

WebMemo



Published by The Heritage Foundation

No. 2272
February 5, 2009

The Demise of the U.N. Procurement Task Force Threatens Oversight at the U.N.

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The United Nations has a well-earned reputation for mismanagement and vulnerability to corruption and fraud. In the past few years alone, the U.N. has been embroiled in numerous scandals, including:

- The Iraqi Oil-for-Food scandal that Saddam Hussein used to generate over \$10 billion in illegal revenue, according to the U.S. Government Accountability Office;¹
- A huge corruption scandal in which over 40 percent of U.N. procurement for peacekeeping was tainted by fraud;²
- Widespread incidents of sexual exploitation and abuse by U.N. personnel in Bosnia, Burundi, Cambodia, Congo, Guinea, Haiti, Ivory Coast, Kosovo, Liberia, Sierra Leone, and Sudan.³

To help address the lack of oversight for its activities, the U.N. established the United Nations Procurement Task Force as an ad hoc group within the United Nations's quasi-inspector general, the Office of Internal Oversight Services (OIOS), to investigate and pursue allegations of fraud and mismanagement. The Procurement Task Force began work in January 2006 and over the next two years uncovered fraud, waste, and mismanagement in U.N. procurement and other activities involving contracts valued at more than \$630 million. The evidence unearthed by the Procurement Task Force led to misconduct findings against 17 U.N. officials and the conviction of a senior U.N. procurement official. On the eve of its elimination in December 2008, the Procurement Task Force issued four significant cor-

ruption reports involving 20 confirmed corruption schemes. The Procurement Task Force had also begun conducting external investigations of vendors doing business with the U.N.

The Russian Block. Despite its successful track record, in budget discussions this past fall, a number of U.N. member states refused to extend the mandate of the Procurement Task Force as an independent investigatory entity. The effort to prevent an extension for the Procurement Task Force was led by Russia and Singapore, whose nationals have been fingered for mismanagement and corruption. Russia was also concerned about ongoing investigations of Russian corporations by the Procurement Task Force.

Concerned that a number of ongoing investigations by the Procurement Task Force might implicate Russian citizens and companies if allowed to continue, Russia even sought to prevent staff from the Procurement Task Force from being transferred to or hired by OIOS. Robert Appleton, who led the Procurement Task Force, is one such staff member. According to *The Washington Post*:

The Russian government introduced an amendment that would bar Appleton, a former federal

This paper, in its entirety, can be found at:
www.heritage.org/Research/InternationalOrganizations/wm2272.cfm

Produced by The Margaret Thatcher Center for Freedom

Published by The Heritage Foundation
214 Massachusetts Avenue, NE
Washington, DC 20002-4999
(202) 546-4400 • heritage.org

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prosecutor from Connecticut, and his staff members from serving at the United Nations for three years. Russia subsequently reduced the hiring freeze to six months and then dropped the language altogether.

But Russia pressed for a separate amendment stating that any plan to transfer the task force's "skills and competencies" into the U.N. investigation division "shall not involve the transfer of human resources."⁴

Continued Opposition. With help from European countries and Japan, the United States successfully blocked Russia's effort. However, Russia "firmly told [the U.S.] delegation even up to today that no matter what happened they would still be vehemently opposed to these people having any possibility of being hired."⁵ Russia's opposition has significant consequences for transparency and accountability at the U.N. As the *Wall Street Journal* points out:

The delays could put at risk 175 investigations that the task force had not completed, according to Inga-Britt Ahlenius, who oversees the U.N.'s main investigative division, the Office of Internal Oversight Services, or OIOS....

Since funding for the unit ended, two of the unit's 18 investigators have found other jobs

within OIOS. Ms. Ahlenius says she wants to hire nine people, including about six from the task force, for six months to help conclude the unfinished investigations. But those hirings have been held up in the U.N. bureaucracy.

"If we can't get these people on board, we can't continue the investigations," she says. She added that OIOS, which currently has about 75 investigators, lacks experts in contract fraud. From 40 to 50 of the 175 probes outstanding are considered high-priority, according to a confidential OIOS document.⁶

Appleton applied to be director of investigations at OIOS more than a year ago and was unanimously recommended, out of a candidate pool that originally included 73 applicants, by a hiring panel comprised of non-OIOS officials.⁷ Shortly thereafter, however, the U.N. secretary-general's "Senior Review Group" decided to restart the process because all four finalists were American males and did not meet U.N. rules regarding geographical choice and gender.

The Push for Reform. Appleton is eminently qualified to be the OIOS director of investigations. In addition to his experience in heading the Procurement Task Force, he is a former assistant U.S. attorney in Connecticut and served as special counsel to the Oil-for-Food investigative committee led

1. Joseph A. Christoff, "Observations on the Oil-for-Food Program," testimony before the Committee on Foreign Relations, U.S. Senate, April 7, 2004, at <http://www.gao.gov/new.items/d04651t.pdf> (February 4, 2009).
2. U.N. Office of Internal Oversight Services, "Report of the Office of Internal Oversight Services on the Activities of the Procurement Task Force for the 18-Month Period Ended 30 June 2007," October 5, 2007, at <http://tinyurl.com/9extl7> (February 4, 2009).
3. See Kate Holt and Sarah Hughes, "U.N. Staff Accused of Raping Children in Sudan," *The Daily Telegraph*, January 4, 2007, at <http://www.telegraph.co.uk/news/main.jhtml?xml=/news/2007/01/03/wsudan03.xml> (February 4, 2009); Kate Holt and Sarah Hughes, "Sex and the U.N.: When Peacemakers Become Predators," *The Independent*, January 11, 2005, at <http://www.stopdemand.org/afawcs0112878/ID=5/newsdetails.html> (February 4, 2009); Colum Lynch, "U.N. Faces More Accusations of Sexual Misconduct," *The Washington Post*, March 13, 2005, at <http://www.washingtonpost.com/wp-dyn/articles/A30286-2005Mar12.html> (February 4, 2009); Save the Children, "No One to Turn To: The Under-Reporting of Child Sexual Exploitation and Abuse by Aid Workers and Peacekeepers," May 2008, at http://www.savethechildren.org.uk/en/docs/No_One_to_Turn_To.pdf (February 4, 2009).
4. Colum Lynch, "Russia Seeks to Thwart U.N. Task Force That Led Bribery Probes," *The Washington Post*, December 24, 2008, at <http://www.washingtonpost.com/wp-dyn/content/article/2008/12/23/AR2008122301255.html?hpid=topnews> (February 4, 2009).
5. *Ibid.*
6. Steve Stecklow, "U.N. Allows Its Antifraud Task Force to Dissolve," *The Wall Street Journal*, January 8, 2009, at http://online.wsj.com/article/SB123138018217563187.html?mod=googlenews_wsj (February 4, 2009).
7. *Ibid.*

by former Federal Reserve Chairman Paul A. Volcker. Moreover, Ahlenius has strongly endorsed his work. His fellow investigators from the Procurement Task Force similarly possess vital skills and experience needed by OIOS.

This delay—led by Russia and U.N. officials more interested in concealing United Nations scandals than preventing them—is part of an effort to derail Procurement Task Force investigations and undermine oversight at the U.N. The U.S. should push for reforms to shield OIOS from political

interference from the member states over the office's hiring, funding, and investigations. The first step toward reform is clearing the way for experts from the Procurement Task Force to be hired by OIOS, thereby shoring up the competency and independence of U.N. oversight and investigations.

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