



# Preventing corruption in United Nations operations. Challenges and strategies

CPN Annual Forum

Sydney, September 9, 2010

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# Introduction and purpose

- Part 1 (Dr. Brasseur)
  - To explain the dynamics of the UN
  - Some examples
  - Our commitment
- Part 2 (Mr. Lucas)
  - Typical examples of fraud
  - Detection
  - Prevention
- Q&A Mr. Shane Boyd



# Oil-for-Food programme

2-Aug-90	Iraq invades Kuwait
6-Aug-90	United Nations Security Council Resolution 661 decided international sanctions on Iraq under Chapter VII of the United Nations Charter
16-Jan-91	United States-led coalition launched a massive military assault on Iraqi forces stationed in Kuwait
15-Aug-91	Security Council Resolution 706 to allow the sale of Iraqi oil in exchange for food
19-Sep-91	Security Council Resolution 712 confirmed that Iraq could sell up to \$1.6 billion in oil to fund an Oil-For-Food Programme.
14-Apr-95	United Nations Security Council Resolution 986 established the Oil-for-Food Programme.



# “Gaming” the program 1996 onwards

- Saddam Hussein had the ability to designate both buyers and sellers
- Favored Russian, French, Chinese companies
- Bias against potential US and UK contractors
- Surcharge payments
- Misconduct by two UN employees



# The independent inquiry committee

21-Nov-03	OFF terminated and its major functions were turned over to the Coalition Provisional Authority. Over \$65 billion worth of Iraqi oil was sold on the world market. As much as \$10 billion to \$21.3 billion went unaccounted for
19-Mar-04	Independent Inquiry Committee: Paul Volcker, Mark Pieth of Switzerland, Richard Goldstone of South Africa.
22-Apr-04	Security Council resolution endorsing the Volcker inquiry into corruption in the United Nations Oil-for-Food
14-Sep-04	Kofi Annan: "From our point of view and from the charter point of view it (the war in Iraq) was illegal."



# What went wrong?

- “There is no single villain, no arm or agency of the UN organization that is alone at fault.”
- The SC “noted” the cases of Jordan and Turkey
- “Weakness of the Secretariat administrative discipline”
- “Culture of inaction rooted both in the character of the UN organization and in broadly political considerations”
- 4,500 companies involved in either the purchase of oil or the sale of goods



# Reform proposal

- 1. Create the position of Chief Operating Officer (“COO”).
- 2. Establish an Independent Oversight Board (IOB) with a majority of independent members.
- 3. Improve the coordination and the oversight framework for cross-Agency programs.
- 4. Strengthen the quality of the United Nations management and management practices.
- 5. Extend the financial disclosure requirement and expand and better define the United Nations conflict of interest rules so that they encompass actual, potential and apparent conflicts of interest.
- 6. Agencies to reimburse U\$50M.



# Follow-up actions

- UN ethics office
- Whistleblower programme
- Whistleblower protection policy
- Strong financial disclosure policy
- Additional inspection and auditing positions
- Procurement irregularities investigated
- Adequacy of controls reviewed



# The structural and Systemic Challenge



# Preamble of the Charter of the UN

"We the peoples of the United Nations determined: to **save succeeding generations from the scourge of war**, which twice in our lifetime has brought untold sorrow to mankind, and to **reaffirm faith in fundamental human rights**, in the dignity and worth of the human person, in the **equal rights of men and women and of nations large and small**, and to establish conditions under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained, and **to promote social progress and better standards of life in larger freedom**, And for these ends: to practice tolerance and live together in peace with one another as good neighbours, and to unite our strength to maintain international peace and security, and to ensure, by the acceptance of principles and the institution of methods, **that armed force shall not be used, save in the common interest**, and **to employ international machinery for the promotion of the economic and social advancement of all peoples**, Have resolved to combine our efforts to accomplish these aims: Accordingly, our respective Governments, through representatives assembled in the city of San Francisco, who have exhibited their full powers found to be in good and due form, have agreed to the present Charter of the United Nations and do hereby establish an international organization to be known as the United Nations."



# Purposes of the United Nations

## Article 1

The Purposes of the United Nations are<sup>[1]</sup>

1. **To maintain international peace and security**, to take effective collective measures for the prevention and removal of threats to the peace, and for the suppression of acts of aggression or other breaches of the peace, and to bring about by peaceful means, and in conformity with the principles of justice and international law, adjustment or settlement of international disputes or situations which might lead to a breach of the peace;

2. To develop friendly relations among nations based on **respect for the principle of equal rights and self-determination of peoples**, and to take other appropriate measures to strengthen universal peace;

3. **To achieve international co-operation** in solving international problems of an economic, social, cultural, or humanitarian character, and in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion; and

4. To be a center for harmonizing the actions of nations in the attainment of these common ends.



# One member, one vote

## Article 2

The Organization and its Members, in pursuit of the Purposes stated in Article 1, shall act in accordance with the following Principles:[1]

**1. The Organization is based on the principle of the sovereign equality of all its Members.**

[....]

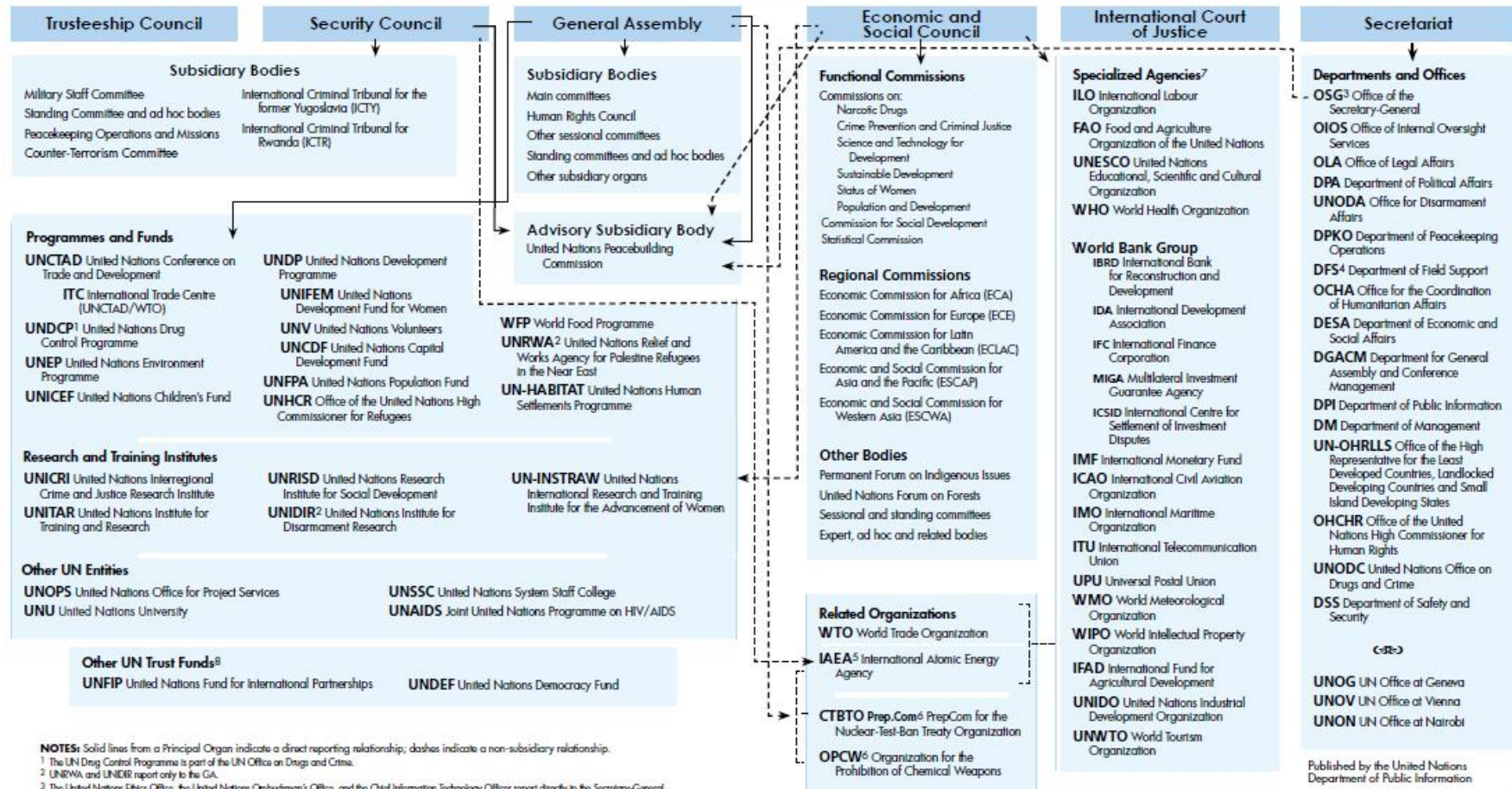
**5. All Members shall give the United Nations every assistance in any action it takes in accordance with the present Charter, and shall refrain from giving assistance to any state against which the United Nations is taking preventive or enforcement action.**



# Structure

## The United Nations System

### Principal Organs



**NOTES:** Solid lines from a Principal Organ indicate a direct reporting relationship; dashes indicate a non-subsidiary relationship.

- <sup>1</sup> The UN Drug Control Programme is part of the UN Office on Drugs and Crime.
- <sup>2</sup> UNRWA and UNDIR report only to the GA.
- <sup>3</sup> The United Nations Ethics Office, the United Nations Ombudsman's Office, and the Chief Information Technology Officer report directly to the Secretary-General.
- <sup>4</sup> In an exceptional arrangement, the Under-Secretary-General for Field Support reports directly to the Under-Secretary-General for Peacekeeping Operations.
- <sup>5</sup> IAEA reports to the Security Council and the General Assembly (GA).
- <sup>6</sup> The CTBTO Prep.Com and OPCW report to the GA.
- <sup>7</sup> Specialized agencies are autonomous organizations working with the UN and each other through the coordinating machinery of the ECOSOC at the intergovernmental level, and through the Chief Executives Board for coordination (CEB) at the inter-secretariat level.
- <sup>8</sup> UNFIP is an autonomous trust fund operating under the leadership of the United Nations Deputy Secretary-General. UNDEF's advisory board recommends funding proposals for approval by the Secretary-General.



# Institutional risk

- A risky environment.
- A reputation to maintain
- An entity where shareholders are:
  - Political stakeholders
  - Lobbyists
  - Funders
  - Political deciders
  - Direct beneficiaries



# Incestuous organization

- “Incestuous workplace: A stage in the life of an organization marked by workers increasingly meeting their personal, professional, social, [...] needs inside the boundary of an organizational family. Incestuous work places are marked by abuses of power [...]”
- William L. White M.A. “Incestuous Workplace: Stress and Distress in the Organizational Family “, Hazelden Publisher, 1997.



# Peace keeping operations

## *Ranking of Military and Police Contributions to UN Operations*



*Month of Report :* 31-Jul-10

	<i>Country</i>		<i>M</i>	<i>F</i>	<i>Totals</i>
1 )	Bangladesh	.....	10581	176	10,757
2 )	Pakistan	.....	10602	54	10,656
3 )	India	.....	8778	141	8,919
4 )	Nigeria	.....	5395	373	5,768
5 )	Egypt	.....	5450	15	5,465
6 )	Nepal	.....	4995	102	5,097
7 )	Ghana	.....	3401	327	3,728
8 )	Rwanda	.....	3582	70	3,652
9 )	Jordan	.....	3590	9	3,599
10 )	Uruguay	.....	2446	121	2,567
11 )	Ethiopia	.....	2294	95	2,389



United Nations

# CONDUCT AND DISCIPLINE UNIT

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## Courtesy

UN peacekeeping personnel pledge to treat their host communities with respect, courtesy and consideration

UN Police assist the UN Stabilisation Mission in Haiti

Integrity  
Profession  
Dignity  
Courtesy

[What is misconduct?](#)

[What is sexual exploitation & abuse?](#)

[What action is the UN taking?](#)

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## Welcome to the Conduct and Discipline Unit

The Conduct and Discipline Unit (CDU) was formally established in the Department of Field Support in 2007 following the initial formation of a Conduct and Discipline Team in the Department of Peacekeeping Operations in 2005. It was launched as part of a package of reforms in United Nations peacekeeping designed to strengthen accountability and uphold the highest standards of conduct.

CDU maintains global oversight of the state of discipline in all peacekeeping operations and special political missions. It provides overall direction for conduct and discipline issues in field missions, including formulating policies, training and outreach activities and handling allegations of misconduct.

Conduct and Discipline Teams (CDTs) in field missions act as principal advisers to heads of mission on conduct and discipline issues involving all categories of personnel. The CDTs address all forms of misconduct by United Nations peacekeeping personnel, including acts of sexual exploitation and abuse. Click here to see the list of field missions covered by CDTs.



“ Let me be clear: the United Nations, and personally, are profoundly committed to a zero tolerance policy against sexual exploitation and abuse by our own personnel. This means zero complacency. When we receive credible allegations, we ensure that they are looked into fully. It means zero impunity. ”

United Nations Secretary-General Ban Ki-moon

## Conduct and Discipline Posters





# Who else can do it?

- As things stand, critics have cast corrosive doubt on the honesty and effectiveness of the UN, undermining its public support, its ability to maintain funding, and its capacity to react promptly and forcefully to new global challenges. That is why the lessons for the Oil-for-Food Program remain so relevant for all those that, like me, hope to see the UN able to meet the responsibilities thrust upon it.

Paul Volcker in “Good Intentions corrupted”, Jeffrey A. Mayer & Mark G. Califano, PBS, New York, 2007.





# Vigilance and administrative discipline

**For us, managers, investigators, auditors and evaluators it is our privilege, duty, and moral obligation to prevent and detect every conduct that may undermine its reputation and to make sure it has been corrected.**



# In conclusion, adapted from W. Churchill

**“No one pretends that the organization of the United Nations is perfect or all-wise. Indeed, it has been said that it is the worst form of multilateralism except all those other forms that have been tried from time to time.”**



## Part 2: Paul Lucas

In this complex environment,  
how do we work ?



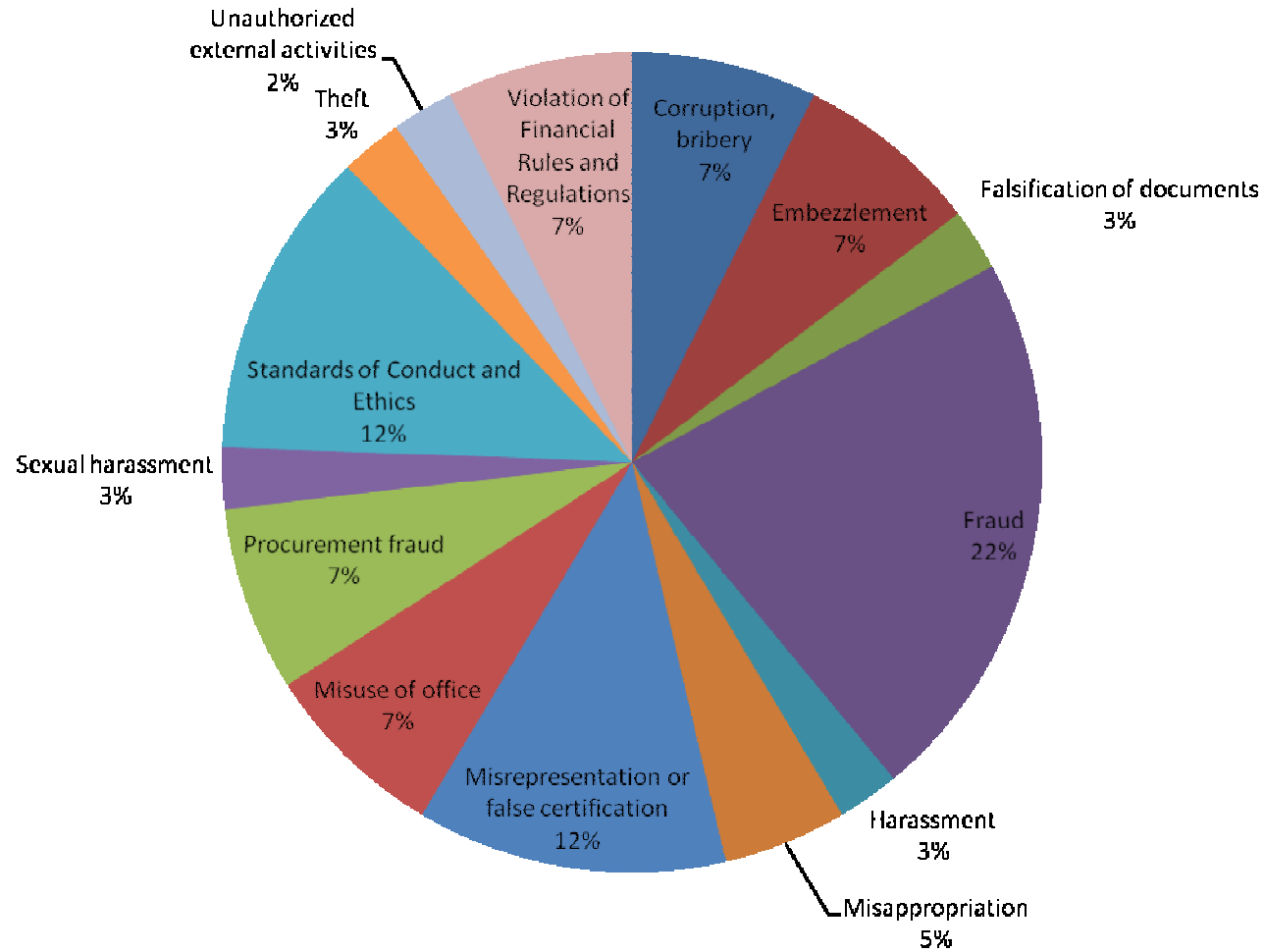
# Types of Investigations

Abuse of Resources	Failure to disclose receipt of gifts, remuneration or other benefits	Smuggling
Abuse of UN privileges and immunities	Falsification of documents	Standards of Conduct and Ethics
Aid and abetting in misconduct	Fraud	Theft
Assault	Misappropriation	Threats to a staff member of third party
Breach of confidentiality	Misrepresentation or false certification	Unauthorized external activities
Conflict of interest	Misuse of office	Undisclosed external activity
Corruption, bribery	Possession/sale of illegal substances	Violation of Financial Rules and Regulations
Embezzlement	Procurement fraud/violations	



# Types of Investigations Cont'd

## Investigation Branch – Misconduct Investigated





# Some Cases: In the Media

A screenshot of a news article on the REALnews network website. The page header includes the REALnews logo, a search bar, and a navigation menu. The article title is "Where are Afghanistan's missing millions?" and the sub-headline is "Guardian: Clancy Chassay hears charges of corruption leveled against the UN and aid agencies". A video player is embedded on the right side of the article, showing the Guardian logo and the URL "guardian.co.uk". The video player has a progress bar and a "Post or Bookmark" button.



## Some Cases: Procurement Fraud

**NATIONAL - TRANSIT - BAMAKO**  
FALADJE SEMA  
BAMAKO REPUBLIQUE DU MALI


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N/REF ...../N.T.B./200

**FACTURE PROFORMA N° 00152**

“ N. T. B. ” société national de prestation de transit , pour l’enlèvement de vos matériels et leur livraison à destination avec tous frais confondus ( Douanes , Transport , Manutention , Compagnie )

Forfait ..... 2.200.000 FCFA

 **SAHEL TRANSIT**  
COMMISSIONNAIRE AGREE EN DOUANE  
MARITIME - AERIEN - TERRESTRE

Conakry le 20 décembre 2005

N/REF : 000190/ S.T / 000159 /05

**FACTURE PROFORMA**

Doit : UNFPA Bamako/ Mali les frais de transit pour expédition de quatre containers (3X40" et 1X20") contenant sept (07) véhicules dont six (06) Ambulances et une (01) Toyota Land cruiser 4X4 en transit pour Bamako -Mali , tous frais confondus , objet des BL N° BC 600312 et BC 600320

Forfait ..... 2.200.000 FCFA

**T.P.S TRANSIT**  
DABANANI BAMAKO  
REPUBLIQUE DU MALI / TEL : 00223 20.21.77.22

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N/REF ...../T.P.S./200

**FACTURE PROFORMA N° 00151**

“T.P.S Transit” vous propose le transit de vos véhicules , les frais de douanes , frais de route et autres frais divers seront à notre charge jusqu'à destination

**Matti - SARL**  
A.C.I 2000 LAFIABOUGOU  
BAMAKO / REPUBLIQUE DU MALI  
TEL : 00223 76.42.87.69

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N/REF ...../2009

**FACTURE PROFORMA N° : 0150**

La Direction de “ Matti -SARL ” dans le soucis d'une très bonne collaboration , vous rassure la fourniture des services de transit de vos matériels logistiques tous frais confondus jusque dans locaux

Forfait ..... 2.500.000 FCFA



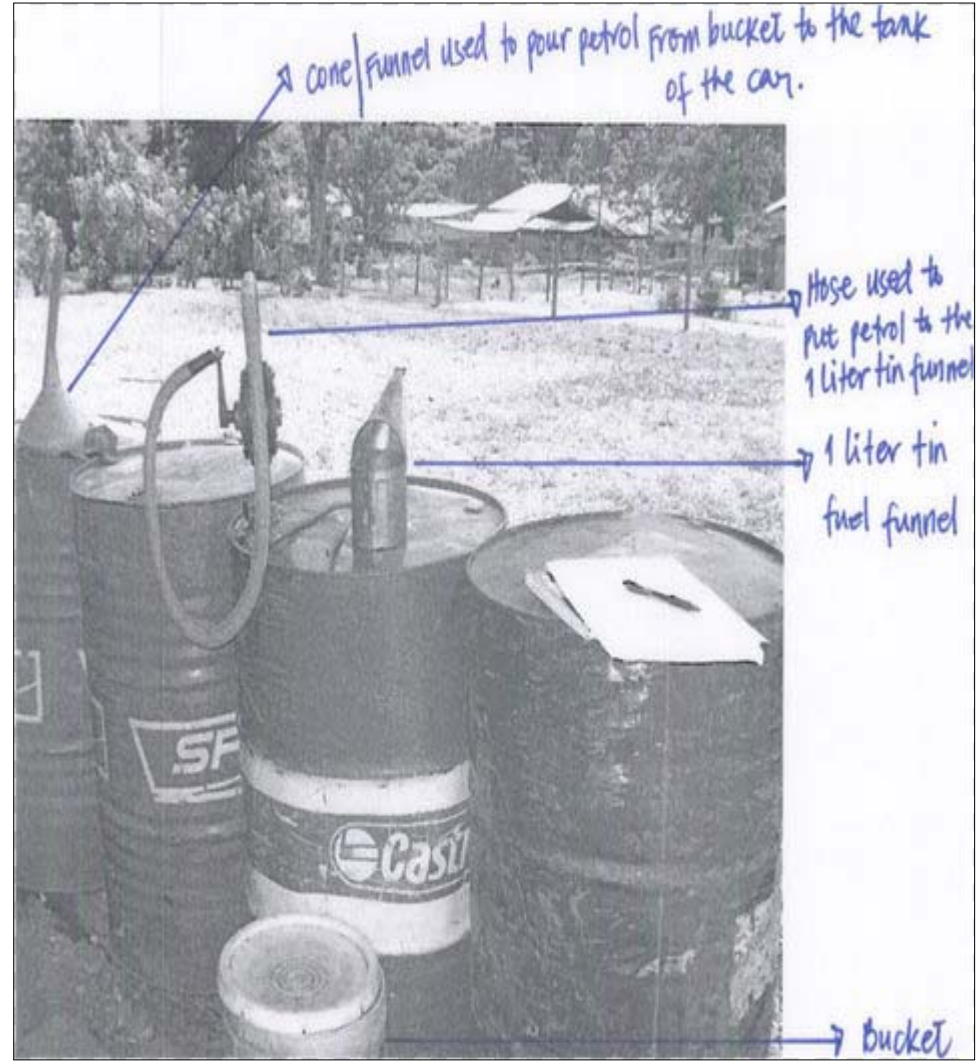
# Some Cases: Fuel Fraud

DRIVER'S DAILY LOG  
 PLATE NO: 019 Month: JULY

TIME IN	TIME OUT	DETAIL OF JOURNEY PURPOSE (From to Purpose)	Kilometer		Signature		Petrol	
			START	END	For	Date	Ltr	Cost
8:00	12:00	From [redacted] to [redacted] Purpose: Census to Community (Jarius Buluh)	92059	92214	[Signature]	[Date]	192.00	\$ 192.00
8:00	12:00	ITEM	92227	92249	[Signature]	[Date]	190.00	\$ 190.00
8:00	12:00	ITEM	92350	92382	[Signature]	[Date]	27.60	\$ 27.00
8:00	12:00	ITEM	92466	92525	[Signature]	[Date]		
8:00	12:00	ITEM	92615	92654	[Signature]	[Date]		
8:00	12:00	ITEM	92811	92840	[Signature]	[Date]		
8:00	12:00	ITEM	93049	93023	[Signature]	[Date]		
8:00	12:00	ITEM	93100	93510	[Signature]	[Date]		
8:00	12:00	ITEM	93442	93590	[Signature]	[Date]		
8:00	12:00	ITEM	93610	93691	[Signature]	[Date]		

Total Mileage: \_\_\_\_\_  
 Vehicle returned to stock at \_\_\_\_\_ km  
 Confirmation by witnesses: \_\_\_\_\_  
 Vehicle repair slip checked: \_\_\_\_\_

CONDITION: (Report any irregular conditions, such as dents, scratches, or broken wind during operation)





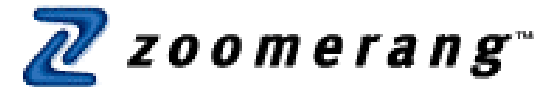
# Prevention & Detection Activities

Fraud Risk Factor	Fraud Risk	Fraud Risk Scenarios/Schemes	Probability	Consequence	Inherent Risk	Control Activities	CRP	Residual Risk
Fraud has occurred before	Misuse of program funds	Implementing partners misuse program funds by partially using funds for intended purpose and keeping the remainder.	4	4	8 HIGH	<ul style="list-style-type: none"> <li>- Monitoring by country representatives</li> <li>- Certificate of Expenditure (COE)</li> <li>- NEX Audit</li> <li>- Programme officer and field visits</li> </ul>	4	EFFECTIVE CONTROLS

FRA's



Training



Staff Survey

**DO YOU KNOW OF FRAUDULENT ACTIVITY IN YOUR OFFICE?**

Hotline

**UNFPA Investigation Hotline**

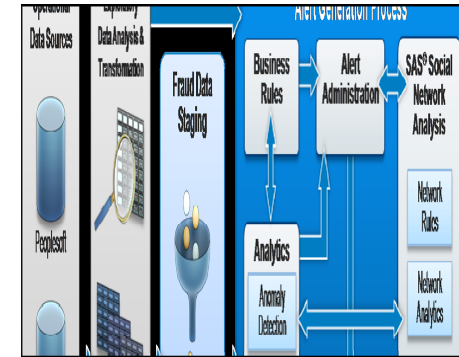
What is fraud? How does the hotline work? Q&A Meet the investigators Resources

Click here to report fraud

PULSE AQUÍ PARA INFORMAR SOBRE UN FRAUDE

CLIQUEZ ICI PAR RAPPORTER UNE INCIDENCE DE FRAUDE

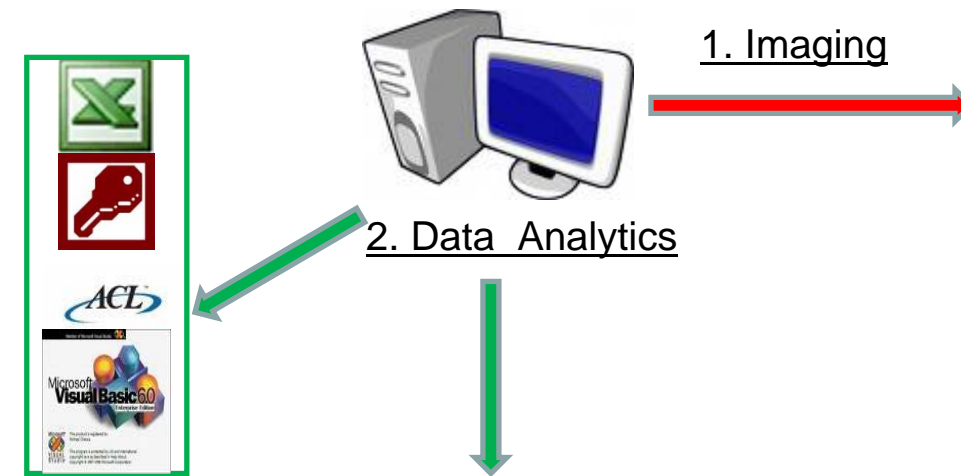
Intranet



Forensic Monitoring System



# Computer Forensics: 2 Paths



**From This:**

H6	A	B
1	(615) 555-6899	(555) 555-5555
2	(615) 555-6899	(555) 555-3935
3	(615) 555-6899	(555) 555-1623
4	(615) 555-6899	(555) 555-5555

**To This:**

**And This:**

EnCase

Hard Drive\*  
Removable media

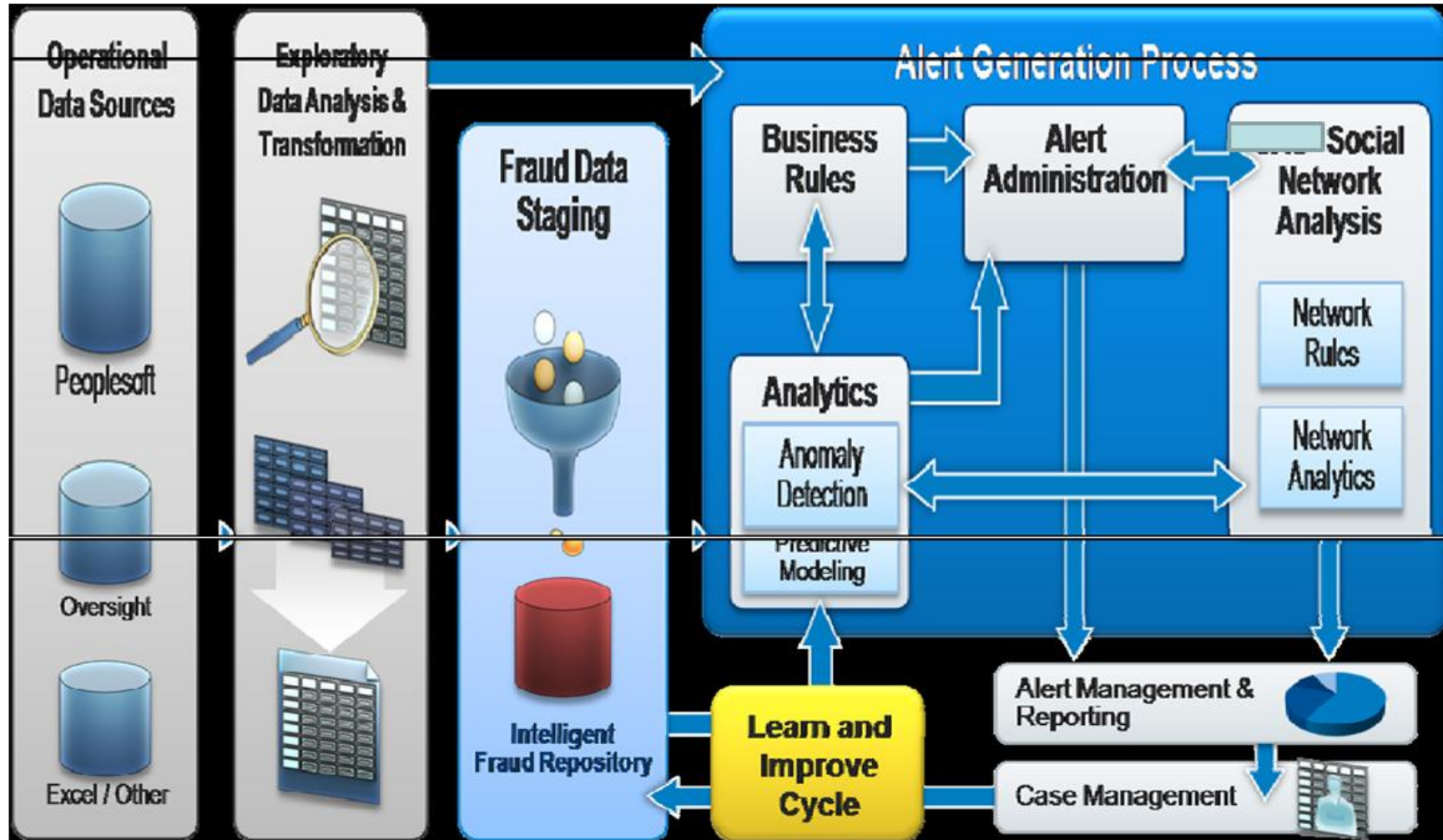
1 2 3 4

Reports  
Logical Evidence Files (LEFs)

- 1 Create image copies of suspect media
- 2 Authenticate image copies via MD5
- 3 Analyze content of suspect media
- 4 Document findings

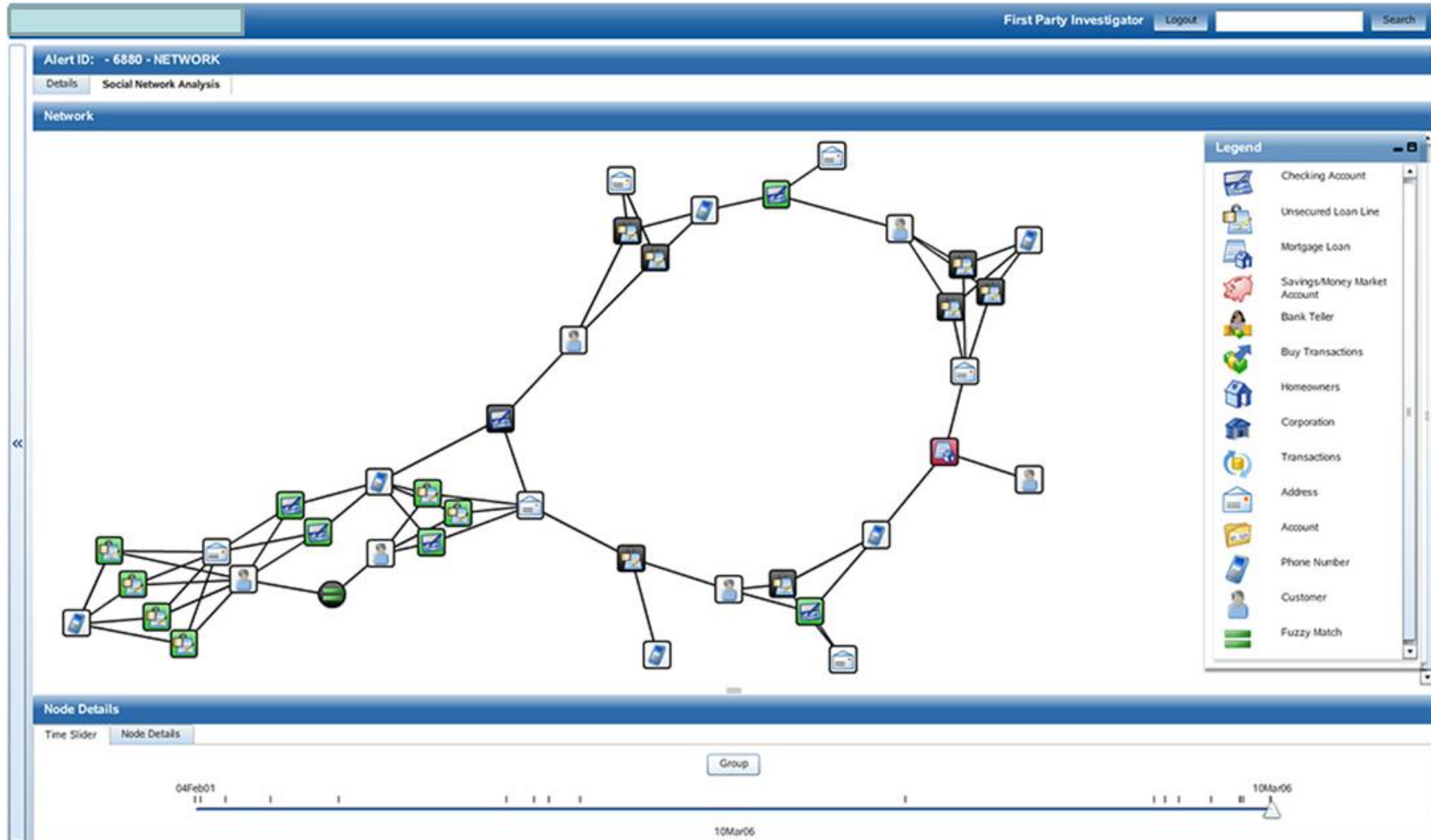


# Forensic Monitoring Tool





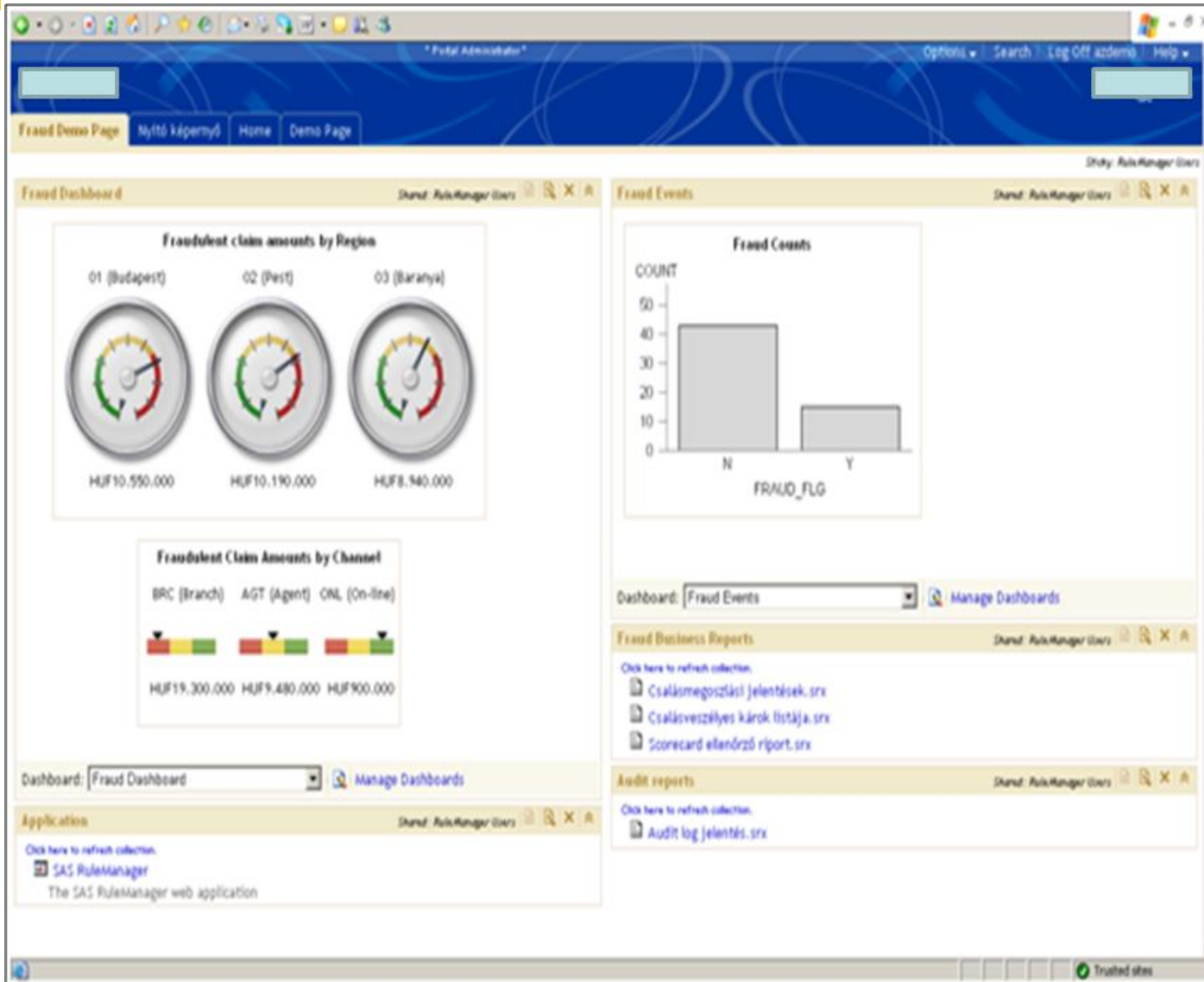
# Forensic Monitoring Tool: Social Network Analysis







# Forensic Monitoring Tool: Dashboard





**Thank you!**