As a result of poor recordkeeping and limited record retention policies at Headquarters and Missions, the Task Force was unable to obtain complete files and records to properly calculate the number of shipments and total loss to the Organisation.

111. Based on the information provided, the Task Force concludes the following: between 2000 and 2005 at least 192 purchase orders were issued to O.P.G. by 13 United Nations Missions and Overseas Offices for an amount of approximately US\$2,875,051 and freight costs of at least US\$180,926 were included in these purchase orders. The Task Force was able to identify that approximately US\$60,970 had been charged for freight costs by O.P.G. although deliveries were actually made through the pouch. Without all pertinent records, the Task Force was unable to calculate the total loss but it is clear that this sum projects only a percentage of the actual loss caused to the Organisation.

UN Mission	No of Purchase Orders	Total Value of Purchase Orders (A)	Total Freight (C)	Total Freight OverCharge (D)	Amount of Freight Recovered (E)	Freight to be paid (D-E)	% of Freight Overcharged (D/C)
MONUC - Democratic Republic of Congo	43	1,005,372	78,746	15,901	2,081	13,820	20%
MINURSO - Western Sahara	38	232,817	15,775	7,546	2,848	4,698	48%
BONUCA - Burundi	20	85,600	10,510	1,700	-	1,700	16%
UNOCHI/ONUCI - Ivory Coast	17	332,289	40,359	24,316	22,376	1,940	60%
UNON - Nairobi	14	87,169	6,744	5,209	5,209	-	77%
Brindisi	14	498,985	5,292	2,883	883	2,000	54%
UNFIL - Lebanon	13	139,182	4,835	150	150	-	3%
MINUSTAH - Haiti	11	175,732	8,725	3,105	-	3,105	36%
UMMISET - East Timor	7	86,140	3,605	160	160	-	4%
UNAMA - Afghanistan	6	144,289	3,975	-	-	-	0%
Other Missions**	9	87,476	2,360	-	-	-	0%
	192	\$ 2,875,051	180,926	60,970	33,707	27,263	34%

**Note:**

Other Missions\*\* had less than 3 Purchase Orders each and limited information was provided (either no PO, payment or pouch delivery/shipping)  
ESCPWA; UNGVA; ONUB

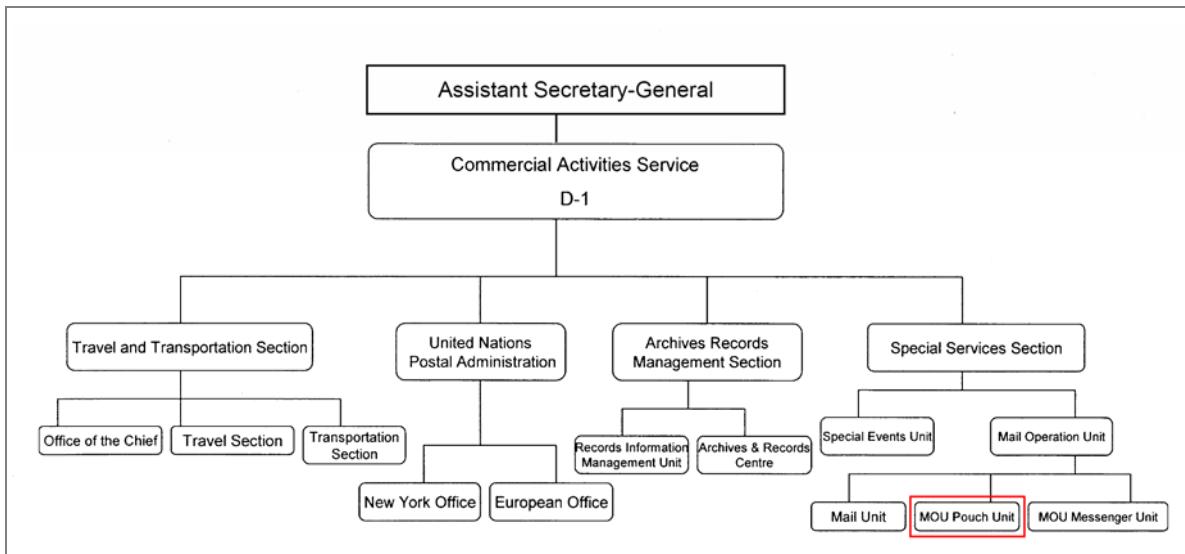
**Figure: Loss Calculation Spreadsheet**

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**B. THE POUCH UNIT**

112. The Pouch Unit, a sub-unit of the Mail Operations Unit, is administered by the Commercial Activities Service of the Facilities and Commercial Services Division:



**Figure: Organisation Chart Commercial Activities Service**

113. Andrew Toh was the Director of Facilities and Commercial Services Division (currently Commercial Activities Service) from November 2000 until July 2003. Ms. Joan McDonald became Director of Commercial Activities Service upon Mr. Toh's promotion to Assistant Secretary - General for Office of Central Support Services in 2003.<sup>107</sup>

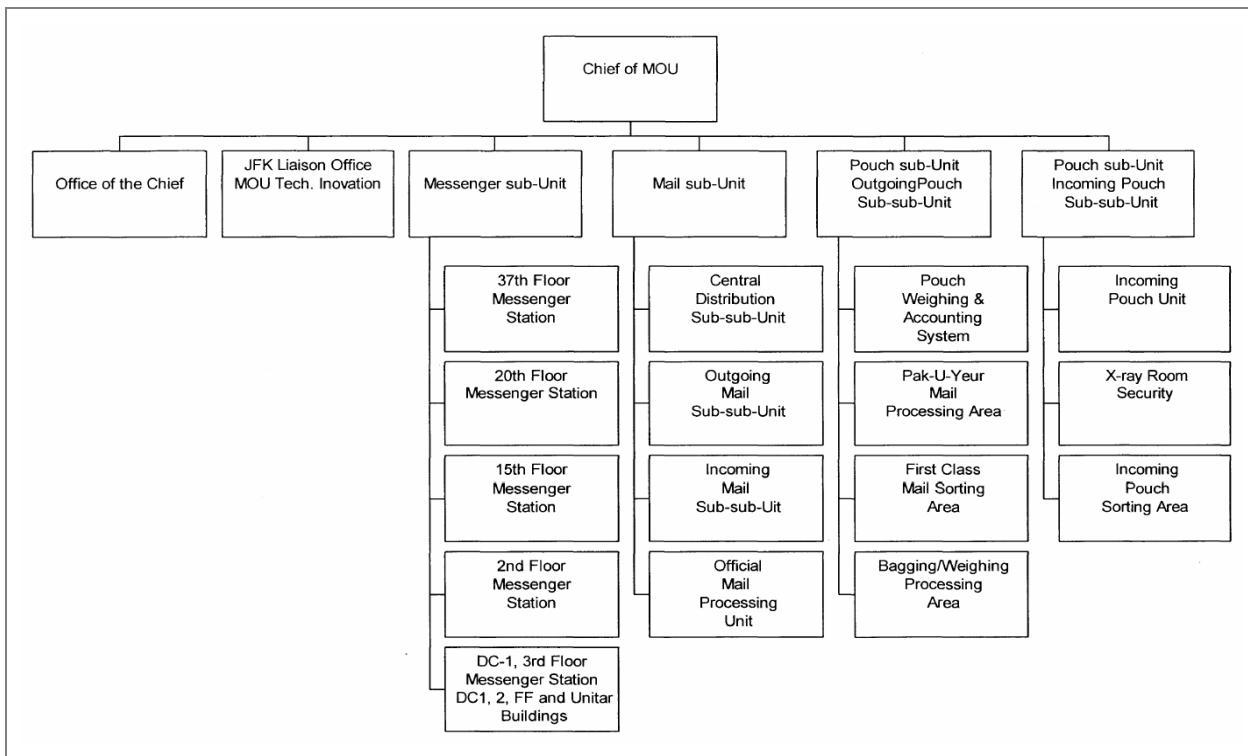
114. Although Mr. Toh, and subsequently Ms. McDonald, were ultimately responsible for the Pouch Unit, there is no evidence to indicate that that this issue was ever raised beyond the level of Chief of the Mail Operations Unit, Mr. de Almeida, in 2001 or anytime thereafter.

115. The Pouch Unit is headed by the Chief of the Mail Operations Unit, Staff Member 12. It is staffed by 16 Mail and Pouch Assistants at the General Service Level including one supervisor and two assistant supervisors for both the outgoing and incoming pouches.

<sup>107</sup> Andrew Toh email (5 October 2006); Staff Member 10 interview (26 January 2007).

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**Figure: Organisation Chart Mail Operations Unit**

116. According to its website, the Pouch Unit is responsible for the dispatch of pouches containing diplomatic material to all United Nations offices overseas as well as UNDP offices, Information Centers and integrated offices, UNICEF country offices, and the Field Administration and Logistics Division (“FALD”) Field Missions (presently 194 destinations worldwide).<sup>108</sup>

117. The Unit operates under Section 10 of the Convention on the Privileges and Immunities of the United Nations, which states that “[t]he United Nations shall have the right to use codes and to dispatch and receive its correspondence by courier or in bags, which shall have the same immunities and privileges as diplomatic couriers and bags.”<sup>109</sup>

118. The guidelines and procedures for the use of the pouch are set forth in Administrative Instruction ST/SGB/368, which stipulates in its Section 3 the restrictions on the contents of the pouch as follows:

- (a) The following matter may be sent in the diplomatic pouch: Official correspondence, documents and printed matter of which individual packages must not exceed 35 pounds or 16 kilograms;

<sup>108</sup> United Nations Intranet, “Pouch Services,” <http://iseek.un.org/m210.asp?dept=279>.

<sup>109</sup> Convention on the Privileges and Immunities of the United Nations, Adopted by the General Assembly of the United Nations on 13 February 1946.

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(b) Articles intended for official use appropriate for inclusion in the pouch, where shipment by other means is not feasible.<sup>110</sup>

119. According to the Administrative Issuance the authority to transmit correspondence through the pouch is delegated by the “Chief of the Buildings Management Section” to Pouch Certifying Officers at Headquarters and offices away from Headquarters. These Pouch Officers should certify with their signature on the sealed envelope that the contents are in accordance with the Diplomatic Pouch regulations. Pouch Officers are accountable for any violation of these regulations.<sup>111</sup>

120. According to the Administrative Issuance bar codes shall be distributed by the Mail Operations Unit to administrative or executive offices. These bar-code labels indicate name and return address of the sending office and thus serve as a means of authorization and identification of the sending office.<sup>112</sup>

121. ST/AI/368 clearly stipulates in paragraph 7 that “[i]tems not bearing a bar code label will be returned to the sender.”

122. The Task Force found that contrary to these clear regulations, staff at the Pouch Unit for years accepted commercial goods for dispatch without verifying bar codes or any other form of authorization by any of the responsible departments.

123. Although officials in UNON and UNLB repeatedly requested measures to be implemented to ensure that authorisation by the responsible offices was given before goods from O.P.G. were accepted for dispatch through the pouch, no such efforts were made.

124. The Pouch Unit was unable to provide the Task Force with any documentation showing that any of the various offices in question ever requested that the goods provided by O.P.G. be sent by them through the pouch. In fact, staff members interviewed at the procurement sections in the Missions unanimously confirmed that they had never requested goods to be sent by the pouch.

125. Staff Member 6, Mail Assistant at the Mail Operations Unit, told the Task Force that O.P.G. started using the pouch for its deliveries in the early 1980s. As FALD was expanding very fast, and shipment by other means often difficult, many commercial suppliers would have used the pouch for their deliveries to the Field Missions at that time. He further stated that the primary reason to transmit commercial goods through the pouch was to avoid customs, as in many host countries the import of US originating products would not have been possible.<sup>113</sup>

126. According to Staff Member 6, the Pouch Unit regularly accepted goods for shipment whenever a purchase order number was attached to the shipment indicating that the respective items were for “official” use. He stated, however, that the Pouch Officers

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<sup>110</sup> ST/SGB/368 (10 January 1991).

<sup>111</sup> *Id.*

<sup>112</sup> *Id.*; Staff Member 5 interview (26 July 2006); Staff Member 12 interview (18 July 2006).

<sup>113</sup> Staff Member 6 interview (1 August 2006).

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never saw the original purchase orders and that, in practice, goods from O.P.G. were accepted even without a purchase order number.<sup>114</sup>

127. The Task Force investigators found on the Summary of Enclosures that there were many O.P.G. shipments that did not indicate purchase order numbers or contents.

128. Staff Member 13, the then Chief of Section stated in an email to Ms. Joan McDonald, Director of the Facilities and Commercial Services Division, stated that they "do not open the boxes so [they] do not know what the contents are."<sup>115</sup>

129. The Task Force investigators were therefore unable to determine what the pouch boxes actually contained and whether these contents were indeed goods procured by the Missions.

130. Staff Member 6 told Task Force investigators that O.P.G.'s vice president, the Subject, used to come to the Pouch Unit and deliver goods in person. As the Subject held a United Nations identification card, and was in close contact with the Missions, Staff Member 6 stated that everybody assumed that the Subject was somehow related to FALD and not a commercial supplier.<sup>116</sup>

131. The Task Force investigators found that the Subject was indeed issued a United Nations Affiliate Pass on 8 July 1999.

132. No information or documentation could be obtained as to who issued or authorized that a pass be issued to the Subject, nor did anyone in Security recognize the department listed in this only remaining record:<sup>117</sup>

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<sup>114</sup> *Id.*

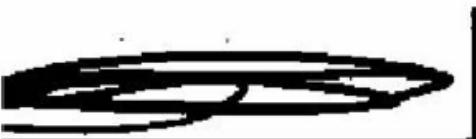
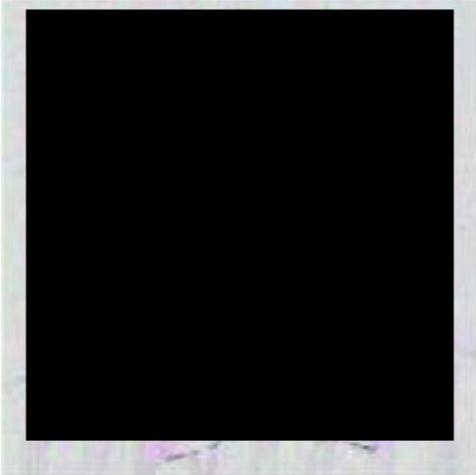
<sup>115</sup> Staff Member 13 email to Joan Mc Donald (19 July 2006).

<sup>116</sup> Staff Member 6 interview (1 August 2006).

<sup>117</sup> Paul Jankowsky email to the Task Force (10 November 2006).

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**Personal Information Sheet**

Last Name: [REDACTED]  
First Name: [REDACTED]  
Middle Name:  
Index Number: 1002530  
Badge Type: 1AF  
Expires: 30-Sep-2000  
Issued: 08-Jun-1999  
Department: ESD/NYCS/PG INDUSTRIES  
Position: see p.2  
Entry Date:  
UN Room:  
UN Phone:  
Duty Station:  
Sex:  
Nationality:  
Birth Date:  
Birth Place:  
Marital Status:  
Eye Color:  
Hair Color:  
Height: 0  
Distinguishing Features:

**Figure: Personal Information Sheet for the Subject**

133. Staff Member 10 was shown the Subject's pass and she identified the department "ESD" listed on this form as the Electronic Services Division that is now currently part of the Information Technology Services Division. She confirmed that historically, vendors who regularly came to the United Nations to manage their contracts, were issued badges but they had to be approved by an authorized individual and she did not know who would have approved this badge as she had never heard of O.P.G. prior to the Task Force's investigation in 2006.<sup>118</sup>

134. Although a security gate is located at the UNHQ loading dock which should have been appraised of the delivery of goods to the Headquarters, the Subject had uncontrolled

<sup>118</sup> Staff Member 10 interview (26 January 2007).

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and unlimited access to the building with this Ground Pass from June 1999 to September 2000.

135. According to Staff Member 6, Mr. de Almeida was informed about the misuse of the pouch in Nairobi, as was everybody else in the Pouch Unit.<sup>119</sup>

136. Staff Member 5, Supervisor of the Pouch Unit, Mail Operations Unit, who has worked for the Pouch Unit for the last 30 years confirmed that shipments from O.P.G. were regularly accepted when a purchase order number was attached to the parcel, although he admitted that, according to ST/AI/368 commercial goods from vendors are not meant to be sent by the pouch. Staff Member 5 denied that the incident in Nairobi was ever brought to his attention. He told the Task Force investigators that he assumed that in the case of O.P.G. an oral or written agreement must have existed between the Missions permitting O.P.G. the use of the pouch. Although requested by the Task Force, Staff Member 5 did not provide a copy of any such agreement or authorization.<sup>120</sup>

137. Staff Member 11, Assistant Supervisor, and staff member of the Mail Operations Unit since 1980, described it as normal practice to receive and send O.P.G.'s shipments through the pouch. He confirmed that deliveries were often brought by the Subject in person. Staff Member 11 claimed that he was not aware that there were problems with O.P.G. or that their shipments should not be accepted by the Pouch Unit.<sup>121</sup>

138. Staff Member 12, the current Chief of the Mail Operations Unit succeeded Mr. Gerson de Almeida in April 2002. Although aware of ST/AI/368, Staff Member 12 told the Task Force investigators that the Pouch Unit regularly accepted goods from external suppliers whenever a purchase order number attached to the parcels would indicate the official nature of the items contained. She stated that purchase order numbers indicated that the goods were meant for official use and thus such items would be accepted for shipment without further examination.<sup>122</sup>

139. When asked about O.P.G., Staff Member 12 stated that she had not been aware that this company even existed prior to the Task Force's investigation as neither her predecessor, Mr. de Almeida nor any of the other pouch staff had informed her that there had been problems with O.P.G. using the pouch. She further claimed that she has never seen a representative of the company within the United Nations premises:<sup>123</sup>

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<sup>119</sup> Staff Member 6 interview (1 August 2006).

<sup>120</sup> Staff Member 5 interview (26 July 2006).

<sup>121</sup> Staff Member 11 interview (26 July 2006).

<sup>122</sup> Staff Member 12 interview (18 July 2006).

<sup>123</sup> Staff Member 12 interviews (18 July 2006 and 26 January 2007).

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(PO). If a PO Number is indicated on the parcel the mail is sent by Pouch without further examination. In the case of O.P.G. Industries, the mails were usually delivered by Courier, not to her knowledge did ever a representative of the company come in person to the Pouch Unit. *She has not been aware of any such company prior to this investigation.*

[Redacted] 21 August 2006

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**Figure: Staff Member 12 interview (18 July 2006)**

140. However, the Task Force has identified email correspondence between Staff Member 12 and the Subject and Don Thompson in which the subject of O.P.G. shipments and delivery of O.P.G. goods through the pouch was discussed.<sup>124</sup> One such email reflects that on 15 October 2003 the Subject requested Staff Member 12's assistance in connection with a lost pouch delivery:<sup>125</sup>

ATT: [Redacted]

E-MAIL: [Redacted]@un.org

RE: P/O No. 3MSL200524

SUBJECT: Pouch No. 277

The package containing material for the above referenced purchase order was shipped via UNHQ Pouch. The Pouch Bag No. 277, is missing since August 2003..

The carton weighs 13 pounds, and packed in a box about the size of 2 shoe boxes.

Ms. Alice Schacht in UNAMSIL, Mr. Peter Bune & Mr. Raphael Lindo, at the U.N. New York Headquarters have been trying to trace this parcel since September.

I would like to request your assistance in finding this package.

I look forward to your response.

Sincerely,

[Redacted]  
O.P.G. Industries, Inc.

**Figure The Subject email to Staff Member 12 (15 October 2003)**

<sup>124</sup> Staff Member 12 emails to Don Thompson (31 October and 5 November 2003); The Subject email to Staff Member 12 (15 October 2003).

<sup>125</sup> The Subject email to Staff Member 12 (15 October 2003).

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141. Only two weeks later, on 31 October 2003 Staff Member 12 sent the following email to Mr. Thompson:<sup>126</sup>

<b>Subject:</b>	Re: UN POUCH # 277**delivery DHLOST
<b>From:</b>	[REDACTED]
<b>Date:</b>	10/31/2003 4:37:29 PM
<b>To:</b>	[REDACTED]
<b>CC:</b>	Varughese Cherappu
<b>Message Body</b>	
<p>Dear Mr. Thompson,</p> <p>Mr. Varughese Cherrapurathu of my office spoke to you yesterday regarding this subject. As per your request, he faxed the copy of the DHL letter to your attention and informed you that you will need to deal directly with DHL regarding this matter.</p> <p>Yours sincerely,</p> <p>[REDACTED] [REDACTED] Chief, Mail Operations Unit</p>	

**Figure Staff Member 12 email to Don Thompson (31 October 2003)**

142. When interviewed by the Task Force, Staff Member 12 was presented with this email. She stated that at the time she was new to the position and was still learning about the mail operations. Therefore, she explained, her focus would have been on the issue of missing shipments and insurance and not who sent the email; her primary focus was on the process. Staff Member 12 stated that she did not recall the name of the Subject or O.P.G., in fact she thought O.P.G. was an acronym for "Overseas Pouch something."<sup>127</sup>

143. Staff Member 13, Chief of the Special Services Section since 1992, confirmed that the Mail Operations Unit regularly accepts shipments when accompanied by a Packing Slip indicating the purchase order number. He further confirmed that the Pouch Unit did not see the actual purchase order.<sup>128</sup>

144. When interviewed by the Task Force, Staff Member 13 at first stated that he only became aware of O.P.G.'s misuse of the pouch in 2006 when he was given Mr. Price's facsimile of 7 September 2001 containing information that O.P.G. used the pouch for its shipments to UNLB.<sup>129</sup>

145. Advised by the Task Force that the issue was brought to the Mail Unit's attention as early as 2001, Staff Member 13 then stated that he did recall a problem with O.P.G.

<sup>126</sup> Staff Member 12 email to Don Thompson (31 October 2003).

<sup>127</sup> Staff Member 12 interview (26 January 2007).

<sup>128</sup> Staff Member 13 interview (1 August 2006).

<sup>129</sup> *Id.*

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and that he had agreed in a meeting with Mr. de Almeida that commodities from O.P.G. should no longer be accepted for shipment via the pouch.<sup>130</sup>

146. However, when invited to review his record of conversation, Staff Member 13 withdrew his former statement and claimed that he was not made aware of the problems with O.P.G. prior to the Task Force's investigation. He stated that "as Chief of the Section it was not proper for him to say he had not been made aware" and that he had made the statement during his first interview with the Task Force out of embarrassment.<sup>131</sup>

pouch and that it was only when he was given a memo containing those allegations by Mr. Git - Wah Lee, Secretary MOU on 18 July 2006 when PTF first visited the MOU that he became aware. (The memo in question was sent by the CAO in Brindisi to the Chief of MOU on 30 October 2001 complaining that OPG was using the pouch to ship commercial materials to Brindisi and at the same time OPG charged freight costs to Brindisi and other recipients of those materials).

When he was told by PTF that the problem was rife in 2001/2002, he recalled that there was a problem with OPG sending material overseas through the pouch and then charging twice. He said he had a meeting with Mr. Gersen de Almeida, the then Chief of MOU and agreed with him that OPG shipments should not be accepted and that the practice had to be discontinued. He said that he believed Mr. de Almeida must have communicated those instructions to staff members working at the MOU.

Since then [redacted] stated that he had learned that an OPG representative was even issued with a UN Ground Pass but was not sure whether it was [redacted] of OPG. When told by PTF that despite issuing instructions on non - acceptance of OPG shipments by the MOU, the shipments were accepted in 2005 and OPG charged the UN twice, his response was that the action taken by his staff was absolutely wrong and that the MOU staff should have been more vigilant. He requested to be given by the PTF until the following day to carry out his inquiries with a view of establishing who brought OPG back and revert back to PTF.

The following day, 2 August 2006 at 2.30 pm., PTF had a meeting with GT in his office as agreed. [redacted] retracted his earlier statement that he knew OPG was involved in freight fraud in 2001/2002. He said that he accepted this the previous day out of embarrassment when he learnt from PTF that OPG had abused the pouch service twice in 2001 and 2005 without being informed by the former Chief of MOU, Mr. de Almeida. He said that he was not able to identify the person who brought OPG back

**Figure: Staff Member 13 interview (1 August 2006)**

147. The Task Force has not identified evidence that Staff Member 13 had been notified of this issue prior to 2006.

148. The former Chief of the Special Services Section, Mr. de Almeida, retired in 2005. Task Force investigators were not able to contact Mr. de Almeida through any of the addresses available in order to pose questions to him about the assertions made by the staff members interviewed.

<sup>130</sup> *Id.*

<sup>131</sup> *Id.*

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## C. THE UNITED NATIONS MISSIONS AND OVERSEAS OFFICES

149. The Task Force sent multiple requests for documentation pertaining to business transactions with O.P.G. to all UN Missions and Overseas Offices.

150. The documents obtained did not contain any indication that any of the Missions ever brought the issue to the Headquarters' attention or took action against O.P.G. On the contrary, the records provided to the Task Force indicated that in most cases freight costs were included in O.P.G.'s invoices and paid by the Missions without objection.

151. In order to determine the deficiencies of measures in place that enabled a commercial supplier to abuse the diplomatic privileges granted to the United Nations for several years, the Task Force visited the following Missions:

- UNON;
- ONUCI (original complainant); and
- MINURSO, the Mission that according to the Pouch Unit's records received the majority of pouch deliveries from O.P.G.

152. The Investigations focused on the following departments:

### 1. The Receiving and Inspection Units

153. Each DPKO Field Mission has a Receiving and Inspection ("R&I") Unit. The R&I Unit receives, inspects, and certifies the acceptance or rejection of supplies and equipment delivered to the Mission.<sup>132</sup>

154. A copy of each purchase order is provided to the R&I Unit by the Procurement Section in advance of every delivery. On receipt of the purchase orders, the R&I unit opens case files for every expected delivery. Incoming deliveries from commercial freight forwarders are handed over to the R&I Unit after clearance through the United Nations Movement Control Unit (MOVCOM). Incoming pouch shipments are delivered to the Mission's Pouch Offices first and then handed over to R&I for inspection.<sup>133</sup>

155. According to the Property Management Manual for the United Nations Missions, R&I staff are obliged to inspect all items received and ensure that items are supplied according to the specifications and **terms and conditions** of the relevant purchase order or contract. Goods and equipment shall be checked to ensure that specifications have been met regarding quality, quantity, delivery date and **any other special instructions** given to the vendor.<sup>134</sup>

156. The R&I Unit maintains records of all incoming shipments. These R&I reports confirm acceptance or rejection of supplies and equipment in accordance to the purchase

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<sup>132</sup> Staff Member 14 and Staff Member 15 interview (14 November 2006).

<sup>133</sup> Staff Member 16 interview (22 November 2006); Staff Member 14 and Staff Member 15 interview (14 November 2006).

<sup>134</sup> Property Management Manual for United Nations Peacekeeping Missions and Missions administered by DPKO, ch. 4, secs. 4.3, 4.14.4 (1 January 2000).

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order specifications. Anomalies and/or discrepancies are to be identified and recorded on a Discrepancy Report that is forwarded to the CPO for appropriate action.<sup>135</sup>

157. In 2001, when O.P.G.'s misuse of the pouch came to light in Nairobi, Ms. Telles sent an email to UNON's receiving and inspection officers asking them to pay attention to the delivery terms of the purchase order when preparing the R&I report and reproached them for their lack of initiative and failure to read the terms of the purchase orders.<sup>136</sup>

**This use of diplomatic pouch for commercial purposes is not only illegal, it also violates the Protocol Agreement signed between UNEP / UNON and the Govt of Kenya. Furthermore, if you will pay attention to the order when you prepare the RIR, you will notice that OPG had included airfreight to JKIA. By sending 52 diplomatic pouches of cartridges via UNNY, we are paying twice for freight:**

- (a) Through the order
- (b) Through UNNY pouch charges

**For your information, the pouch charges for the above consignment amounts to US\$4,544.90. Had it not been intercepted by IMIS, Mr. Joshi would have presented it to Finance to authorize payment to UNNY via IOV. We would then be paying an additional US\$4,544.90 for freight by pouch while at the same time, OPG's invoice would also have been settled with the freight element included.**

**Your lack of initiative and failure to read PO terms is costing the organization substantial losses. Once Gideon completes his research (in red below), we will then establish how many times we had**

**Figure: Linda Telles email to Receiving and Inspection Assistants ( 27 July 2001)**

158. However, when interviewed by the Task Force investigators, staff at various receiving and inspection units stated that, although the *Mode of Delivery* is part of the R&I report, they did not consider it to be within the responsibility of the R&I unit to verify whether the delivery of goods had been made according to the conditions set forth in the purchase order.<sup>137</sup>

159. The Task Force investigators were told that the *Mode of Delivery* on the R&I report is created automatically from Procurement's Mercury System which is based on the specifications of the purchase order and cannot be changed by the R&I Unit.<sup>138</sup> Therefore, they are unable to change or indicate a different mode of Delivery on the R&I report, nor are any other records or discrepancy reports kept when goods are received by the pouch instead of commercial modes of transportation.<sup>139</sup>

160. After completion of the receiving process one copy of the R&I report is sent to the Procurement Section and another copy is sent to the Finance Section for processing of the vendor payment. In general no other records are forwarded to the Procurement Section or the Finance Section that would enable them to identify that the shipments were

<sup>135</sup> Staff Member 14 and Staff Member 15 interview (14 November 2006); Staff Member 18 (22 November 2006).

<sup>136</sup> Linda Telles email (27 July 2001).

<sup>137</sup> Staff Member 17 interview (22 November 2006); Staff Member 16 interview (22 November 2006); Staff Member 14 and Staff Member 15 interview (14 November 2006).

<sup>138</sup> Staff Member 16 interview (22 November 2006).

<sup>139</sup> *Id.*

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made through the pouch and, therefore, freight charges should not be approved and paid.<sup>140</sup>

161. None of the officials in the R&I Units were familiar with the use and restrictions of the pouch. Staff members of the R&I Unit at MINURSO told Task Force investigators that they assumed that O.P.G.'s deliveries through the pouch were part of the normal procedure as nobody ever complained. In fact, one R&I officer told the Task Force that if the Delivery Mode on the R&I Report said "Air" (as seen on the R&I Report in Figure) it could also refer to the pouch since those deliveries were also made by airline transportation.<sup>141</sup>

Receiving and Inspection Report																																					
Delivery Date	RPT NO : MIN2-0312																																				
28/07/2003																																					
R&I2-478	Date																																				
	28/07/2003																																				
	Page 1 of 1																																				
<b>Purchase Order: 3MIN-200403</b>																																					
Vendor: O. P. G. INDUSTRIES; INC. Ship to Center: Communication And Information Technology Section MINURSO Headquarters					Buyer: Abdulla Ghayeb Delivery Mode: Air																																
OX 80000 Laayoune Western Sah , Morocco																																					
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Line No./ Item No.</th> <th>QTY Ordered/ Requisition No.</th> <th>QTY Received/ PO Line Status</th> <th>QTY Accepted</th> <th>QTY Rejected</th> <th>U/M</th> <th>Amount Accepted</th> <th>QTY Pending</th> <th>Unit Price</th> </tr> </thead> <tbody> <tr> <td>1. ITU3- 4 1</td> <td>PLFR</td> <td colspan="6">BLACK BOX DSL LAN EXTENDER 850. PART NUMBER LR0062AE, INTERNATIONAL 220/230V MODEL.</td> <td>0.00</td> <td>2,600.0000</td> </tr> <tr> <td>454800</td> <td>2.00</td> <td>2.00</td> <td>2.00</td> <td>0.00</td> <td>EACH</td> <td colspan="3">5,200.0000</td> </tr> </tbody> </table>										Line No./ Item No.	QTY Ordered/ Requisition No.	QTY Received/ PO Line Status	QTY Accepted	QTY Rejected	U/M	Amount Accepted	QTY Pending	Unit Price	1. ITU3- 4 1	PLFR	BLACK BOX DSL LAN EXTENDER 850. PART NUMBER LR0062AE, INTERNATIONAL 220/230V MODEL.						0.00	2,600.0000	454800	2.00	2.00	2.00	0.00	EACH	5,200.0000		
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454800	2.00	2.00	2.00	0.00	EACH	5,200.0000																															
																																					
PO Status: Purchase Order Fully Received I hereby certify that goods received in good conditions on: 28/7/2003 R&I Processed by: Raja Batayneh Date: 28/07/2003					Total Received: 5,200.00 Total Accepted: 5,200.00 RECEIVING AND INSPECTION MINURSO - LAAYOUNE R&I Released by: Maroun Buery Date: 28/07/2003																																
					REQUISITIONER CITU, JAMEL CHAABANE DATE: 28/07/2003																																

**Figure: Receiving and Inspection Report (sample)**

<sup>140</sup> Staff Member 19 interview (22 November 2006); Staff Member 8 interview (14 November 2006); Staff Member 20 interview (21 November 2006).

<sup>141</sup> Staff Member 17 interview (22 November 2006); Staff Member 16 interview (22 November 2006); Staff Member 14 and Staff Member 15 interview (14 November 2006).

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## **2. The Pouch Services**

162. The Pouch Services at the United Nations field Missions operate as units within the General Services Section and are bound by ST/AI/368.

163. When interviewed by the Task Force, the current Pouch Assistant at MINURSO stated that she has never been properly instructed on her duties and responsibilities, as communication with her predecessor, who should have familiarized her with her new function, was difficult because of language differences. The Pouch Assistant was not familiar with the relevant administrative instruction or any other guideline concerning the use of the pouch.<sup>142</sup>

164. The Supervisor of the Mail and Pouch Unit at ONUCI told the Task Force investigators that he was “aware but not too familiar” with ST/AI/368. He stated that he was currently updating the Missions’ internal pouch guidelines.<sup>143</sup>

165. Both the Pouch Assistant in MINURSO and the Supervisor in ONUCI stated that the Pouch Officers at the Missions did not query incoming shipments from the Pouch Unit even when they contained commercial goods because they assumed that these deliveries must have been “authorized” as they came from the Pouch Unit in New York.<sup>144</sup>

## **3. The Procurement Sections**

166. The United Nations Procurement Practitioner’s Handbook of November 2006 stipulates that: “In all situations, the procurement officer is responsible for following up and ensuring that the actions of the supplier and the UN organization are in line with the contractual responsibilities.”<sup>145</sup>

167. However, neither this Handbook nor any other Guidelines contain any detailed guidance concerning the manner in which the receipt and transport of commodities is properly undertaken and that responsibility is properly borne by the Organisation’s staff.

168. The United Nations Field Finance Procedure Guidelines stipulate that to “improve control over invoices received by the missions” vendors’ invoices should be directly sent to the Mission’s Finance Unit.<sup>146</sup> The processing of invoices, which was formerly accomplished by procurement service, has been transferred to the Finance Sections in the course of this reform.

169. Although Airway Bills and other records documenting the mode of delivery should be maintained in the contract files in order to ensure that suppliers meet their

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<sup>142</sup> Staff Member 21 interview (22 November 2006).

<sup>143</sup> Staff Member 22 interview (15 November 2006).

<sup>144</sup> *Id.*; Staff Member 16 interview (22 November 2006); Staff Member 17 interview (22 November 2006); Staff Member 23 interview (15 November 2006).

<sup>145</sup> UN Procurement Practitioner’s Handbook, Chapter 3.10, p. 119 (November 2006).

<sup>146</sup> Field Finance Procedure Guidelines, Rev. 1, ch. 3.2.1, p. 34 (February 2006) (discussing processing of invoices with obligations).

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contractual obligations under the terms of delivery, the Task Force has found that these documents were often missing in most files.

170. Only one procurement official interviewed by the Task Force could confirm that he was checking shipping documents provided by the vendor against the terms and conditions of the purchase orders. This procurement official deducted freight costs from O.P.G.'s invoices when the use of the pouch was brought to his attention, but could not confirm whether this practice had been followed by other procurement officers.<sup>147</sup>

171. The Task Force's investigation has shown that this had not been done in many cases. The Task Force investigators were told by another Procurement Officer that the mode of delivery was not verified as "there was no reason to suspect that there was something wrong with the deliveries."<sup>148</sup>

172. Another Procurement Officer stated that procurement depended on the information provided by either the R&I or the Pouch Unit as they were not involved in the actual receiving process, and therefore could not know how the goods were delivered.<sup>149</sup>

173. Even the current Chief of Procurement at MINURSO held the view that it was exclusively the responsibility of the Mission's Finance Section to check and verify shipping documents against the delivery terms of the purchase order and invoice.<sup>150</sup>

174. Furthermore, although problems with O.P.G. were widely known in the Missions for years, the Task Force could not find any indication that the matter has ever been brought to the attention of the Procurement Service.

175. For example, Staff Member 25, Procurement Assistant at ONUCI, stated that O.P.G.'s misuse of the pouch was already known at the United Nations Mission in East Timor as early as 2000.<sup>151</sup>

176. The current Chief of Procurement at MINURSO also told the Task Force investigators that he recalled having problems with the company during his time in East Timor in 2003.<sup>152</sup>

177. Staff Member 26, Procurement Assistant at UNIFIL experienced the same problems with O.P.G. during her time at the United Nations Mission in Bosnia and Herzegovina ("UNMIBH") between 2000 and 2003.<sup>153</sup>

178. Staff Member 3, UNON's Chief of the Procurement, Travel and Shipping Section, told the Task Force investigators that the matter was not brought to the attention of the

<sup>147</sup> Staff Member 7 interview (21 November 2006).

<sup>148</sup> Staff Member 24 interview (15 November 2006).

<sup>149</sup> Staff Member 25 interview (14 November 2006).

<sup>150</sup> Staff Member 20 interview (21 November 2006).

<sup>151</sup> Staff Member 25 interview (14 November 2006).

<sup>152</sup> Staff Member 20 interview (21 November 2006).

<sup>153</sup> The Task Force note-to-file (7 November 2006) (regarding telephone conversation with Staff Member 26).

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Procurement Service in 2001 due to the culture of “poor communication and coordination” between Headquarters and Missions at that time.<sup>154</sup>

## 4. The Finance Sections

179. The Finance Section’s vendor unit is responsible for the processing of all of the invoices issued by vendors for goods and services provided to the Mission.<sup>155</sup>

180. As set forth in Chapter 3.2 of the United Nations Field Finance Procedure Guidelines the following procedures must be implemented to improve control over invoices received by the Mission:

“All vendors’ invoices have to be directed by the vendor to the Mission’s Chief Finance Officer for payment. The Finance Section should further receive all R&I reports, which should have the certification from the receiving unit indicating that the goods have been delivered and accepted.”<sup>156</sup>

181. On receipt of the original invoice, the Finance Section has to ensure that invoiced goods are identical to those itemized in the purchase orders and R&I report and that invoice prices match those on the purchase order.<sup>157</sup>

182. However, no provision could be found explicitly stating that shipping documents shall be provided by the vendor before freight costs are paid in order to ensure that goods have been delivered in accordance with the delivery terms of the purchase order.

183. When interviewed by the Task Force investigators, staff at the Missions’ finance sections confirmed that they would check the terms and conditions of the purchase orders against invoices, R&I reports and shipping documents prior to processing the vendor payment. They further confirmed that freight charges should be verified and matched against the relevant shipping documents.<sup>158</sup>

184. However, as the investigation has shown, this was not done in many cases and O.P.G.’s invoices were paid without prior verification of the *Mode of Delivery*.

## D. HEADQUARTERS PROCUREMENT

185. The Task Force could not identify any indication that the abuse of the pouch by the Subject and O.P.G. was ever formally brought to the attention of the Procurement Service prior to 2005.<sup>159</sup>

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<sup>154</sup> Staff Member 3 interview (21 April 2006).

<sup>155</sup> Field Finance Procedure Guidelines, ch. 3.2, p. 33 (February 2006) (discussing processing of vendor payments).

<sup>156</sup> *Id.*

<sup>157</sup> *Id.*

<sup>158</sup> Staff Member 19 interview (22 November 2006); Staff Member 27 interview (22 November 2006).

<sup>159</sup> Staff Member 26, former procurement assistant at UNMIBH stated in a telephone conversation that they had experienced problems with O.P.G. during her time in Bosnia between 2000 and 2003. Staff Member 26 could not remember whether the matter was brought to Headquarters attention. She opined that the

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186. However, correspondence stating that the pouch was to be used to ship the company's catalogs to the United Nations Offices was identified in O.P.G.'s Vendor Registration file. This correspondence had been distributed amongst the Service Support Team of the Procurement Service in September 1999:<sup>160</sup>

TO: The United Nations  
 ATTN: Mr. John Mullen  
 FAX #: 212-963-3746  
 FROM: Eden C. Reeves, Sr., Director  
 SUBJECT: Introduction



Our company is one of the largest suppliers of major brands of Computers and Computer Peripherals, Parts, Accessories, Supplies and other Office Supplies in the metropolitan area. We are one of the few New York companies supplying the United Nations Offices worldwide. We are in the position to supply you anything you need, and you can be assured, that our prices are highly competitive.

In addition to all Office Products, we can supply Household Products, Rice, Sugar, Cooking Oil, Spare Parts for Vehicles, Tools, Generators, Mattresses, Bed Linen, Pillow and Pillowcases, Metal and/or Plastic Coffee Mugs, Televisions, VCR's, Refrigerators, Microwave Ovens, etc.

We also have trained staff members who have the experience of handling goods going to foreign countries. In this connection, please feel free to call on us anytime you want to submit a quotation for whatever you need.

**We are going to send you a copy of our 1999 catalog, through the United Nations Pouch System. Please review the attachment.**

**Figure: Eden C. Reeves letter to the United Nations (29 July 1999)**

## VI. FINDINGS

187. Based upon its investigation, the Task Force finds the following:

### A. O.P.G.

188. O.P.G., a New York City based company, was a supplier of commercial goods to the Organisation and many of its peacekeeping Missions commencing in 1996, approximately, and continuing through and until October 2005. During this time, the company, with full knowledge of the wrongfulness of its actions, improperly used the Diplomatic Pouch service to transport goods to the Organisation's Missions in violation of the privileges granted to the United Nations under the Convention of the Privileges and Immunities. These actions were not approved by the Organisation, and continued despite

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former CPO of UNMIBH, Mr. Francois Chapais, might have filed a formal complaint. The Task Force was not able to corroborate this information as Mr. Chapais retired from the United Nations in 2003 and will not be available for an interview until 1 March 2007. The Task Force notes-to-file (7 November 2006 and 9 January 2007).

<sup>160</sup> Eden Reeves facsimile to the United Nations (29 July 1999).

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the fact that the company was specifically directed to refrain from the use of the pouch to ship its goods. The egregiousness of O.P.G.'s acts were further compounded by the fact that the company often billed the Organisation for its shipments despite receiving the benefits of free transport of its items through the use of the Diplomatic Pouch. As a result of such actions, the company was improperly personally enriched and the Organisation was defrauded by suffering losses for O.P.G.'s false billings for freight charges which were in fact not incurred.

189. Based upon all facts and circumstances, as well as the reasonable inferences to be drawn therefrom, it is evident that O.P.G., and its principal executive officers, the Subject also known as (a/k/a) Joe Scott, and Don Thompson, engaged in a criminal scheme to defraud the Organisation through false and fraudulent representations, fraudulent practices, and the submission of invoices seeking reimbursement for charges which in fact had not been incurred. The scheme further consisted of the practice of charging the Organisation for freight costs for their deliveries to several of the Organisation's Missions and Overseas locations, while at the same time shipping their items free of charge through the use of the Diplomatic Pouch.

190. In furtherance of the scheme, the company presented the Organisation with false documents seeking payment for transportation costs which in fact had not been incurred. O.P.G. purposefully included such costs in quotations, purchase orders, and invoices although these costs were effectively never borne by the company. It is clear that O.P.G.'s claim that the presentation of such documents and these incidents were the product of accident is without credibility in light of the sheer number of cases and the numerous instances in which the practice was brought to the attention of O.P.G. and the company was instructed to cease its activities. Despite these admonitions, the company and its officers pursued this strategy in a number of the Organisation's Missions, continued to use the Diplomatic Pouch for ordinary commercial shipments, and improperly receive reimbursement for transportation fees not due and owing to them.

191. As a result of the scheme, the Organisation suffered quantifiable losses at least in the amount of US\$60,970 (US\$33,707 of which was recovered). It is quite likely that this figure is underestimated as the investigation only focused upon 13 Missions in which records were available but incomplete, while several other Missions records were unable to be examined at all.

192. The Task Force further finds that the Subject was improperly granted full access to the United Nations premises and was improperly issued the United Nations identification. Holding a United Nations Ground Pass, the Subject was able to deliver goods directly to the Pouch Unit without prior security clearance, where the boxes containing the goods were accepted without examination of the contents. The ability of the company to gain direct access to the Pouch Unit effectively aided the scheme, and was a factor in allowing for its continuation. However, the gross negligence of the United Nations staff also played a major role in perpetuating the scheme.

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193. The evidence gathered by the Task Force demonstrates that the Subject's fraudulent efforts continue as he seeks to do business through aliases and through other corporate identities.

**B. THE HEADQUARTERS POUCH UNIT**

194. The Task Force has not identified evidence of purposeful collusion in the scheme on the part of any staff member at the Headquarters Mail Operations Unit or the Pouch Unit.

195. However, the Task Force's examination of this matter under the relevant United Nations Staff Rules, Administrative Instruction and the Convention of the Privileges of the United Nations results in the following:

196. Staff at the Pouch Unit, in breach of the Convention of the Immunities and Privileges of the United Nations and the corresponding provisions in Administrative Instruction ST/AI/368, accepted goods from O.P.G. and other commercial vendors for dispatch through the pouch without proper approval or authorization by the appropriate United Nations entities.

197. The former Chief of Mail Operations, Mr. de Almeida, failed to appropriately respond to this abuse of the pouch system when it was brought to his attention in 2001.

198. Mr. de Almeida and Staff Member 13, the recently retired Chief of the Special Services Section, failed in their duties to implement and enforce procedures to protect the interests of the Organisation and this failure resulted in a financial loss to the Organisation of at least US\$60,970.<sup>161</sup> This figure constitutes a very conservative estimate of the loss in light of the fact that the Task Force was unable to examine all the pertinent documents for shipments of items by O.P.G. In addition, Mr. de Almeida and Staff Member 13 failed in properly exercising their supervisory functions and allowed O.P.G.'s efforts to continue when the company's privileges should have been curtailed and the company firmly barred from use of the pouch to transport its goods.

**C. THE UNITED NATIONS MISSIONS AND OVERSEAS AGENCIES**

199. The Task Force could not identify any form of collusion or participation in O.P.G.'s scheme on the part of the United Nations officials at the field Missions and Overseas Offices. However, the investigations revealed the following:

200. That O.P.G.'s billing practices of repeatedly charging freight costs while using the pouch was widely known amongst procurement officials and other United Nations staff members at Missions and Overseas Offices. As a result of poor communication between the Organisation's personnel in the United Nations Missions and Headquarters, and insufficient instruction given to the United Nations staff in the Missions, O.P.G.'s nefarious behavior was not brought to the attention of the United Nations Headquarters

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<sup>161</sup> See Appendix A, "Loss Calculation – O.P.G. Shipments to the United Nations Missions." The Organisation has recovered approximately US\$33,000 of this loss.

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until 2005. The lack of notice to appropriate officials in the Headquarters Procurement Service and the Office of Central Support Services enabled O.P.G. to continue their fraudulent activities undiscovered and undeterred for many years.

201. The Task Force has found that instruction of staff at the United Nations Field Missions on the use, purpose and restrictions of the pouch service was insufficient to prevent the misuse of the diplomatic privileges granted to the Organisation for the transmission of its items in international transit.

202. Further, clear responsibilities of the parties involved in the process were not delineated. Many United Nations staff members were, and continue to be, unfamiliar with the policies concerning the use of the Diplomatic Pouch Service which are in existence. This lack of proper procedures as well as awareness and sense of responsibility amongst staff members also contributed to O.P.G.'s ability to continue its activities undiscovered and uninterrupted for many years.

203. Further, it is clear that the contents of shipments of goods through the Diplomatic Pouch are not sufficiently and consistently examined, exposing risks that the pouch will be used for improper and even illegal means. This risk came to fruition recently as several individuals were arrested for using the pouch to transmit illegal contraband internationally. Such a method of shipment is particularly attractive to smugglers because shipments by pouch are not examined by customs officials.

## VII. CONCLUSIONS

204. The Task Force finds that the Subject and the company O.P.G. engaged in a criminal scheme to defraud the Organisation in violation of the common law, and Title 18, United States Code, Section 1343. The Organisation was a victim of the scheme.

205. The Task Force concludes that the former Chief of the Mail Operations Unit did not properly exercise his managerial functions by failing to take corrective measures once the scheme was identified; not ensuring that O.P.G. and the Subject were denied access to use the Pouch Unit for commercial shipments; and not informing other officials in the Organisation of the unauthorized and illegal activity, all in violation of United Nations Staff Regulation 1.2(b).

206. The former Chief of the Special Services Section did not properly exercise his managerial functions by failing to implement and enforce procedures to protect the integrity of the Diplomatic Privileges granted to the Organisation.

207. The Task Force concludes that the personnel in the Pouch Units at the Headquarters in New York and in the Missions were generally derelict in their responsibilities and functions once irregularities in the use of the pouch were identified and it became known that O.P.G. was improperly billing for shipments costs not actually incurred.

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**VIII. RECOMMENDATIONS**

208. The Task Force recommends that the matter be referred to national prosecutorial authorities in the host country to pursue violations of federal criminal law identified herein.

209. The Task Force recommends that the Organisation consider pursuing a civil lawsuit to recover losses sustained as a result of O.P.G.'s fraudulent and illegal actions.

210. The Task Force recommends that O.P.G. be permanently removed from the vendor roster in all its forms, and that efforts be made to ensure that the Subject a/k/a "Joe Scott," Mr. Don Thompson, and Mr. Eden C. Reeves do not engage in business with the Organisation indirectly or through another corporate identity hereafter. The Task Force further recommends that Express Distributors be removed from all of the Organisation's vendor rosters, and that a review be conducted to ensure that no other current vendors are related to, or connected with, O.P.G. or the Subject.

211. The Task Force recommends that Administrative Bulletin ST/AI 368 be reviewed and updated to more clearly delineate the manner in which goods can be shipped by a Department to another United Nations entity, and that Staff in the Missions and at Headquarters with any involvement in international transportation of items be trained on the proper uses of the Diplomatic Pouch.

212. The Task Force recommends that measures be put in place to ensure and enforce communication between the Procurement Service at the Headquarters and the Procurement Sections at the Organisation's various Missions, including the establishment of a Global Vendor database where Missions may report issues with vendors, including corrupt, illegal and improper practices.

213. The Task Force recommends that measures be put in place to ensure and encourage information sharing between the Procurement Section and Mail Operation Units to prevent the re-occurrence of the failings identified herein, and to ensure the integrity of the use of the Diplomatic Pouch as well as the reputation of the Organisation.

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## **IX. APPENDIX A: LOSS CALCULATION – O.P.G. POUCH SHIPMENTS TO THE UNITED NATIONS MISSIONS**

UN Mission	No of Purchase Orders	Total Value of Purchase Orders (A)	Total Freight (C)	Total Freight OverCharge (D)	Amount of Freight Recovered (E)	Freight to be paid (D-E)	% of Freight Overcharged (D/C)
<b>MONUC - Democratic Republic of Congo</b>	43	1,005,372	78,746	15,901	2,081	13,820	20%
<b>MINURSO - Western Sahara</b>	38	232,817	15,775	7,546	2,848	4,698	48%
<b>BONUCA - Burundi</b>	20	85,600	10,510	1,700	-	1,700	16%
<b>UNOCHI/ONUCI - Ivory Coast</b>	17	332,289	40,359	24,316	22,376	1,940	60%
<b>UNON - Nairobi</b>	14	87,169	6,744	5,209	5,209	-	77%
<b>UNLB - Brindisi</b>	14	498,985	5,292	2,883	883	2,000	54%
<b>UNIFIL - Lebanon</b>	13	139,182	4,835	150	150	-	3%
<b>MINUSTAH - Haiti</b>	11	175,732	8,725	3,105	-	3,105	36%
<b>UMMISSET - East Timor</b>	7	86,140	3,605	160	160	-	4%
<b>UNAMA - Afghanistan</b>	6	144,289	3,975	-	-	-	0%
<b>Other Missions*</b>	9	87,476	2,360	-	-	-	0%
<b>Total**</b>	<b>192</b>	<b>\$ 2,875,051</b>	<b>\$ 180,926</b>	<b>\$ 60,970</b>	<b>33,707</b>	<b>27,263</b>	<b>34%</b>

**Notes:**

\*Other Missions comprise of ESCWA, UNGVA, and ONUB. These missions had less than three purchase orders each and limited information was provided.

\*\*This loss calculation is based on the procurement records of various Missions and is not complete as it does not include all United Nations missions and relevant pouch shipment information.

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**MONUC PURCHASES FROM O.P.G. IN 2002-2005**

No.	PO#	Goods/Supplies	Date of PO	Amt of PO (A)	Freight (B)	Total PO (C=A+B)	Amt Pd to OPG (D)	Recovered (E=C-D)	Loss (F)	Total Freight OverCharge	R&I Date	Amt of Shipment/Inv	Invoice No.	Date of invoice	Remarks
1	2KIN - 200285	Computer Accessories	Dec 23, 2002	42,500	3,700	46,200	\$ 46,200	-	-	-	29/01/2003	46,200	39180	31/12/2002	DHL Airbill provided
2	3KIN - 200170	Radio Equipment	July-03	44,706	881	45,587	\$ 44,706	881	-	-	21/08/2003	44,706	39668A	05/08/2003	PD aware of pouch delivery as Change order issued to reduce Pd mt for freight; PO information missing
3	3KIN - 200283	Computer Accessories	July-03	14,660	1,000	15,660	\$ 15,660	-	-	-	30/08/2003	19,210	39825/39826	30/04/2003 /39827	DHL Airbill provided and OPG letter; PO information missing
4	3KIN - 200358	Computer Accessories	April 28, 2003	17,100	1,300	18,400	\$ 18,400	-	-	-	25/09/2003	18,400	39906	16/05/2003	DHL Airbill provided - PO did not include freight costs but invoice did
5	3KIN - 200359	Computer Software & Equipment	April 28, 2003	15,250	500	15,750	\$ 15,750	-	-	-	23/05/2003	15,750	39907	15/05/2003	No shipping information provided - PO nor invoice included freight costs assume goods were sent by pouch. Payment info missing
6	3KIN - 200360	Computer Equipment	May 1, 2003	27,810	-	27,810	\$ 27,810	-	-	-	22/08/2003	27,810	39916	19/05/2003	No shipping information provided - PO nor invoice included freight costs assume goods were sent by pouch. Payment info missing
7	3KIN - 200384	Computer Equipment	May 3, 2003	7,170	1,100	8,270	\$ 8,270	-	-	-	28/07/2003	4,297	39923	19/05/2003	DHL Airbill provided and OPG letter confirming shipment before freight charge paid. Invoice information missing
8	3KIN - 200462	Computer Software	May 16 -2003	36,740	160	36,900	\$ 36,900	-	-	-	03/07/2003	36,900	40669	16/05/2003	No shipping information provided
9	3KIN - 200467	Computer Software	May 16 -2003	36,490	500	36,990	\$ 36,990	-	-	-	17/07/2003	36,990	40668	17/05/2003	No shipping information provided
10	3KIN - 200528	Cameras	Oct 2, 2003	19,750	875	20,625	\$ 20,625	-	-	-	11/11/2003	20,625	40656	30/09/2003	No shipping information provided
11	4KIN - 200278	Office Supplies	Nov 17, 2003	4,756	1,200	5,956	\$ 5,956	-	-	-	29/12/2003	5,956	41158	21/11/2003	DHL Airbill provided
12	4KIN - 200341	Computer Accessories	Dec 12, 2003	16,400	1,100	17,500	\$ 17,500	-	-	-	05/03/2004	17,500	41324	29/12/2003	DHL Airbill provided
13	4KIN - 200358	Computer	Dec 19, 2003	39,750	550	40,300	\$ 40,300	-	-	-	02/03/2004	40,300	41319	05/02/2004	DHL Airbill and shipping information provided
14	4KIN - 200446	Office Supplies	Jan 29, 2004	9,512	1,200	10,712	\$ 10,712	-	-	-	09/03/2004	10,712	41408	28/01/2004	No shipping information provided
15	4KIN - 200682	Computer Equipment	May 19, 2004	19,250	5,600	24,850	\$ 24,850	-	-	-	28/06/2004	24,850	41643	19/05/2004	Appears freight not paid until OPG provides shipping invoice - UTI shipping invoice provided
16	4KIN - 200746	Computer Software	Sep 2, 2004	9,250	300	9,550	\$ 9,550	-	-	-	06/09/2004	9,550	41696A	15/05/2004	DHL Airbill provided
17	4KIN - 200763	Photocopier Accessories	Feb 28, 2004	5,180	1,740	6,920	\$ 6,119	801	-	801	17/06/2004	6,170	41811	11/05/2004	Change order issue to reduce freight to actual freight charge; DHL Airbill provided
18	4KIN - 200786	Office Supplies	April 22, 2004	9,512	1,700	11,212	\$ 11,212	-	-	-	23/06/2004	11,212	41696	06/05/2004	UTI shipping invoice provided
19	4KIN - 200804	Office Supplies	April 27, 2004	765	375	1,140	\$ 1,140	-	-	-	19/05/2004	1,140	41734	12/05/2004	DHL Airbill provided
20	4KIN - 200816	Batteries	April 29, 2004	5,424	350	5,774	\$ 5,774	-	-	-	17/06/2004	5,774	41756	10/05/2004	DHL Airbill provided
21	4KIN - 200718	Photocopier Accessories	April 10, 2004	25,270	3,220	28,490	\$ 28,490	-	-	-	17/07/2004	28,490	41674	28/05/2004	Appears freight not paid until OPG provides shipping invoice - UTI shipping invoice provided
22	5KIN - 200211	Cameras	19,840	1,800	21,640	\$ 21,640	-	-	-	-	21/340	4,3015	19/11/2004	DHL Airbill provided; PO and Payment information missing	
23	5KIN - 200225	Camera Accessories	Oct 28, 2004	27,195	2,800	29,995	\$ 29,995	-	-	-	24/01/2005	29,995	4,2987	30/01/2004	DHL Danza shipping information provided
24	5KIN - 200242	Computer Equipment	Nov 8, 2004	7,100	350	7,450	\$ 7,450	-	-	-	-	-	-	DHL Airbill provided; Payment information missing	
25	5KIN - 200540	Computer Accessories	Feb 24, 2005	38,080	300	38,380	\$ 38,380	-	-	-	29/03/2005	38,380	43350	18/03/2005	DHL Airbill provided
26	5KIN - 200543	Computer Software & Accessories	Feb 28, 2005	4,872	260	5,132	\$ 5,132	-	-	-	22/03/2005	5,132	43361	14/03/2005	No shipping information provided
27	5KIN - 200691	Computer Software & Accessories	April 7, 2005	10,440	835	11,275	\$ 10,977	298	-	298	27/04/2005	11,275	43439	15/04/2005	DHL Airbill provided and actual freight charge

**REPORT ON O.P.G. AND UNITED NATIONS POUCH UNIT**

REDACTED AND STRICTLY CONFIDENTIAL

**MONUC PURCHASES FROM O.P.G. IN 2002-2005**

No.	PO#	Goods/Supplies	Date of PO	Ant of PO (A)	Freight (B)	Total PO (C=A+B)	Ant Pd to OPG (D)	Recovered (E=C-D)	Loss (F)	Total OverCharge	R&I Date	Shpmnt/Inv	Amt of Invoice No.	Date of Invoice	Remarks
28	5KIN - 200739	Photocopier Accessories	July 18, 2005	17,200	3,200	20,400	\$ 40	-	3,200	05/09/2005	20,400	43527/A	04/08/2005	Pouch Records indicate delivery by pouch	
29	5KIN - 200913	Computer Accessories	May 26, 2005	43,702	1,600	45,302	\$ 44,902	-	-	15/07/2005	44,902	435609	20/06/2005	No shipping information provided; \$400 discount provided after fact	
30	5KIN - 200924	Computer Equipment	Sept 1, 2005	12,800	800	13,600	\$ 13,600	-	400	06/10/2005	13,600	43593	16/09/2005	DHL Airbill provided and Pouch Records indicate delivery by pouch of goods	
31	5KIN - 200966	Computer Software	Sept 15, 2005	38,520	500	39,020	\$ 39,020	-	-	04/10/2005	38,270	43619	15/07/2005	No shipping information provided	
32	5KIN - 201041	Printer	June 6, 2005	40,900	9,640	49,640	\$ 2,000	-	-	12/10/2005	3,600	43608	26/09/2005	Missing shipping, payment and other information	
33	5KIN - 201077	Office Equipment	June 8, 2005	5,760	230	5,990	\$ 5,990	-	230	19/07/2005	5,990	43627	24/06/2005	Pouch Records indicate delivery by pouch	
34	5KIN - 201117	Office Supplies	July 5, 2005	10,466	850	11,316	\$ 11,316	-	850	24/08/2005				No shipping and invoice info provided; Credit memo for \$184 for change in quantity	
35	5KIN - 201156	Computer Accessories	July 11, 2005	22,650	9,000	31,650	\$ 31,650	-	-	02/11/2005	10,400	43767/B1	31/10/2005	No shipping information provided; Credit memo for \$250 for change in quantity	
36	5KIN - 201192	Computer Software	June 25, 2005	110	50	160	\$ 160	-	-	11/08/2005	160	43747	25/07/2005	DHL Airbill provided	
37	5KIN - 201222	Computer Software	Nov 23, 2005	3,950	250	4,200	\$ 4,099	101	-	101		43799	18/12/2005	DHL Airbill provided; Missing PO & R&I information; some items missing from shipment	
38	5KIN - 201275	Photocopier Accessories	July 25, 2005	52,978	5,600	58,578	\$ 58,578	-	5,600	05/10/2005	6,090	43788	30/08/2005	Pouch Records indicate delivery by pouch; Credit memo for \$2412 for change in quantity	
39	5KIN - 201326	Computer Accessories	July 25, 2005	63,238	9,000	72,238	\$ 73,523	-	3,170	17/11/2005	48,318	43747	30/09/2005	Pouch records indicate partial delivery by pouch; Credit memo for \$6163 for shortages appears to have overpaid \$1285 on the invoice	
40	5KIN - 201375	Computer Equipment & Accessories	July 25, 2005	60,390	1,050	61,440	\$ 61,440	-	-	30/09/2005	6,140	437801	13/09/2005	DHL Airbill provided	
41	5KIN - 201399	Photocopier Accessories	July 28, 2005	25,840	740	26,580	\$ 26,580	-	370	05/10/2005	26,580	437849	16/09/2005	DHL Airbill provided and Pouch Records indicate delivery by pouch of goods	
42	5KIN 0201341	Office Supplies	July 21, 2005	7,500	2,300	9,800	\$ 9,800	-	-	24/08/2005	9,800	43815	11/08/2005	DHL Airbill provided	
43	6KIN - 200171	Computer Accessories	Oct 21, 2005	6,750	240	6,990	\$ 6,990	-	-	23/02/2006	6,590	44237	16/02/2005	Vendor suspended on October 20, 2005 - DHL Airbill provided	

freight	15,901
total fri	78,746

Items sent by mail pouch per R&I unit  
Items sent by DHL freight as paid  
Amount of recovered - overpaid  
Paid Actual Freight Charge per Shipping bill

**REPORT ON O.P.G. AND UNITED NATIONS POUCH UNIT**

REDACTED AND STRICTLY CONFIDENTIAL

**MINURSO PURCHASES FROM O.P.G. IN 2002-2005**

No.	PO#	Goods/Supplies	Date of PO	Am't of PO (A)	Freight (B)	Total PO (C=A+B)	Am't Pd to OPG (D)	Recovered (E=C-D)	Total OverCharge	R&I Date	Shiptn/Inv No.	Invoice No.	Date of Invoice	Remarks	
1	3MIN - 200044	Respirator Masks	Sept 9, 2002	1,352	49	1,401	-	-	-	03/10/2002	1,401	38414	09/30/2002	No shipping information provided	
2	3MIN - 200129	Computer Equipment	Nov 7, 2002	880	110	990	990	-	-	27/11/2002	990	38847	15/11/2002	No shipping information provided	
3	3MIN - 200184	Computer Equipment	Feb 4, 2003	303	108	411	\$	303	108	04/02/2003	411	39252	17/01/2003	[PD aware of pouch delivery - Pmt reduced for freight charge -]	
4	3MIN - 200198	Minurso Website	Jan 23, 2003	421	-	421	\$	421	-	11/02/2003	421	39263	01/24/2003	No goods shipped - payment for web domain	
5	3MIN - 200239	Digital Camera & Accessories	Feb 24, 2003	1,525	175	1,700	\$	1,700	-	26/03/2003	1,700	39549	07/03/2003	Pouch records indicate shipment by pouch-freight charge charged and paid	
6	3MIN - 200344	Computer Accessories	May 29, 2003	1,550	140	1,690	\$	1,550	140	23/06/2003	40053	12/06/2003	[PD aware of pouch delivery - Pmt reduced for freight charge - OPG issues credit memo on freight charge -]		
7	3MIN - 200352	Computer Software	June 30, 2003	7,820	500	8,320	\$	7,820	500	28/07/2003	8,320	40091	30/06/2003	[PD aware of pouch delivery - Pmt reduced for freight charge - OPG issues credit memo on freight charge -]	
8	3MIN - 200356	GPS system & accessories	May 29, 2003	26,060	900	26,960	\$	26,060	900	28/07/2003	26,060	40043	08/07/2003	[Pouch unit email to PD @ OPG delivery - PO includes freight charge but final OPG invoice did not charge freight (OPG issues credit memo on 7/28/2003)]	
9	3MIN - 200365	Computer Handheld	June 3, 2003	5,390	190	5,580	\$	5,390	190	01/07/2003	5,580	40060	23/06/2003	[PD aware of pouch delivery - Pmt reduced for freight charge - OPG issues credit memo on 7/27/2003]	
10	3MIN - 200368	Respirator Masks	June 2, 2003	878	180	1,068	\$	1,068	-	190	190	40084	05/06/2003	Goods received by pouch but freight charged and paid	
11	3MIN - 200403	Computer Accessories	June 20, 2003	5,200	400	5,600	\$	5,200	400	28/07/2003	5,600	40213	25/06/2003	[OPG issued 7/31 credit voucher for freight of \$440; PD aware of pouch delivery - Pmt reduced for freight charge -]	
12	3MIN - 200432	Digital Camera & Accessories	June 27, 2003	900	120	1,020	\$	900	120	13/07/2003	1,020	40273	02/07/2003	[PD aware of pouch delivery - Pmt reduced for freight charge - OPG issues credit memo on 7/28/2003]	
13	3MIN - 200460	Airport Equipment	June 30, 2003	1,350	600	1,950	\$	1,950	-	600	600	40477	18/07/2003	No shipping information provided	
14	4 MIN - 200042	Computer Software	Oct 8, 2003	1,500	100	1,600	\$	1,500	100	06/11/2003	1,600	40975	25/10/2003	[OPG issued 11/25 credit voucher for freight of \$100; PD aware of pouch delivery - Pmt reduced for freight charge]	
15	4MIN - 200039	Respirator Masks	Oct 1, 2003	1,229	228	1,456	\$	1,456	-	228	228	40945	09/10/2003	Pouch records indicate shipment by pouch-freight charge charged and paid	
16	4MIN - 200054	Computer Printer	Oct 21, 2003	36,780	2,210	38,990	\$	38,990	-	14/01/2004	38,990	41010	12/11/2003	No shipping information provided	
17	4MIN - 200080	Digital Camera & Accessories	Nov 28, 2003	2,700	200	2,900	\$	2,900	-	30/12/2003	2,900	41213	08/12/2003	DHL shipping document	
18	4MIN - 200106	Computer Equipment	Dec 20, 2003	5,480	290	5,770	\$	5,770	-	21/01/2004	5,770	41341	30/12/2003	No shipping information provided	
19	4MIN - 200130	Computer Accessories	Jan 14, 2004	7,950	400	8,350	\$	8,350	-	03/02/2004	8,350	41395	01/03/2004	No shipping information provided	
20	4MIN - 200212	Weather Equipment	April 2, 2004	4,650	490	5,140	\$	5,140	-	07/06/2004	5,140	41650	05/05/2004	Pouch records indicate shipment by pouch-freight charge charged and paid	
21	4MIN - 200214	Computer Software	April 1, 2004	9,629	150	9,779	\$	9,679	100	150	27/04/2004	9,679	41644	19/04/2004	[PD aware of pouch delivery - Pmt reduced for freight charge - PD notified OPG May 4 that freight will be reduced (see note to file)]
22	4MIN - 200228	Polaroid Cameras	May 11, 2004	2,400	150	2,550	\$	2,550	-	150	150	41777	17/05/2004	Pouch records indicate shipment by pouch-freight charge charged and paid	
23	4MIN - 200230	Computer Equipment	April 22, 2004	8,550	250	8,800	\$	8,800	-	250	11/05/2004	8,800	41,207	29/04/2004	No shipping information provided but pouch info appears to match this shipment
24	4MIN - 200239	Computer Equipment	May 6, 2004	19,543	750	20,293	\$	20,293	-	750	11/06/2004	12,307	41770	25/05/2004	Partial shipment by pouch per Pouch Unit records - not sure about 3rd shipment (most likely pouch)
25	5MIN - 200011	Computer Equipment	Aug 12, 2004	5,700	250	5,950	\$	5,950	-	250	30/08/2005	5,950	42630	18/08/2005	Pouch records indicate shipment by pouch-freight charge charged and paid
26	5MIN - 200078	Polaroid Cameras	April 27, 2005	4,600	290	4,890	\$	4,600	290	01/02/2005	4,600	43093	30/11/2004	[PD aware of pouch delivery - Pmt reduced for freight charge -]	
27	5MIN - 200109	Computer Equipment	Jan 6, 2005	6,980	900	7,880	\$	7,880	-	-	19/02/2005	7,880	48207	12/01/2006	DHL shipping document

**REPORT ON O.P.G. AND UNITED NATIONS POUCH UNIT**

REDACTED AND STRICTLY CONFIDENTIAL

**MINURSO PURCHASES FROM O.P.G. IN 2002-2005**

No.	PO#	Goods/Supplies	Date of PO	Amt of PO (A)	Freight (B) (C=A+B)	Total PO (D)	Amt Pd to OPG (E-C-D)	Recovered (F-C-D)	Loss (F)	Total Freight OverCharge	R&I Date	Shpt/Inv No.	Invoice No.	Date of Invoice Invoice	Remarks
28	5MIN - 200153	Computer Accessories	March 7, 2003	24,850	2,660	27,450	\$	27,450	-	27,450	18/03/2005	43374			DHL shipping document
29	5MIN - 200196	Weather Equipment	April 3, 2005	8,710	785	9,495	\$	9,495	-	785	23/05/2005	9,495	43430	20/04/2005	Pouch records indicate shipment by pouch-freight charge charged and paid
30	5MIN - 200203	Power Meter	April 5, 2004	1,300	390	1,690	\$	1,690	-	1,690	23/05/2005	1,690	43432	13/04/2005	DHL shipping document
31	5MIN - 200210	Computer Accessories	April 11, 2005	2,500	980	3,480	\$	3,480	-	3,480	19/05/2005	3,480	43455	15/04/2005	DHL shipping document
32	5MIN - 200218	Digital Camera & Accessories	May 6, 2005	2,560	235	2,795	\$	2,795	-	235	16/05/2005	2,795	43454	19/04/2005	Pouch records indicate shipment by pouch-freight charge charged and paid
33	5MIN - 200263	Airport Equipment	May 31, 2005	1,500	390	1,690	\$	1,690	-	390	24/06/2005	1,690	43589	06/08/2005	Pouch records indicate shipment by pouch-freight charge charged and paid
34	A05-22-HS	Weather Equipment	April 25, 2005	950	100	1,050	\$	1,050	-	100	23/05/2005	1050	43518	05/11/2005	Pouch records indicate shipment by pouch-freight charge charged and paid
35	A05-3	Protective Gear	Nov 30, 2004	860	-	860	\$	860	-	-	N/A	N/A	N/A	N/A	No shipping info provided but no charges for shipping
36	Compu-121IS Fax#1233	Computer Equipment	Oct 14, 2004	1,200	100	1,300	\$	1,300	-	-	30/11/2004	55	42,938	20/10/2005	No information provided about shipping but pouch info applies to match this shipment
37	ITU-5-8 Fax#1376	Fiber Cable	Oct 29, 2004	440	55	495	\$	495	-	55	23/11/2004	495	43,004	04/11/2004	No information provided about shipping but pouch info applies to match this shipment
38	SUP4-124HS	Respirator Masks	Marcy 18,2004	1,053	-	1,053	\$	1,053	-	-	N/A	1,053	41,594	18/03/2004	Pouch records indicate shipment by pouch-No freight charged
			217,042	15,775	\$ 232,817	229,969		2,848	4,698	\$ 7,546					
					freight	7,546									
					total frt	15,775									
						48%									

Items sent by mail pouch per R&I unit  
 Items sent by DHL freight & paid  
 Amount not recovered - overpaid  
 N/A - Info not available

**REPORT ON O.P.G. AND UNITED NATIONS POUCH UNIT**

REDACTED AND STRICTLY CONFIDENTIAL

**BONUCA PURCHASES FROM O.P.G. IN 2003-2005**

No.	PO#	Goods/Supplies	Date of PO	Amt of PO (A)	Freight (B)	Total PO (C=A+B)	Amt Pd to OPG (D)	Recovered (E-C-D)	Loss (F) (F-E-D)	Total Freight OverCharge	R&I Date	Amt of Shiptn/Inv	Inv No.	Date of Invoice	Remarks
1	3BCA - 060	Computer Equipment	May 7, 2003	8,265	1,500	9,765	\$ 9,765	-	-	N/A	9,765	39927	22/05/2003	No shipping information provided	
2	3BCA - 073	Computer Accessories	May 8, 2003	1,611	550	2,161	\$ 2,161	-	-	N/A	841	39959	30/05/2003	Missing invoices-No shipping info provided	
3	3BCA - 098	Medals	May 24, 2003	1,400	150	1,550	\$ 1,550	-	-	N/A	N/A	N/A	N/A	Missing invoices-No shipping info provided	
4	3BCA - 215	Computer Equipment	Nov 8, 2003	3,645	1,270	4,915	\$ 3,645	1,270	1,270	N/A	N/A	N/A	N/A	Freight paid with PO 4BCA -102 -No other info provided	
5	3BCA - 284	Computer Equipment	Dec 1, 2003	11,480	300	11,780	\$ 11,780	-	-	11/02/2004	N/A	N/A	N/A	No shipping information provided	
6	3BCA - 285	Office Supplies	Dec 2, 2003	2,280	470	2,750	\$ 2,750	-	-	11/02/2004	280	41251	14/01/2004	Missing invoices-No shipping info provided	
7	3BCA - 287	Computer Accessories	Dec 2, 2003	1,900	160	2,060	\$ 2,060	-	-	28/01/2004	2,060	41219	09/12/2003	No shipping information provided	
8	3BCA - 301	Office Supplies	Dec 13, 2003	3,120	1,800	4,920	\$ 4,920	1,415	-	N/A	1,415	41292	05/03/2004	Missing invoices-No shipping info provided	
9	4BCA - 102	Computer Equipment	April 19, 2004	3,645	-	3,645	\$ 4,915	(1,270)	-	(1,270)	N/A	4,915	41116	21/11/2003	Found note indicating that cost of freight is for PO from 2003 - 3BCA-215
10	4BCA - 151	Computer Accessories	June 14, 2004	2,500	500	3,000	\$ 3,000	-	-	21/06/2004	3,000	41843	08/06/2004	DHL Shipping documents	
11	4BCA - 174	Office Supplies	July 1, 2004	2,280	470	2,750	\$ 2,750	-	-	02/07/2004	2,750	2,750	2,750	14/01/2004	PO does not indicate freight but invoice and payment does of \$4701/SD
12	4BCA - 311	Computer Accessories	Nov 18, 2004	1,200	212	1,412	\$ 1,412	-	212	22/11/2004	1,412	43046	16/11/2004	Pouch records indicate shipment by pouch	
13	4BCA - 348	Computer Equipment	Feb 1, 2005	2,720	170	2,890	\$ 2,890	-	-	25/02/2005	2,890	43275	18/02/2005	No shipping information provided	
14	4BCA - 74	Computer Accessories	Mar 30, 2004	3,389	500	3,889	\$ 3,889	-	-	N/A	3,889	41626	30/03/2004	OPG note that shipment sent by DHL-Danca	
15	4BCA - 310	Computer Equipment	Nov 11, 2004	6,600	638	7,238	\$ 7,238	-	638	22/11/2004	7,238	43047	16/11/2004	Pouch records indicate shipment by pouch	
16	5BCA - 49	Computer Accessories	Mar 2, 2005	16,106	1,360	17,466	\$ 17,466	17,408	-	-	31/03/2005	17,466	43375	31/03/2005	DHL Shipping documents: PO is for more than original quote (pymt was \$58 less than PO)
17	5BCA - 81	Computer Equipment	May 6, 2005	319	180	499	\$ 499	-	180	N/A	499	43513	23/05/2005	Pouch records indicate shipment by pouch	
18	5BCA - 82	Computer Equipment	May 6, 2005	1,180	200	1,380	\$ 1,380	-	200	N/A	N/A	N/A	N/A	Pouch records indicate shipment by pouch	
19	5BCA - 92	Computer Ribbon	April 5, 2005	300	80	380	\$ 380	-	80	22/04/2005	380	43434	12/04/2005	Pouch records indicate shipment by pouch	
20	5BCA - 141	Computer Accessories	July 8, 2005	1,150	-	1,150	\$ 1,150	-	390	390	06/08/2005	1,150	43716	19/07/2005	Pouch records indicate shipment by pouch - PO does not indicate freight but invoice and payment does of \$3901/SD
				75,090	10,510	\$ 85,600		82,037	-	\$ 1,700					
											freight	1,700			
											total frt	10,510	16%		

 Items sent by mail pouch per R&I unit  
 items sent by DHL freight & no paid  
 Amount not recovered - overpaid  
 N/A - Info not available

**REPORT ON O.P.G. AND UNITED NATIONS POUCH UNIT**

REDACTED AND STRICTLY CONFIDENTIAL

**UNOCHI/ONUCI PURCHASES FROM O.P.G. IN 2004-2005**

No.	PO#	Goods/Supplies	Date of PO	Am't of PO (A)	Freight (B) (C=A+B)	Total PO (D)	Am't Pd to OPG (E=C-D)	Recovered (E-C-D)	Loss (F)	Total Freight OverCharge (E+F)	R&I Date	Am't of Shipment/Inv	Date of Invoice	Remarks
1	3000459	Telecom Equipment	July 27/2004	11,011	600	11,611	\$ 1,611	\$ -	\$ -	\$ 29/12/2004	11,611	10/19/2004	DHL - info letter provided	
	300122	Computer accessories	Sept 27/2004	13,693	1,300	14,993	\$ 14,993	\$ -	\$ -	\$ 26/10/2004	14,933	29/09/2004	DHL - Airbill provided - No freight used for \$11718; items missing \$2500 so sent separately; not clear how	
2	300155	network analyzer	Oct 6, 2004	36610	800	37,410	\$ 37,410	\$ -	\$ -	\$ 31/12/2004	36,610	N/A	R&I rpt states CTIS as source - seems freight \$ b paid ??	
3	300196	computer software	Oct 29, 2004	4,530	150	4,680	\$ 4,680	\$ -	\$ 150	\$ 19/01/2005 &31/12/2004	N/A	N/A	\$4410 items received via pouch and 1 items downloaded from internet \$120;	
4	300197	computer software	Oct 29, 2004	11,100	200	11,300	\$ 11,300	\$ -	\$ 200	\$ 19/01/2005 &31/12/2004	N/A	N/A	\$8000 items received via pouch and \$3100 items downloaded from internet;	
5	300382	computer software	February-2005	3,725	200	3,925	\$ 3,925	\$ -	\$ -	N/A	3,725	28/02/2005	DHL - Airbill provided - No freight used - R&I rpt says procurement/tenkis it was sent to PD not R&I when delivered by DHL; 2 emails seem to indicate by DHL and not pouch	
6	300465	Test equipment radiocom	March-2005	25,435	900	26,335	\$ 26,335	\$ 26,178	\$ 157	\$ 157	N/A	N/A	\$4345 sent by pouch - SOE stipulates OPG shipment with PO#; \$21000 sent by SDV-Air service; email by pouch unit to PD @ OPG delivery via pouch	
7	8 300530	Shoes	April 13, 2005	7,560	3,400	10,960	\$ 10,960	\$ -	\$ -	\$ 31/12/2005	N/A	N/A	DHL - Airbill provided - No freight used	
	300656	Computer accessories	May 24, 2005	85,970	19,000	104,970	\$ 85,970	\$ 19,000	\$ -	\$ 19,000	03/10/2005	30,000	25/08/2005	SOE states OPG shipment with PO#; OCHI Pouch Unit notifies PD of delivery; PD investigates
9	300659	Digital cameras	May 27, 2005	26,631	1,559	27,990	\$ 26,631	\$ 1,359	\$ -	\$ 1,359	15/07/2005	N/A	17/06/2005	SOE stipulates OPG shipment with PO#; email from pouch unit to PD @ pouch delivery; by OPG - Am't pd was for 99 cameras not 100 per the PO - 1 camera never received
10	300665	Hydrophobic Spill Kits	June-2005	8,300	2,500	10,800	\$ 10,800	\$ -	\$ -	\$ 06/07/2005	7,900	N/A	SDV say airbill	
	300745	Security Perforators	June 27/2005	12,670	1,300	13,970	\$ 13,970	\$ -	\$ 1,300	\$ 1,300	13/12/2005	4,890	27/09/2005	R&I rpt says pouch \$4890 and \$8780 SDV Air -
12	300759	Fluke Networks	July 3-2005	9,190	200	9,390	\$ 9,190	\$ 200	\$ -	\$ 29/07/2005	9,390	14/07/2005	Pouch Unit sent email @ pouch delivery	
13	300801	Safety clothing&equipment	July 2005	4,370	1,160	5,530	\$ 4,370	\$ 1,160	\$ -	\$ 1,160	16/08/2005	N/A	Pouch Unit sent email @ pouch delivery	
14	300802	Small weapons safe	August 2005	25,200	6,500	31,700	cancelled	\$ -	\$ -	\$ -	\$ -	\$ -	Purchase Order cancelled 5/24/2006	
15	300818	Attenuators,minicircuits	June 24, 2005	2,200	290	2,490	\$ 2,490	\$ -	\$ 290	\$ 14/07/2005	N/A	Pouch Unit sent email @ pouch delivery		
16	300848	Vehicle Roof light bar	June 30, 2005	3,735	500	4,235	\$ 3,735	\$ 500	\$ -	\$ 500	N/A	N/A	Notice from Pouch Unit	
				291,930	40,359	\$ 332,289	\$ 278,213	\$ 22,376	\$ 1,940	\$ 24,316				

 Items sent by mail pouch per R&I unit  
 Items sent by DHL freight &b paid  
 Amount not recovered - overpaid  
 N/A - Info not available

**REPORT ON O.P.G. AND UNITED NATIONS POUCH UNIT**

REDACTED AND STRICTLY CONFIDENTIAL

**UNON PURCHASES FROM O.P.G. IN 2000-2003**

No.	PO#	Goods/Supplies	Date of PO	Amt of PO (A)	Freight (B) (C=A+B)	Total PO (D)	Amt Pd to OPG (E=C-D)	Recovered Loss (F) (E=C-D)	Total Freight OverCharge	R&I Date	Amt of Shipment/Inv	Invoice No.	Date of invoice	Remarks	
1	RQ 154-2000	Office Supplies	2000	\$859	\$	\$859	\$	\$859	-	05/10/2000	859	30531	30/11/2000	R&I Report indicates delivery by Pouch - no freight charge included in invoice	
2	RQ 938-2000	Office Supplies	2000	\$537	\$	\$537	\$	\$537	not known	-	24/10/2000	537	29805	22/09/2000	R&I Report indicates delivery by Pouch - OPG bid states price includes freight and insurance to JKIA Nairobi
3	2001-20-30039	Office Equipment	Mar 22, 2001	2,128	\$	2,128	\$	2,128	-	1,302	19/04/2001	3,430	N/A	N/A	R&I Report indicates delivery by Pouch - OPG bid states price includes freight and insurance to JKIA Nairobi
4	2001-20-30070	Computer Software	June 3, 2001	2,491	\$	4,704	\$	2,491	1,302	-	1,302	N/A	3,793	32802	N/A
5	2001-20-40078	Office Equipment	Mar 22, 2001	14,500	\$	-	\$	14,500	\$	13,198	1,302	-	1,302	20/04/2001	N/A
6	2001-20-40508	Computer Accessories	May 14, 2001	23,435	\$	-	\$	23,435	\$	22,133	1,302	-	1,302	12/06/2001	N/A
7	2002-OBPG 814	Computer Accessories	April 18, 2002	22,352	\$	-	\$	22,352	\$	22,352	-	-	N/A	N/A	No shipping - payment or other information
8	2002-OBPG 1083	Computer Software	July 19, 2002	5,780	\$	260	\$	6,040	\$	6,040	-	-	N/A	N/A	No shipping - payment or other information
9	2002-OBPG 1254	Computer Software	Sept 24, 2002	3,549	\$	140	\$	3,689	\$	3,689	-	-	N/A	N/A	No shipping - payment or other information
10	2002-OBPG 1299	Office Equipment	Oct 8, 2002	1,400	\$	100	\$	1,500	\$	1,500	-	-	N/A	N/A	No shipping - payment or other information provided
11	2002-OBPG 1404	Computer Software	Nov 29, 2002	260	\$	-	\$	260	\$	260	-	-	N/A	N/A	No shipping - payment or other information provided
12	2003-OBPG 1635	Computer Software	Feb 8, 2003	2,828	\$	160	\$	2,988	\$	2,988	-	-	N/A	N/A	No shipping - payment or other information provided
13	2003-OBPG 1805	Computer Software	April 9, 2003	3,865	\$	225	\$	4,090	\$	4,090	-	-	N/A	N/A	No shipping - payment or other information provided
14	2003-OBPG 1821	Computer Equipment	April 15, 2003	1,650	\$	650	\$	2,300	\$	2,300	-	-	N/A	N/A	No shipping - payment or other information provided
				85,634	\$	6,744	\$	87,169	\$	84,565	5,209	-	\$	5,209	

Items sent by mail pouch per R&I unit	5,209
total frt	6,744

Items sent by mail pouch per R&I unit  
 Item sent by DH/ freight & paid  
 Amount not recovered - overpaid  
 N/A - Info not available

**REPORT ON O.P.G. AND UNITED NATIONS POUCH UNIT**

REDACTED AND STRICTLY CONFIDENTIAL

**UNLB PURCHASES FROM O.P.G. IN 2001-2005**

No.	PO#	Goods/Supplies	Date of PO	Amt of PO (A)	Freight (B)	Total PO (C=A+B)	Amt Pd to OPG (D)	Recovered (E-C-D)	Loss (F)	Total Freight OverCharge	R&I Date	Shiptn/In v	Amt of Invoice No.	Invoice No.	Date of Invoice	Remarks
1	1LBB-200062	Computer Equipment	April 6, 2001	6,365	-	6,365	\$ 6,365	-	-	-	18/05/2001	6,365	22300/323 00B1	09/05/2001	No freight costs included in PO or invoice; Pouch used based on Note to file regarding this PO freight deducted from payment for another Invoice -PO#1LBB200082	
2	1LBB-200098	Computer Equipment	June 8, 2001	33,840	-	33,840	\$ 33,324	516	-	516	23/07/2001	33,840	32856	Not Avail	PD aware of pouch use- deducted freight charge for this PO# and 1LBB200062 -OPG Vendor and Pouch Unit contacted on Oct 30, 2001 (@ misuse of pouch	
3	1LBB-200111	Computer Equipment	June 19, 2001	24,108	367	24,475	\$ 23,808	367	-	367	01/08/2001	24,375	33007	Not Avail	PD aware of pouch use- deducted freight charge and appears one item was missing per discrepancy rpt.	
4	2LBB-200100	Computer Accessories	April 11, 2002	2,550	510	3,060	\$ 2,930	-	-	-	24/06/2002	3,060	36553	30/04/2002	No shipping information provided - Payment reduced by \$130 for missing item	
5	2LBB-200169	Computer Accessories	June 17, 2002	6,450	285	6,735	\$ 6,735	-	-	-	03/07/2002	6,735	37207	30/06/2002	No shipping information provided	
6	2LBB-200178	Computer software	June 27, 2002	21,745	410	22,155	\$ 22,155	-	-	-	31/07/2002	22,155	37598	25/07/2002	No shipping information provided	
7	3LBB-200003	Computer Accessories	Feb 19/2003	92,935	2,000	94,955	\$ 94,955	-	2,000	2,000	08/04/2003	94,955	39531	26/02/2003	Pouch List shows shipment by pouch	
8	3LBB-200139	Computer Accessories	May 27, 2003	21,336	500	21,836	\$ 21,836	-	-	-	02/07/2003	21,836	40028	11/06/2003	No shipping information provided	
9	3LBB-200027	Computers	Feb 4, 2003	161,640	300	161,940	\$ 161,940	-	-	-	12/03/2003	161,940	39418	20/02/2003	No shipping information provided	
10	3LBB-200051	Computer Software & Accessories	Feb 27, 2003	69,050	350	69,400	\$ 69,400	-	-	-	29/05/2003	69,400	39669	31/05/2003	No shipping information provided	
11	3LBB-200194	Computer Equipment	June 11, 2003	1,120	100	1,220	\$ 1,220	-	-	-	27/06/2003	1,220	40154	N/A	No shipping information provided	
12	4LBB-200171	Computer Equipment	May 18, 2004	13,225	120	13,345	\$ 13,345	-	-	-	22/06/2004	13,345	N/A	01/06/2004	No shipping information provided	
13	5LBB-200281	Computer Software	April 27, 2005	6,749	240	6,989	\$ 6,989	-	-	-	24/07/2005	6,989	43486	19/05/2005	No shipping information provided	
14	5LBB-200375	Computer Software	June 9, 2005	32,560	110	32,670	\$ 32,670	-	-	-	25/07/2005	32,670	43666	23/06/2005	No shipping information provided	

Items sent by mail pouch per R&I unit  
Items sent by DHL freight's b paid  
Amount not recovered overpaid  
N/A- Info not available

Freight	2,883
Total frgl	5,292

\$ 2,883

**REPORT ON O.P.G. AND UNITED NATIONS POUCH UNIT**

REDACTED AND STRICTLY CONFIDENTIAL

**UNIFIL PURCHASES FROM O.P.G. IN 2000-2005**

No.	PO#	Goods/Supplies	Date of PO	Amt of PO (A)	Freight (B) (C=A+B)	Total PO (D)	Amt Pd to OPG (E=C-D)	Recovered (F=E-C-D)	Loss (F)	Total Freight OverCharge	R&I Date	Amt of Shipment/Inv	Invoice No.	Date of invoice	Remarks
1	247463	Fibre Pens	June 26, 2000	1,560	600	2,160	\$	1,521	-	-	01/08/2000	1,531	27903	19/07/2000	No shipping information provided
2	247536	Computer Accessories	June 29, 2000	6,842	100	6,942	\$	6,842	100	100	07/08/2000	6,842	27934	13/07/2000	No shipping information provided but it appears by pouch as freight was deducted from payment
3	247537	Computer Accessories	June 29, 2000	7,500	50	7,550	\$	7,500	50	50	07/08/2000	7,500	27933	17/07/2000	No shipping information provided but it appears by pouch as freight was deducted from payment
4	4FIL 400157	Videos and Books	August 27, 2003	5,630	360	5,990	\$	5,180	-	-	10/11/2003	5,180	4083536	27/10/2003	No shipping information provided
5	4FIL 400188	CD-ROMs	Sept 23, 2003	3,570	400	3,970	\$	3,970	-	-	26/11/2003	3,970	40938	3/1/10/2003	No shipping information provided
6	4FIL 400369	Computer Accessories	Dec 4, 2003	7,984	360	8,344	\$	8,344	-	-	21/01/2004	8,344	41255	20/12/2003	No shipping information provided
7	5FIL 500119	Computer Accessories	Sep 9, 2004	4,390	-	4,390	\$	4,390	-	-	20/10/2004	4,390	42864	28/09/2004	No shipping information provided
8	5FIL 500172	Mirrors	Oct 7, 2004	8,800	-	8,800	\$	8,800	-	-	04/11/2000	8,800	42909	14/10/2004	No shipping information provided
9	5FIL 500313	Computer Accessories	Dec 16, 2004	1,501	260	1,761	\$	1,761	-	-	07/02/2005	1,761	43150	29/12/2004	No shipping information provided
10	5FIL 500388	Computer Equipment	Jan 1, 2005	18,900	780	19,680	\$	19,680	-	-	16/03/2005	19,680	43263	N/A	No shipping information provided
11	5FIL 500540	Computer Equipment	April 26, 2005	26,500	900	27,400	\$	27,400	-	-	22/07/2005	27,400	43480	20/06/2005	No shipping information provided
12	5FIL 500587	Computer Equipment	May 20, 2005	38,660	800	39,460	\$	33,310	-	-	21/07/2005	39,460	43539	20/06/2005	Reason for deduction not indicated
13	5FIL 500592	Computer Accessories	May 24, 2005	2,510	225	2,735	\$	2,735	-	-	N/A	N/A	N/A	N/A	No payment or other information provided - assume PO was paid in full
				134,347	4,835	\$ 139,182		131,433	150	-	\$ 150				

freight	150
total frt	4,835

Items sent by mail pouch per R&I limit	
Items sent by DHL (freight's paid)	
Amount not recovered - overpaid	3%

N/A - Info not available

**REPORT ON O.P.G. AND UNITED NATIONS POUCH UNIT**

REDACTED AND STRICTLY CONFIDENTIAL

**MINUSTAH PURCHASES FROM O.P.G. IN 2004-2005**

No.	PO#	Goods/Supplies	Date of PO	Amt of PO (A)	Freight (B)	Total PO (C=A+B)	OPG (D)	Recovered (E=C-D)	Amt Pd to	R&I Date	Amt of Shpmnt/in v	Invoice No.	Date of invoice	Remarks
1	4HSA - 200033	Cameras	July 7, 2004	1,358	115	1,473	\$ 1,473	-	115	31/07/2004	1,473	42358	12/07/2004	Invoice includes \$115 for freight PO does not - Pouch records indicate shipment by pouch
2	4HSA - 200066	Supplies	July 15, 2004	1,700	1,750	3,450	\$ 3,450	-	-	17/08/2004	3,450	42416	06/08/2004	No shipping information provided
3	4HSA - 200085	Computer Equipment	July 21, 2004	8,000	640	8,640	\$ 8,640	-	-	27/08/2004	8,640	42487	26/07/2004	No shipping information provided
4	5HSA - 200079	Airport Equipment	Aug 19, 2004	6,270	-	6,270	\$ 6,270	-	-	22/09/2004	N/A	N/A	N/A	No freight costs included in PO. Missing invoices. No shipping information provided presume done by pouch
5	5HSA - 200132	Computer Accessories	Sept 17, 2004	10,639	1,550	12,189	\$ 12,189	-	-	11/04/2004	12,189	42899	24/09/2004	No shipping information provided
6	5HSA - 200247	Office Equipment	Jan 18, 2005	5,396	-	5,396	\$ 5,396	-	-	24/02/2005	5,396	43220	03/02/2005	No freight costs included in PO or invoice; presume done by pouch
7	5HSA - 200382	Computer Accessories	Jan 28, 2005	2,740	-	2,740	\$ 2,740	-	-	07/03/2005	2,740	43262	10/02/2005	No freight costs included in PO or invoice; presume done by pouch
8	5HSA - 200469	Office Equipment	Mar 14, 2005	5,270	-	5,270	\$ 4,763	-	-	02/05/2005	5,270	43391	30/03/2005	No freight costs included in PO; No shipping information provided - Only accepted partial delivery goods did not meet requirement issue
9	5HSA - 200667	Office Equipment	May 15, 2005	45,180	2,500	47,680	\$ 47,549	-	2,500	28/07/2005	12,630	4353582	19/07/2005	Pouch Records indicate shipment by pouch
10	5HSA - 200778	Office Equipment	June 16, 2005	29,304	490	29,794	\$ 29,794	-	490	02/09/2005	29,794	43686	29/08/2005	Pouch Records indicate shipment by pouch
11	5HSA - 200882	Computer Equipment	June 30, 2005	51,150	1,680	52,830	\$ 5,361	-	-	-	2,496	43780	16/07/2005	Partial delivery - No further information or shipping info provided
				167,007	8,725	\$ 175,32	127,625	-	3,105	\$ 3,105				

Items sent by mail pouch per R&I unit  
 Items sent by DHL/freight sub paid  
 Amount not recovered overpaid  
 Assume by pouch but no freight charge  
 N/A - Info not available

freight	3,105
total frt	8,725
	36%

**REPORT ON O.P.G. AND UNITED NATIONS POUCH UNIT**

REDACTED AND STRICTLY CONFIDENTIAL

**UNMISET PURCHASES FROM O.P.G. IN 2003**

No	PO#	Goods/Supplies	Date of PO	Amt of PO (A)	Freight (B)	Total PO (C=A+B)	OPG (D)	Recovered (E-C-D)	Loss (F)	Total Freight OverCharge 160	R&I Date	Amt of Shiptn/Inv	Invoice No.	Date of invoice	Remarks
1	3ET - 203565	Computer Software	April 10, 2003	2,720	160	2,880	\$ 1,920	160	-	24/05/2003	2,080	39813	21/04/2003	Payment based on partial delivery	
2	3ET - 203599	Computer Software	April 24, 2003	15,700	300	16,000	\$ 16,000	-	-	24/05/2003	16,000	39854	07/05/2003	No shipping information provided	
3	3ET - 203614	Computer Software	May 6, 2003	4,040	195	4,235	\$ 4,235	-	-	20/08/2003	4,235	39918	15/05/2003	No shipping information provided	
4	3ET - 203703	Computer Accessories	June 26, 2003	8,490	150	8,640	\$ 11,580	-	-	20/08/2003	11,580	40263	30/06/2003	Appears that the cost of one of the items increased from the PO - no information or explanation provided	
5	4ET - 204116	Computer Equipment	Sept 12, 2003	51,585	2,800	54,385	\$ 54,385	-	-	24/10/2003	54,385	40869/40870B	30/09/2003	No shipping information provided	
6	3ET - 203550	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	No information provided
7	3ET - 203518	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	N/A	N/A	N/A	N/A	N/A	No information provided
				82,535	3,605	<b>\$ 86,140</b>	88,120	160	-	<b>\$ 160</b>					

Freight	160
total frt	3,605

4%

Items sent by mail pouch per R&I unit  
Items sent by DHL/Freight as paid  
Amount not recovered - overpaid  
N/A - info not available

**REPORT ON O.P.G. AND UNITED NATIONS POUCH UNIT**

REDACTED AND STRICTLY CONFIDENTIAL

**UNAMA PURCHASES FROM O.P.G. IN 2002-2005**

No.	PO#	Goods/Supplies	Date of PO	Am't of PO (A)	Freight (B)	Total PO (C=A+B)	Am't Pd to OPG (D)	Recovered (E=C-D)	Loss (F)	Total Freight OverCharge	R&I Date	Am't of Shiptn/Inv	Invoice No.	Date of Invoice	Remarks
1	AMA3 -83	Security Jackets	Nov 26, 2002	600	-	600	\$ 600	-	-	23/12/2002	6/0/0	38994	10/12/2002	PD letter informing OPG to deliver the goods to the pouch unit for delivery to the mission - no freight charge ge included on the PO or invoice via pouch and then letter providing DHL shipping information	
2	AMA3 -92	Computer	Dec 21, 2002	14,000	-	14,000	\$ 14,000	-	-	06/02/2003	14,000	39167	10/01/2003		
3	AMA3 -304	Computer Software	May 28/2003	101,128	2,100	103,228	\$ 103,228	-	-	11/11/2003	103,228	40050/51	25/08/2003	Change order issued to PO to delete one item that is no longer available; OPG letter providing DHL shipping information	
4	AMA3 -394	Computer Equipment	July 8, 2003	11,130	800	11,930	\$ 11,930	-	-	11/09/2003	11,930	40310	29/07/2003	OPG letter providing DHL shipping information	
5	AMA3-661	Cameras	Dec 17, 2003	7,502	375	7,877	\$ 7,877	-	-	15/01/2004	7,877	41295	23/12/2003	No shipping information provided	
6	AMA5 -665	Office and Computer Supplies	Aug 9, 2005	5,954	700	6,654	\$ 6,654	-	-	04/08/2004	6,673	43605	22/06/2005	OPG letter providing DHL shipping information and UN email info about shipment received	
				140,314	3,975	\$ 144,289	144,289	-	-	\$ -					

freight	-
total fit	3,975

Items sent by mail pouch per R&I unit
Items sent by DHL freight w/o paid
Amount not recovered - overpaid

**REPORT ON O.P.G. AND UNITED NATIONS POUCH UNIT**

REDACTED AND STRICTLY CONFIDENTIAL

**X. APPENDIX B: O.P.G. SHIPMENTS BY POUCH 2003-2005**

	United Nations Missions						
	MINURSO	MONUC	ONUCI	BONUCA	MINUSTAH	UNAMSIL	OTHERS
2713	6822	25812	5897	26460	3751		<b>ICTR</b>
5225	16573	26151	25751	26971	15123		32907
6150	16547	32511	31621	35432	15124		35430
6412	16607	34911	33449	35433	15152		<b>UNMEE</b>
6892	16614	35172	33714	35837	23924		6600
16874	16675	35212	35594	35844	25398		6601
16881	26308	35416	37981	37352	33057		24111
16886	33668	35685		37940	36002		26198
16908	30124	36162			36335		25444
16912	34290	37545					33173
26527	35067	37705					<b>UNMIL</b>
22662	35999						27852
22663	36265						<b>Ndjamena</b>
22913	36266						36391
LOG No.*	23540	36558					36752
	23981	36926					<b>Niamey</b>
	24269	37173					25802
	24440	37946					<b>Nouakchott</b>
	24602	37962					26008
	25033	38455					<b>Phnom Penh</b>
	25246	38466					36658
	26668	38467					<b>UNMIK</b>
	25549	39172					23922
	22754						<b>Tunis</b>
	24631						33434
	25093						<b>Dakar</b>
	31935						25420
	32542						25801
	33010						<b>UNLB</b>
	34187						3277
	34865						

**Total O.P.G. Pouch Shipments:****108****Note:**

\*Outgoing pouch shipments are recorded as Log No.

**REPORT ON O.P.G. AND UNITED NATIONS POUCH UNIT**

REDACTED AND STRICTLY CONFIDENTIAL

**XI. APPENDIX C: O.P.G. CHRONOLOGY**

DATE	EVENT
25-Mar-96	OPG approved as a registered vendor (appears this may have been a re-registration).
16-May-96	MMCA law firm sends letter to UN informing them that OPG was a company suspected of selling used and refurbished HP toner cartridges.
01-May-96	An advisory note regarding MMCA warning Letter is placed in OPG Vendor file.
08-Nov-96	MMCA warning letter in OPG Vendor file is deleted.
12-Mar-97	UN staff - Mr. Jackson complains to HQPS that OPG had provided refurbished computers and HQPS - Mr. Bahel decides to suspend OPG from being invited for further bidding exercises.
12-Mar-97*	HQPS - Mr. Bahel decides to suspend OPG from being invited for further bidding exercises.
20-Jun-97	HQ Supplier Roster Committeee formally decide that OPG are to be excluded from future bidding exercises.
15-Jul-97	HQPS OIC - Mr. Robertson informs OPG that "because they were not given the opportunity to fully respond to all complaints..(sic) only be suspended from future UN procurement for the period ending 31 December 1997."
01-Jan-98	OPG reregisters for UN Vendor roster.
04-Jun-01	UNON receives OPG Purchase Order# 20-40508 goods by Pouch.
04-Jun-01	UNON- Deput Chief Contracts and Procurement Section, Ms. Helen Dodd receives Airway bill for freight costs for OPG shipment of PO# 20-40508.
24-Jul-01	UNLB becomes aware of OPG misuse of the Pouch when called by Rome Authorities to verify OPG shipments.
26-Jul-01	OPG sends email to UNON - R&I unit stating the use of the Pouch had been discussed and used with other UN missions.
27-Jul-01	UNON - Pouch Registry Simon Towett, emails HQ-NY Pouch Unit Raphael Lindo, that the NY - Pouch Unit should seek UNON authorization before accepting OPG goods for their deliveries.
02-Aug-01	UNLB Procurement send letter to OPG requesting an explanation for the use of the UN Pouch for their deliveries against the terms of the PO and confirmation that this will not happen again.
06-Aug-01	OPG sends fax to UNLB claiming that the use of the Pouch without prior approval was a "shipping oversight" and that the staff have been instructed to not send shipments by Pouch unless requested by the UN.
08-Aug-01	HQ-NY Pouch Unit Assistant Raphael Lindo sends email to all UN Pouch Officers requesting them to check their OPG deliveries and PO payments to make sure that they did not pay for freight when the goods where shipped by Pouch.
24-Aug-01	UNON - DCPO Linda Telles informs OPG that the use of the Pouch for commercial cargo is illegal and violates the privileges extended to the UN by the Government of Kenya.
28-Aug-01	UNON - DCPO Linda Telles sends email to HQ-NY Pouch Unit Raphael Lindo, cc to Pouch Chief Gerson de Almeida, about the unauthorized use of diplomatic pouch by OPG and the efforts UNON has made to recover the duplicate billing charges.
07-Sep-01	UNLB CAO Hubert Price sends fax to HQ- NY Pouch Unit Chief Gerson de Almeida to inform Pouch about "unauthorized delivery of OPG goods via the Pouch" and confirm what measures are in place to "preclude further shipments of this nature" without UNLB prior authorization.

**REPORT ON O.P.G. AND UNITED NATIONS POUCH UNIT**

REDACTED AND STRICTLY CONFIDENTIAL

DATE	EVENT
27-Sep-01	UNLB CAO Hubert Price sends fax to HQ- NY Pouch Unit Chief Gerson de Almeida asking when they can expect UNHQ's response to his 7 Sept 2001 fax.
18-Oct-01	UNLB CAO Hubert Price sends fax to HQ- NY Pouch Unit Chief Gerson de Almeida asking when they can expect UNHQ's response to his 7 and 27 of Sept 2001 faxes requesting again confirmation about the measures the Pouch has put into place to avoid a reoccurrence of "unauthorized use of the Pouch."
30-Oct-01	HQ-NY Pouch Unit Chief Gerson de Almeida responds via fax to UNLB - CAO Hubert Price explaining that in the past OPG had shipped goods via Pouch due to difficulty of supplying goods to some UN offices and there is "no doubt this became the rule rather than the exception" and OPG took advantage of such practice. Procedures have been established that the Pouch would no longer accept any OPG shipments without proper approval by the requesting office.
18-Feb-02	OPG sends fax to UNLB that "{their} understanding by UNLB from 1998 was to ship goods by Pouch but staff have now been instructed to discontinue using the Pouch for all deliveries."
11-May-03	UNHQ Chief of Mail Services Melanie DeLeon informs OPG that {they} must deal directly with DHL to locate their missing UNAMSIL shipments that was sent by Pouch.
2003 - 2005 (Minimum of 59 shipments for 6 UN Missions)	Based on Pouch unit documents, OPG continues to use the Pouch and the Pouch continues to accept shipments from OPG for UN Missions for example: 1- 16 June 2003 - UNON receives "freight collect" invoice from DHL for OPG shipment sent by Pouch; 2- 5 May 2004 - MINURSO Note-to-File confirms discussion with OPG about freight charges to be deducted from payment as a result of delivery by Pouch; 3 - 26 March 2003 - MINURSO PD issues change notice to reduce payment for freight to OPG as goods delivered by Pouch; 4 - 17 June 2003 - MINURSO Pouch Records indicate OPG shipment by Pouch and freight charges paid; 5 - 21 Aug 2003 - MONUC PD issues change notice to reduce payment for freight to OPG as goods delivered by Pouch; 6 - 8 April 2003 - UNLB Pouch Records indicate OPG shipment by Pouch; 7 - 6 Nov 2003 - MINURSO Pouch Records indicate OPG shipment by Pouch and freight charges paid; 8 - 27 April 2004 - MINURSO Pouch Records indicate OPG shipment by Pouch; 9 - 25 May 2004 - MINURSO Pouch Records indicate OPG shipment by Pouch and freight charges paid; 10 - 7 June 2004 - MINURSO Pouch Records indicate OPG shipment by Pouch and freight charges paid; 11 - 22 Nov 2004 - BONUC Pouch Records indicate OPG shipment by Pouch; 12 - 5 Sept 2005 - MONUC Pouch Records indicate OPG shipment by Pouch; 13 - 19 July 2005 - MONUC Pouch Records indicate OPG shipment by Pouch; 14 - 28 July 2005 - MINUSTAH Pouch Records indicate OPG shipment by Pouch; 15 - 6 Aug 2005 - BONUC Pouch Records indicate OPG shipment by Pouch; 16 - 2 Sept 2005 - MINUSTAH Pouch Records indicate OPG shipment by Pouch; and 17 - 5 Sept 2005 - MONUC Pouch Records indicate OPG shipment by Pouch.
05-Sep-05	UNOCI receives 26 boxes from OPG by Pouch.

**REPORT ON O.P.G. AND UNITED NATIONS POUCH UNIT**

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DATE	EVENT
06-Sep-05	UNOCI - CPO Helen Dodd informs HQ-PS Chief Mr. Saunders that OPG had used the Pouch for delivery of their goods but have been charging for freight.
08-Sep-05	OPG responds to UNOCI- CPO Helen Dodd request for explanation for OPG use of the UN Pouch; OPG states " that {they} have had difficulty with shipping goods to Ivory Coast and consulted with the Pouch Unit and asked to "try their system {UN Pouch}" which we did and found it was working, therefore, have used the Pouch for "some deliveries (6 P.O.'s?) over the past 5-6 months."
12-Sep-05	OPG sends email to UNOCI- CPO Helen Dodd to apologize for "this oversight " in regards to using the Pouch.
20-Oct-05	Vendor Review Committee decides OPG's permanent removal from the Vendor Roster.
25-Oct-05	UN Vendor Review Committee letter to OPG informing them of their removal from the UN Vendor roster for all offices.
02-Nov-05	UNHQ PS OIC Jayantilal Karia notifies all PS officers in all UN offices that OPG has been permanently removed from the UN Vendor database.
17-Nov-05	UNMIK- OIC PS Mehboob Rathman notifies UNHQ PS OIC Jayantilal Karia that a company called TCS with the same address and phone number as OPG had tried to register on their Vendor Registration Database.
29-Nov-05	UNIFIL - OIC PS Christian Gronnerod notifies UNHQ PS OIC Jayantilal Karia that a company called TCS with the same address, same employee name and financials as OPG had tried to register on their Vendor Registration Database.
11-May-06	Express Distributors registration is approved.