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

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ST/SGB/273 of 7 September 1994*

REPORT ON THE
OF

Report no. PTF-R006/08

Investigations Division case no. 0081/05

REDACTED

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4 December 2008

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I. INTRODUCTION

1. The Procurement Task Force (the “Task Force”) is a temporary investigative unit within the Office of Internal Oversight Services (“OIOS”), which focuses upon cases of procurement fraud and corruption, as well as violations of financial, procurement, and staff rules and regulations of the United Nations. The remit of the Task Force is to investigate all procurement cases within the jurisdiction of OIOS and involving procurement bidding exercises, as well as United Nations staff members, vendors, and vendor representatives doing business with the United Nations—including cases previously reviewed and closed by the Investigations Division. All procurement-related cases referred to OIOS from January 2006 to present are referred to the Task Force.
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 Task Force’s investigations have focused upon a number of procurement cases, including cases involving companies doing business with the Organization. Some of these matters are particularly complex and span significant periods of time.
3. This Report focuses on certain complaints of procurement irregularities in the [REDACTED] (“[REDACTED]”) with regard to [REDACTED] main [REDACTED] project—[REDACTED] (“[REDACTED]”).

II. ALLEGATIONS

4. In [REDACTED] and [REDACTED], a number of allegations were brought to the attention of OIOS with regard to [REDACTED]. The allegations focused principally on [REDACTED] and certain [REDACTED] staff members allegedly associated with them. These [REDACTED] included, among others, [REDACTED] (“[REDACTED]”), a [REDACTED]-based company involved in providing services and [REDACTED] associated with [REDACTED] (the latest [REDACTED] of [REDACTED]), [REDACTED] (“[REDACTED]”), another [REDACTED]-based company associated with [REDACTED], and [REDACTED], a [REDACTED]-based company that produces [REDACTED] ([REDACTED]) required for the functioning of [REDACTED]. It was alleged that these companies were affiliated with each other and may have received preferential treatment in [REDACTED] and [REDACTED] by some [REDACTED] staff members, including access to confidential information.
5. The [REDACTED] of [REDACTED] had previously conducted an inquiry, which was initiated on [REDACTED]. The [REDACTED] issued its final report on [REDACTED]. The investigation focused on several allegations, including favouritism, failure to comply with procurement rules, unauthorized disclosure of United Nations information to private entities, and conflict of interest. The allegations examined by the [REDACTED] were similar in scope to those investigated by the Task Force and addressed in this Report. The [REDACTED] did not find any evidence to support any of the allegations and did not issue recommendations against any of the companies or individuals discussed in its report. The [REDACTED] concluded, *inter alia*, that [REDACTED] of [REDACTED] as the [REDACTED] required for

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the functioning of [REDACTED] was not in violation of any procurement rules and regulations.

6. On [REDACTED], the [REDACTED] issued a legal opinion that was, in fact, inconsistent with the findings of the [REDACTED]. Contrary to the findings of the [REDACTED], [REDACTED] stated that [REDACTED] should have relied on the Organization's procurement rules when selecting [REDACTED] as the [REDACTED] required for the functioning of [REDACTED].

7. After the issuance of the [REDACTED]'s report and the [REDACTED] memorandum, additional allegations concerning the [REDACTED] were brought to the attention of OIOS, including allegations of favouritism and conflict of interest. These allegations were brought to the attention of the Task Force by the [REDACTED], [REDACTED], [REDACTED], as well as by some of the staff members interviewed by the Task Force.

8. Considering the conflicting conclusions reached by the [REDACTED] and [REDACTED], and taking into account the new allegations that came to the attention of OIOS, the Task Force was asked to initiate a thorough and comprehensive investigation to review the [REDACTED]-related allegations and to address all pending matters.

9. Accordingly, the Task Force's investigation focused on the following issues and allegations:

(i) whether any [REDACTED] staff members violated any financial or procurement regulations and rules when selecting the [REDACTED] product for [REDACTED];

(ii) whether any [REDACTED] involved in providing [REDACTED] products and services to countries using [REDACTED] were improperly benefiting from their association with [REDACTED] to the detriment of the Organization; and

(iii) whether any [REDACTED] have engaged in any attempts to improperly benefit from their employment with the Organization, including whether [REDACTED] created or attempted to create [REDACTED] to provide services to the [REDACTED] while [REDACTED].

10. Additionally, the Task Force identified a separate matter concerning improper and unauthorized use of information and communication technology resources by several UN staff members. This matter does not directly concern the issues addressed in this Report.

III. RELEVANT UNITED NATIONS REGULATIONS, RULES, AND ADMINISTRATIVE ISSUANCES

11. The following provisions of the **Staff Regulations of the United Nations** (the "Staff Regulations") are relevant:

(i) **Regulation 1.2(b):** "Staff members shall uphold the highest standards of efficiency, competence and integrity. The concept of integrity includes, but is not limited

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to, probity, impartiality, fairness, honesty and truthfulness in all matters affecting their work and status.”

(ii) **Regulation 1.2(e):** “By accepting appointment, staff members pledge themselves to discharge their functions and regulate their conduct with the interests of the Organization only in view. Loyalty to the aims, principles and purposes of the United Nations, as set forth in its Charter, is a fundamental obligation of all staff members by virtue of their status as international civil servants.”

(iii) **Regulation 1.2(g):** “Staff members shall not use their office or knowledge gained from their official functions for private gain, financial or otherwise, or for the private gain of any third party, including family, friends and those they favour.”

(iv) **Regulation 1.2(i):** “Staff members shall exercise the utmost discretion with regard to all matters of official business. They shall not communicate to any Government, entity, person or any other source any information known to them by reason of their official position that they know or ought to have known has not been made public, except as appropriate in the normal course of their duties or by authorization of the Secretary-General.”

(v) **Regulation 1.2(m):** “Staff members shall not be actively associated with the management of, or hold a financial interest in, any profit-making, business or other concern, if it were possible for the staff member or the profit-making, business or other concern to benefit from such association or financial interest by reason of his or her position with the United Nations.”

(vi) **Regulation 1.2(o):** “Staff members shall not engage in any outside occupation or employment, whether remunerated or not, without the approval of the Secretary-General.”

12. The following provisions of the 1985 edition of the **Financial Regulations and Rules of the United Nations** is relevant:

(i) **Regulation 10.5:** “Tenders for equipment, supplies and other requirements shall be invited by advertisement, except where the Secretary-General deems that, in the interests of the Organization, a departure from the rule is desirable.”

(ii) **Rule 110.18:** “[C]ontracts for the purchase or rental of services, supplies, equipment and other requirements shall be let after competitive bidding or calling for proposals.”

(iii) **Rule 110.21:** “Contracts shall be awarded to the lowest acceptable bidder.”

13. The following provisions of the 2003 edition of the **Financial Regulations and Rules of the United Nations** are relevant:

(i) **Rule 101.2:** “All United Nations staff are obligated to comply with the Financial Regulations and Rules and with administrative instructions issued in connection with those Regulations and Rules. Any staff member who contravenes the Financial

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Regulations and Rules or corresponding administrative instructions may be held personally accountable and financially liable for his or her actions.”

(ii) **Regulation 5.12:** “The following general principles shall be given due consideration when exercising the procurement functions of the United Nations:

- (a) Best value for money;
- (b) Fairness, integrity and transparency;
- (c) Effective international competition;
- (d) The interest of the United Nations.”

(iii) **Rule 105.14:** “[P]rocurement contracts shall be awarded on the basis of effective competition.”

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

(i) **Introduction (Purpose and Use of the Manual):** “These [procurement] procedures are designed to ensure that the Organization obtains good quality products or services at competitive prices, within the time-frame required and that those seeking United Nations business are confident that their proposals and bids are considered and assessed in a fair and transparent manner.

...

All staff members of the United Nations must comply with the provisions of the Manual. This includes procurement officers as well all staff members of the user departments, offices, peacekeeping missions, field offices and all offices away from headquarters.”

(ii) **Section 8.03.04:** “Absolute impartiality must be shown to all bidders and proposers.”

15. This Report also makes reference to Secretary-General’s bulletin ST/SGB/2006/15 (on post-employment restrictions), dated 26 December 2006, and Secretary-General’s bulletin ST/SGB/2006/5 (on acceptance of pro bono goods and services), dated 22 March 2006, concerning post-employment restrictions.

IV. METHODOLOGY

16. The Task Force’s investigation of this case continued for approximately [REDACTED] (between [REDACTED]). As part of this investigation, the Task Force expended significant efforts identifying and collecting all relevant evidence, including forensic materials. The Task Force collected and examined [REDACTED].

17. The Task Force has conducted over [REDACTED] interviews and meetings in connection with this investigation, and investigators [REDACTED] to collect relevant documents and meet with relevant companies and United Nations staff members. A written record

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of conversation was prepared after each interview. Staff members were then invited to review the records of conversation for accuracy and to sign them upon review. In addition, investigators provided all interviewees with the opportunity to present any further evidence to the Task Force.

18. The Task Force's investigation focused, to a large extent, on the [REDACTED]. Despite its extensive efforts, the Task Force was unable to obtain certain [REDACTED] pertinent to the matters discussed in this Report. The Task Force established that some of these materials were destroyed in [REDACTED]—around the time of the [REDACTED]'s examination of the [REDACTED]—as part of [REDACTED] transfer of email services from one service provider to another. This fact caused some delay in this Report.

19. As part of its investigation, the Task Force conducted a thorough examination of the circumstances of the destruction of these electronic records. This examination included extensive communications with the [REDACTED] (“ [REDACTED]”), [REDACTED], and the [REDACTED] (“ [REDACTED]”), as well as collection and examination of relevant records from these entities. The Task Force also conducted [REDACTED] interviews with relevant current and former staff members of [REDACTED], [REDACTED], and [REDACTED], in an effort to obtain all relevant information and communication technology data and resources. The unavailability (including due to destruction) of some of these materials was not tainted by any impropriety, and instead it became evident that the destruction was due to the lack of clear and uniform guidelines within the Organization on the preservation and archiving of information and communication technology resources and data. However, significant resources were devoted by the Task Force to identifying the relevant materials and the lack of access to those materials was a major impediment to the investigation. This Report contains a separate recommendation concerning the preservation of information and communication technology resources and data as a result of this, and other similar experiences of the Task Force.

20. This Report concerns a number of [REDACTED]. It is important to emphasize that the Task Force has limited coercive powers. Therefore, cooperation from third parties is in most instances voluntary and the Task Force depends upon cooperation of an individual or a company when seeking assistance. This lack of coercive powers, particularly in relation to [REDACTED], has been one of the major obstacles to the investigation. It is also a theme that has been repeated several times in Task Force investigations.

21. The Task Force notes the valuable assistance it received during its investigation from the [REDACTED]. The Task Force also notes the cooperation provided to it by the [REDACTED].

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V. DUE PROCESS COMPLIANCE

22. The OIOS Manual of Investigation Practices and Policies (“OIOS Investigation Manual”), under which the Task Force operates, defines the official standard of due process to which subjects of fact-finding investigations are entitled as “fairness.” The Manual specifies that the “fairness” requirements for a fact-finding exercise are met if the subjects have been: made aware of the scope of the possible misconduct; given the opportunity to explain their actions were proper; and given the opportunity to respond to the allegations, including presenting evidence, explanations, information, or witnesses to support their explanation.

23. As part of its investigation, the Task Force reviewed allegations of favouritism and conflict of interest pertaining to several staff members discussed in this Report. The staff members concerned were fully informed of the scope of the allegations and provided with relevant information. The Task Force interviewed the staff members concerned and provided them with the opportunity to present their comments and explanations. The statements and documents provided by these staff members were carefully examined and fully incorporated into this Report.

24. Current and former United Nations staff members interviewed were provided with the opportunity to review the records of conversation prepared by the Task Force based on the interviews in order to verify their accuracy. They were also invited to provide any additional information and documents. All interviewees—with the exception of [REDACTED], who declined the Task Force’s offer—reviewed the records of conversation. The staff members’ handwritten comments, proposed edits, and corrections were incorporated into the text or footnotes of each record of conversation.

25. As explained in this Report, the Task Force made numerous attempts to solicit the cooperation of [REDACTED] and [REDACTED]. However, the companies have failed to cooperate and have not provided any information or documents in response to the Task Force’s requests and communications.

VI. BACKGROUND

A. [REDACTED]

26. [REDACTED] was established by the [REDACTED]. It is an [REDACTED]. The [REDACTED] of [REDACTED]—currently, [REDACTED]—is accountable to the [REDACTED]. The principal functions are to [REDACTED].

27. Pursuant to an agreement reached between [REDACTED] and [REDACTED], the latter’s [REDACTED]—through its [REDACTED]—provides administrative services to [REDACTED], including the handling of “all relevant procurement

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actions,” such as “obtaining quotations and formal bids, contract awards, presentations to the [Local Committee on Contracts], issuances of [purchase orders] and Contracts.”

B. [REDACTED]

28. In [REDACTED], [REDACTED] received a request from [REDACTED] to help them compile [REDACTED] of their Member States. [REDACTED] began working on a [REDACTED]. To implement this goal, [REDACTED] created a separate [REDACTED] and [REDACTED] unit—the [REDACTED].

29. Since [REDACTED], [REDACTED] has designed and implemented [REDACTED]. The latest one—[REDACTED]—was launched in [REDACTED]. The [REDACTED] currently operates utilizing, among other products, [REDACTED] (known as “[REDACTED]”) which is produced and designed by [REDACTED].

30. [REDACTED] is a [REDACTED] which covers most [REDACTED]. It makes it possible to [REDACTED].

31. The [REDACTED] is the single [REDACTED] of [REDACTED], encompassing [REDACTED]. In [REDACTED], [REDACTED]-related expenditures amounted to over [REDACTED], or approximately [REDACTED] percent of [REDACTED] total project expenditures which exceeded over [REDACTED] in [REDACTED].

32. The [REDACTED] enters into [REDACTED] with [REDACTED] of Member States and, based on these agreements, implements the [REDACTED]. The Member State has to provide the [REDACTED]. The Member State is provided with [REDACTED]. Among the [REDACTED] products required for [REDACTED] is [REDACTED], as well as an [REDACTED].

33. Since late [REDACTED], the [REDACTED] has been directly supervised by [REDACTED], the [REDACTED]. [REDACTED] has been involved with the [REDACTED] project since [REDACTED] and, prior to his appointment as the [REDACTED], worked as the [REDACTED] of the [REDACTED].

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[REDACTED]. In [REDACTED] and [REDACTED], [REDACTED] reported to [REDACTED], the then [REDACTED] of the [REDACTED], who in turn reported to [REDACTED], the then [REDACTED] of [REDACTED] for [REDACTED] [REDACTED] (“ [REDACTED]”).

C. [REDACTED]

34. [REDACTED]—a national of [REDACTED]—entered the service of [REDACTED] in [REDACTED], as a [REDACTED] at a [REDACTED] level. In [REDACTED], he was transferred to [REDACTED] as a [REDACTED] staff member. [REDACTED] obtained his permanent appointment in [REDACTED] as a [REDACTED] at a [REDACTED] level. In [REDACTED], after a series of promotions, [REDACTED] became [REDACTED] for the [REDACTED] [REDACTED] (a [REDACTED] level position). [REDACTED] was granted a promotion to [REDACTED] on [REDACTED], as [REDACTED] of [REDACTED].

35. [REDACTED] retired from [REDACTED] on [REDACTED]. During his employment with [REDACTED], [REDACTED] was instrumental in the development of [REDACTED] from its establishment in the [REDACTED]. Towards the end of his term with [REDACTED], [REDACTED], as the [REDACTED] of [REDACTED], was responsible—amongst other duties—for overseeing the [REDACTED].

D. [REDACTED]

36. According to its website, [REDACTED] was established in [REDACTED] in [REDACTED], by a “ [REDACTED] ” [REDACTED] mission is to “ [REDACTED] ” [REDACTED].

37. [REDACTED] has [REDACTED] and [REDACTED] [REDACTED], including with the [REDACTED]. However, [REDACTED] produces [REDACTED]—the [REDACTED] that is required for the functioning and operation of [REDACTED]. [REDACTED] has never acquired [REDACTED] for [REDACTED] for the development of [REDACTED]. Instead, [REDACTED] agreed to [REDACTED] to use [REDACTED] and [REDACTED].

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E. CHRONOLOGY OF EVENTS DISCUSSED IN THE REPORT

38. Chart A below contains a chronology of the significant events discussed in this Report.

REDACTED

VII. [REDACTED] OF [REDACTED]
A. SIGNIFICANT EVENTS

39. In [REDACTED], the [REDACTED] began discussions concerning the creation of a [REDACTED] of the [REDACTED]. The development of this [REDACTED] began in [REDACTED]. The decision to replace the then current [REDACTED] of the [REDACTED], with [REDACTED] was based on [REDACTED] and the need to introduce new products to the [REDACTED], such as the capacity to [REDACTED].

40. It was decided by the management of the [REDACTED] that [REDACTED] would be built to function on [REDACTED]. The [REDACTED] did not have the time and skills to develop its own [REDACTED], and turned to the private sector to find a suitable product.

41. [REDACTED] initiated a review of available [REDACTED]. The [REDACTED] was conducted by [REDACTED] ([REDACTED]), and [REDACTED] ([REDACTED] and [REDACTED]). [REDACTED] role was to check technical capabilities of the products, whereas [REDACTED] was mainly involved in checking the overall design and functional limitations of the tested products. [REDACTED] was involved "in most aspects and discussions [of] the [REDACTED]" under review.

42. Based on [REDACTED] initial research, conducted in [REDACTED], [REDACTED], including [REDACTED] [REDACTED], were selected for evaluation during the initial test phase.

43. It was around that time—i.e., in or around [REDACTED]—that [REDACTED] was introduced to [REDACTED]. At that time, after the [REDACTED] decided to use [REDACTED], [REDACTED] received an unscheduled visit by [REDACTED] of [REDACTED], who wanted to demonstrate the benefits of the [REDACTED]. [REDACTED] had worked as [REDACTED] with [REDACTED] from as early as [REDACTED] to [REDACTED]. While working for [REDACTED], [REDACTED] was involved in the development of [REDACTED] and was supervised by [REDACTED] and [REDACTED]. According to [REDACTED], [REDACTED] "knew what [REDACTED] was doing" and was familiar with trends in the [REDACTED] administration area.

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44. As a result of the evaluation conducted by [REDACTED] staff, the [REDACTED] package was assessed as being the most flexible, well-suited for internet-based applications, and compatible with the requirements of the [REDACTED]. The [REDACTED] of [REDACTED] was finalized sometime in or around [REDACTED]. The final [REDACTED] was made by [REDACTED]. The [REDACTED] was in [REDACTED].

45. As the [REDACTED] did not anticipate [REDACTED] with the company producing the [REDACTED] product, the management of the [REDACTED] did not see a need to conduct a formal tendering process. The [REDACTED] did not involve any procurement office in the [REDACTED]. [REDACTED], for example, believed that the United Nations procurement and financial rules were not applicable to the [REDACTED] of the [REDACTED]. Accordingly, the [REDACTED] did not undertake any company research, supplier risk management checks, or company performance assessment with regard to [REDACTED]. The [REDACTED] and evaluation process was not formally recorded, and no terms of reference were prepared for this exercise. Moreover, the [REDACTED] did not analyze the costs associated with each [REDACTED] and did not examine the terms and conditions upon which the manufacturers of these [REDACTED] products planned to make their [REDACTED] available to the users of [REDACTED].

46. [REDACTED] was launched in [REDACTED], with [REDACTED] being one of the required [REDACTED] products. [REDACTED] cannot function without [REDACTED]. The figure below shows technical specifications for [REDACTED], identifying [REDACTED]:



Figure: [REDACTED], “[REDACTED] Technical Specifications” (undated)

47. The Task Force did not identify any evidence to suggest that the [REDACTED] of [REDACTED] was deficient from a technical point of view. On [REDACTED], in connection with their investigation, the [REDACTED] requested an in-house review of the “[REDACTED],” based on the technical specifications available, to ensure that [REDACTED] was, indeed, the best choice of all those available. The [REDACTED] requested [REDACTED], the then [REDACTED] of [REDACTED], to conduct the evaluation. [REDACTED] was assisted by [REDACTED]. Neither [REDACTED] nor [REDACTED] was involved with the [REDACTED] prior to the investigation. The [REDACTED] technical evaluation report, issued on [REDACTED], concluded that “the decision to choose [REDACTED] [was] correct, as far as technical considerations are concerned.” [REDACTED] was “more flexible, functional, fault tolerant and compatible with internet web-based applications.” When interviewed by the Task Force, [REDACTED] confirmed his findings.

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[REDACTED] AND [REDACTED]

48. The [REDACTED] of [REDACTED] and the procedures employed during the [REDACTED] were reviewed by both the [REDACTED] and [REDACTED]. However, the two offices reached different conclusions with regard to the issue of the applicability of the Organization's financial and procurement rules to the [REDACTED].

49. The [REDACTED] concluded that, because [REDACTED], [REDACTED], and [REDACTED] were not engaged in a formal procurement process, the lack of records documenting the [REDACTED] did not reflect negatively upon their efficiency and competency and, therefore, did not amount to a contravention of Staff Regulation 1.2(b). The [REDACTED] based its assessment on its reasoning that, since the [REDACTED] did not obligate the United Nations to enter into any agreements or other written instruments, such as purchase orders and contracts for the acquisition of property or services, pursuant to Regulation 5.12 and Rule 105.13 of the United Nations Financial Regulations and Rules, the procurement provisions did not apply.

50. The [REDACTED] made five recommendations, including that "[REDACTED] consult with the [REDACTED] to establish formal procedures in respect of procurement and contractual issues relating to the [REDACTED]."

51. However, on [REDACTED], [REDACTED] issued a memorandum to [REDACTED] (in response to [REDACTED] request), stating that the United Nations Financial Regulations and Rules, as well as the United Nations Procurement Manual, apply to [REDACTED]-related procurement exercises. [REDACTED] stated, *inter alia*, that "while there may not have been any contractual relationship between [REDACTED] and the company [REDACTED], [REDACTED] evaluation process of the nine different [REDACTED], including the one of [REDACTED], should have been conducted in accordance with the relevant principles and procedures set out in . . . the Financial Regulations and Rules and the Procurement Manual."

52. Referring to Section 11.6.1 of the 2006 Procurement Manual, [REDACTED] stated that the primary objective of the procurement process is "to ensure that the UN requirements are fulfilled at the 'best value for money' to the Organization within the time frame needed, in compliance with the specifications, and in full accordance with the [Financial Regulations and Rules]." [REDACTED] concluded that, before evaluating various [REDACTED] and selecting the one developed by [REDACTED], "[REDACTED] should have developed general evaluation criteria for a source [REDACTED]." [REDACTED] stated that, pursuant to Section 11.6.7 of the 2006 Procurement Manual, "such evaluation criteria have to be determinant, not merely important, and they must be documented in writing prior to the release of any solicitation documents." [REDACTED] pointed out that there should have been a rating system for all submissions and a written report prepared by the evaluation committee describing its considerations, ranking all competitors, and making a recommendation.

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C. THE TASK FORCE'S EVALUATION AND CONCLUSIONS

53. The Task Force has carefully examined the assessments provided by the [REDACTED] and [REDACTED] and has conducted its own analysis of these issues in connection with its investigation.

54. The Task Force agrees with the [REDACTED]'s finding that, in the case of [REDACTED] and [REDACTED], the United Nations did not enter into any commitment or contractual relationship with [REDACTED] and did not obligate itself to provide any funds to the company in return for any services or goods provided.

55. However, the Task Force does not agree with the [REDACTED]'s conclusion that, because of the [REDACTED], the [REDACTED] was exempt from conducting a procurement or evaluation procedure. The [REDACTED] based its reasoning on a narrow reading of selected financial and procurement rules. This led to a conclusion that the requirements of competitive bidding and calling for proposals were applicable *only* to cases of procurement actions resulting in direct contractual commitments on the part of the Organization.

56. However, the staff members involved in the [REDACTED] were under an overarching obligation to ensure that the interests of the Organization were fully protected. Acting in the best interests of the United Nations, including in financial and procurement matters, is one of the most important and long-standing principles expressed in the Organization's rules and regulations—including those applicable at the time of [REDACTED].

57. Pursuant to a General Assembly resolution establishing [REDACTED], its main objectives are to promote [REDACTED], particularly between countries at different stages of development, and to accelerate economic development. The [REDACTED] serves to assist in achieving [REDACTED] objectives by helping countries facilitate [REDACTED] by strengthening [REDACTED] administrations' capacity to carry out their operations by using modern and reliable [REDACTED]. Hence, it is in the interests of [REDACTED]—and the United Nations in general—to ensure that the [REDACTED] develops successfully.

58. This is particularly true considering the importance of the [REDACTED] for [REDACTED]. In [REDACTED] and [REDACTED]—as was the case in the years to follow—[REDACTED] was the [REDACTED] of [REDACTED]. For instance, in [REDACTED] and [REDACTED], [REDACTED]-related expenditures amounted to over [REDACTED] and [REDACTED], respectively, or over [REDACTED] of [REDACTED] total project expenditures. In [REDACTED], [REDACTED]-related expenditures amounted to over [REDACTED], or [REDACTED] of [REDACTED] total project expenditures.

59. [REDACTED] is an important part of the [REDACTED] and it was developed to further the strategic objectives of [REDACTED]. [REDACTED] has been described by [REDACTED] as a tool likely to “[REDACTED]” and “[REDACTED]” and “[REDACTED]”

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[REDACTED] .”

60. As the Task Force established in the course of its investigation, [REDACTED] was designed in such a way that it [REDACTED] the [REDACTED]. Accordingly, by selecting a particular [REDACTED] program, the United Nations was making a significant decision that could drastically affect the success of the entire [REDACTED] and [REDACTED].

61. However, in this case the [REDACTED] was not based on comprehensive objective evaluation criteria and the evaluation process was not properly documented. Further, no comparative cost analysis and company performance review were conducted and no steps were taken to ensure that the costs of the [REDACTED] would be reasonable in the future. The staff members concerned also did not inform the procurement office or senior [REDACTED] management of this case and did not seek their advice concerning the need to conduct a procurement exercise.

62. Another important factor was the circumstances of [REDACTED]' introduction to the [REDACTED]. Although the Task Force did not identify any evidence that any staff member exercised improper influence over the [REDACTED] of the [REDACTED] product, the fact that [REDACTED] introduced its product to the [REDACTED] through [REDACTED]—a former [REDACTED] who was previously supervised by [REDACTED] and [REDACTED]—created the appearance of favouritism. The Task Force is not aware of any evidence to suggest that any other vendor had the benefit of a personal meeting and introduction to the [REDACTED] management.

63. The course of action taken by the [REDACTED] staff led to a situation in which the success of one of [REDACTED] most important [REDACTED] projects depended to a large extent on the performance and pricing policies of one company—[REDACTED]—that had no contractual relationship with the Organization. This is of particular concern considering that [REDACTED] would need to be completely re-written if they were to change the [REDACTED].

64. These factors allow the Task Force to conclude that the way the [REDACTED] was handled and its outcome—i.e., [REDACTED] of [REDACTED] without any assurances and guarantees on the part of the company, particularly with regard to performance and pricing—were not in the best interests of the Organization. The [REDACTED]—as well as [REDACTED] and the Organization—were exposed to unjustified and significant reputational risk, as well as financial risk associated with the possibility of having to create a new [REDACTED] of the [REDACTED] to replace [REDACTED].

65. Although the Task Force finds that the [REDACTED] of [REDACTED] was not conducted in the best interests of the Organization, as explained above, the Task Force does not believe that any disciplinary action is warranted against the staff members involved in the [REDACTED]. The Task Force takes into account the explanations provided by the staff members concerned and the fact that it did not identify any evidence of improper intent on the part of the staff members involved in the [REDACTED].

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66. In light of the importance of the [REDACTED] project to [REDACTED], and the fact that [REDACTED] was selected as an essential element of the [REDACTED] without any real due diligence being performed on the company providing that [REDACTED], or the terms on which it would be provided to Member States, the Task Force is of the view that consultation with senior management or [REDACTED] should have taken place prior to any [REDACTED] being made, as should be the case when any decision is taken which has or may have a significant effect on any project of importance to the Organization. Staff members should always follow the spirit of the financial and procurement rules and be guided by the best interests of the Organization.

67. Significantly, the Task Force also takes into account that the financial and procurement rules in place at the time of the [REDACTED] were unclear about how to proceed in instances similar to the one addressed in this Report—i.e., when staff members were reviewing [REDACTED] products that would be purchased by third parties and not directly by the Organization. The financial and procurement rules, while comprehensive, cannot legislate for every conceivable scenario in which staff members may find themselves. In finding that the [REDACTED] of [REDACTED] was not conducted in the best interests of the Organization, the benefit of hindsight should not be employed in any decision whether to hold people accountable.

VIII. [REDACTED], [REDACTED], AND [REDACTED]

A. [REDACTED]

68. As part of its investigation, the Task Force focused, among other aspects, on clarifying the history of [REDACTED] as it related to the [REDACTED] project and on establishing whether there was anything improper about [REDACTED] involvement with the project.

69. [REDACTED] is a [REDACTED]-registered company “[REDACTED]”
Reportedly, [REDACTED] has subsidiaries in [REDACTED] and is
“[REDACTED]”

70. [REDACTED], including the [REDACTED]
[REDACTED]. However, [REDACTED] has been a [REDACTED] of [REDACTED] since
at least [REDACTED]. Based on [REDACTED] website, on [REDACTED], it
reached an agreement with [REDACTED] that it would [REDACTED] and
provide [REDACTED] for [REDACTED] products:

REDACTED

Figure: [REDACTED], “News” ([REDACTED])

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71. Reportedly, [REDACTED] role as a [REDACTED] of [REDACTED] did not extend beyond [REDACTED]. On [REDACTED], [REDACTED] of [REDACTED], [REDACTED], informed the United Nations that [REDACTED] was no longer involved in the [REDACTED] of [REDACTED].

72. According to the [REDACTED] Registrar of Commerce, [REDACTED] was incorporated on [REDACTED]. The list of company officers and signatories has included [REDACTED], [REDACTED], and [REDACTED]. [REDACTED] is [REDACTED] and [REDACTED] is [REDACTED].

73. According to the registration records of [REDACTED] [REDACTED] ([REDACTED]), on [REDACTED], another [REDACTED] named "[REDACTED]" was established in [REDACTED]. [REDACTED] was recorded as the [REDACTED]. [REDACTED] is a former [REDACTED]. His last consultancy contract with the [REDACTED] expired on [REDACTED].

74. Throughout its history [REDACTED] has employed a number of former [REDACTED], including [REDACTED], [REDACTED] (former [REDACTED]), [REDACTED], and [REDACTED].

75. According to [REDACTED] website, [REDACTED] has been the [REDACTED] of [REDACTED] since [REDACTED]. Based on company registration documents, [REDACTED] also acted as the [REDACTED] and [REDACTED] of [REDACTED].

76. Records obtained from the [REDACTED] Registrar of Commerce reflect that [REDACTED]'s status as a [REDACTED] company officer changed on [REDACTED]. [REDACTED] has identified [REDACTED] as "[REDACTED]".

B. [REDACTED] AND [REDACTED]

77. During its investigation of the [REDACTED] project in [REDACTED], the [REDACTED] interviewed [REDACTED] ([REDACTED]), who described several discussions which took place with [REDACTED] in [REDACTED] ([REDACTED]) concerning a [REDACTED]. Based on the [REDACTED]'s files, [REDACTED] told [REDACTED] about plans to [REDACTED] and asked [REDACTED] ([REDACTED]). The [REDACTED] was told by [REDACTED] that [REDACTED] would be involved in the [REDACTED], namely [REDACTED], and [REDACTED]. [REDACTED] informed the [REDACTED] that he was shown [REDACTED] and that [REDACTED] at [REDACTED]. The [REDACTED] did not provide any documents to the [REDACTED] of the [REDACTED].

78. The statements of [REDACTED], as explained above, contained significant information [REDACTED].

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[REDACTED], including [REDACTED]. However, based on the Task Force's analysis of the [REDACTED]'s files, it was unclear whether this aspect of the case was fully examined. Accordingly, this matter was further pursued.

79. The Task Force conducted several interviews and held meetings [REDACTED] in order to achieve a clear understanding of all the facts and circumstances surrounding [REDACTED] and the proposed [REDACTED].

80. According to [REDACTED], he had a total of [REDACTED] regarding the [REDACTED]. The [REDACTED] took place in the same [REDACTED] between [REDACTED] and involved [REDACTED] and [REDACTED]. The [REDACTED] place sometime [REDACTED], just with [REDACTED] and in a different [REDACTED].

81. During the [REDACTED], the participants discussed whether [REDACTED] was interested in [REDACTED] with them. [REDACTED] was doing most of the talking. [REDACTED] explained during the [REDACTED] that the new company working on the [REDACTED] would be financed [REDACTED]. This company was to develop [REDACTED] with the [REDACTED].

82. During the [REDACTED], [REDACTED] explained to [REDACTED] that [REDACTED] involved in the [REDACTED] would be participating in it while [REDACTED] and that he would be [REDACTED].

83. During his [REDACTED] with [REDACTED], [REDACTED] was provided with [REDACTED] (approximately [REDACTED]). During the third [REDACTED], [REDACTED] was also asked by [REDACTED] with [REDACTED].

84. According to [REDACTED], the [REDACTED] in part [REDACTED] that [REDACTED] prepared [REDACTED]. According to [REDACTED], [REDACTED]—only when he was provided with the [REDACTED] during the [REDACTED] in [REDACTED].

85. Based on his discussions with [REDACTED], [REDACTED] understood that other [REDACTED] to be involved in the [REDACTED] were [REDACTED], [REDACTED], and [REDACTED]. According to [REDACTED], he did not have any discussions concerning the [REDACTED]-related [REDACTED] outside of [REDACTED].

86. In [REDACTED], [REDACTED] was told that the [REDACTED] (whose identity is unknown) had [REDACTED] in the [REDACTED] and, to the best of [REDACTED] knowledge, the [REDACTED].

87. Through significant investigative efforts, the Task Force was able to [REDACTED] of [REDACTED] ([REDACTED]) pertaining to this [REDACTED].

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[REDACTED]. One of [REDACTED] discusses, *inter alia*, an [REDACTED] involving [REDACTED], including [REDACTED], and [REDACTED].

88. The Task Force interviewed [REDACTED], with the exception of [REDACTED]. The interviews were conducted separately and [REDACTED].

89. During their separate interviews with the Task Force, [REDACTED], [REDACTED], and [REDACTED]. They denied being [REDACTED] with a [REDACTED] to [REDACTED]. The staff members asserted that they were not aware of [REDACTED] and were not aware of [REDACTED] with the [REDACTED].

90. The Task Force also interviewed [REDACTED] in order clarify the circumstances of the matter and seek his response to the allegation that he [REDACTED]. [REDACTED] confirmed to the Task Force that, back in [REDACTED], he did enter into discussions with [REDACTED] about [REDACTED]. [REDACTED] acknowledged that he had discussions with [REDACTED] about possibly [REDACTED]—but only after [REDACTED] explained that, at the time, there [REDACTED]. [REDACTED] further explained that none of the discussions concerning [REDACTED]. [REDACTED] further stated that he did not—and had no intention to—engage in [REDACTED].

C. TASK FORCE'S FINDINGS

91. One of the goals of the investigation was to fully examine the circumstances pertaining to the [REDACTED]-related [REDACTED] discussed above, and efforts were made to ascertain the information collected during the investigation, as well as to determine—based on the overall evidence identified in the course of the investigation—whether any United Nations regulations or rules were breached by any of the staff members allegedly involved.

1. [REDACTED] and [REDACTED]

92. Based on the records collected by the Task Force, [REDACTED] was registered in [REDACTED] on [REDACTED] and was [REDACTED] in [REDACTED]. [REDACTED]—who also appears on [REDACTED] registration [REDACTED].

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documents—was recorded as a company officer. [REDACTED] was [REDACTED].

93. Investigators attempted to clarify the precise nature of [REDACTED] business and its relationship with [REDACTED] and [REDACTED]. The records collected by the Task Force show the existence of a close association between [REDACTED] and [REDACTED] ([REDACTED]), but it is unclear when this relationship started. Any such relationship could not have started in [REDACTED], since [REDACTED] was not created until late [REDACTED].

94. The Task Force was unable to fully clarify the exact nature and extent of [REDACTED] involvement with [REDACTED] in [REDACTED] due to the limited information provided by [REDACTED], as well as the failure on the part of [REDACTED] and associated individuals to cooperate with the investigation.

95. The Task Force attempted to interview [REDACTED] and [REDACTED] concerning [REDACTED], but they refused to provide any information to the Task Force. However, the Task Force was able to interview [REDACTED], who described [REDACTED] as an “[REDACTED]” and confirmed that the company was [REDACTED]. [REDACTED] acknowledged that, prior to its [REDACTED], [REDACTED] was associated with [REDACTED]. However, [REDACTED] asserted that back in [REDACTED], when he had discussions with [REDACTED], [REDACTED] did not exist and he was not aware of, or involved in, any plans to [REDACTED]. [REDACTED] further stated that he was not aware that [REDACTED] was selected as [REDACTED] until early [REDACTED].

96. The Task Force finds that it has insufficient evidence to conclude that [REDACTED] violated any United Nations rules or regulations. It is undisputed that [REDACTED] was involved in discussions concerning possible future business ventures prior to his departure from the Organization. However, the Task Force did not identify evidence that [REDACTED] was engaged in outside employment or occupation while employed by the Organization, nor did investigators identify evidence demonstrating that [REDACTED] was involved in the [REDACTED] of the [REDACTED] while employed by the Organization.

97. It should be noted in this regard—as discussed in Section IV above—that the Task Force was unable to obtain some of the information and technology communication data and resources for the relevant period (i.e., [REDACTED] and [REDACTED]). Further, as explained in Sections IX and X below, [REDACTED], [REDACTED], and individuals associated with them refused to cooperate with the Task Force. Hence, the Task Force was deprived of the benefit of having access to some of the key records and information. Therefore, absolute conclusions on this subject cannot be reached.

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2. [REDACTED], [REDACTED], [REDACTED], and [REDACTED]

98. The evidence collected by the Task Force does not substantiate that [REDACTED], [REDACTED], [REDACTED], and [REDACTED] were associated with [REDACTED], including in [REDACTED]. Further, the Task Force has no evidence to suggest that these staff members were, in fact, engaged in any outside employment with any company, including [REDACTED].

99. Further, based on the totality of evidence collected during the investigation and the overall circumstances in this case, there is insufficient evidence to conclude that the staff members allegedly involved in [REDACTED] related to [REDACTED] were actually aware of [REDACTED] in [REDACTED] obtained by the Task Force. It is indeed possible that the staff members discussed in [REDACTED] were included in [REDACTED] by [REDACTED].

100. The Task Force did not identify any instances of improper disclosure of confidential United Nations information and documents by any [REDACTED] staff member, including proprietary information concerning the [REDACTED].

IX. [REDACTED] NON-COOPERATION WITH THE INVESTIGATION

101. The Task Force has made several requests to interview [REDACTED] officials, including requests made in person when visiting [REDACTED] offices. These efforts included, *inter alia*, direct requests for information and assistance to [REDACTED], [REDACTED], and [REDACTED]. However, the company did not make any of its officers and employees available, stating that it “[REDACTED].”

REDACTED

Figure: [REDACTED] email to the Task Force ([REDACTED])

102. On [REDACTED], in follow-up to this communication from the company, the Task Force sent a formal request for information. The Task Force requested the company to provide information concerning the date and location of incorporation of [REDACTED] and [REDACTED], names of individuals who participated in the incorporation of both companies, copies of incorporation documents, and additional information pertinent to the investigation. The Task Force’s letter is shown below:

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REDACTED

Figure: Task Force letter to [REDACTED], p. 1 ([REDACTED])

REDACTED

Figure: Task Force letter to [REDACTED], p. 2 ([REDACTED])

103. On [REDACTED], the Task Force received a one-page facsimile from [REDACTED], stating that “[REDACTED]”

REDACTED

Figure: [REDACTED] facsimile to the Task Force ([REDACTED])

104. In this submission of [REDACTED], [REDACTED] failed to address any of the Task Force’s requests for information and company records. The company completely disregarded all of the Task Force’s inquiries and refused to cooperate or make any officers or employees available for interviews. The only person associated with [REDACTED] that the Task Force was able to interview—by contacting him directly, and not through the company—was [REDACTED]. Notably, [REDACTED] failed to provide meaningful cooperation and answer many questions posed by the Task Force. For instance, [REDACTED] even refused to identify his current position with the company and attempted to create an impression that he is no longer substantively involved in its operations, whereas the letter above clearly describes him as the [REDACTED].

105. Despite its numerous efforts over the course of several months to solicit [REDACTED] cooperation, the Task Force has not received any substantive cooperation in response to any of its inquiries.

106. [REDACTED] has previously refused to cooperate with the [REDACTED]. As part of its [REDACTED] of the [REDACTED], the [REDACTED] requested the management of [REDACTED] to request [REDACTED] and [REDACTED] provide certain information concerning the companies. On [REDACTED], [REDACTED] sent a letter to [REDACTED], requesting the company to submit a “[REDACTED]” and provide additional information.

REDACTED

Figure: [REDACTED] letter to [REDACTED] ([REDACTED])

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107. However, [REDACTED] declined to provide any information to the United Nations. On [REDACTED], [REDACTED] replied with a letter signed by [REDACTED], [REDACTED] of [REDACTED], stating that "[REDACTED]".

REDACTED

Figure: [REDACTED] letter to [REDACTED] ([REDACTED])

108. Despite numerous attempts on the part of the Task Force to solicit substantive cooperation from [REDACTED], this company has failed to provide any of the requested company documents or make company officers and employees available for interviews with the Task Force. [REDACTED] failed to provide any assistance to the Organization in its inquiry despite the fact that it has enjoyed the benefit of substantial involvement in projects directly related to the United Nations. As a result, the Task Force was unable to examine and verify certain aspects of [REDACTED] involvement in the [REDACTED]-related matters under examination.

X. [REDACTED] NON-COOPERATION WITH THE INVESTIGATION

109. The Task Force has made several attempts to obtain information from [REDACTED], including via email and telephone calls. However, despite these repeated efforts, the company failed to provide a comprehensive or satisfactory response to the Task Force's queries and did not provide any of the requested supporting documents.

110. On [REDACTED], in follow-up to its attempts to solicit cooperation from [REDACTED], the Task Force sent a formal request for information. The Task Force requested the company to provide information concerning its communications with the [REDACTED] [REDACTED] with regard to [REDACTED] and its relationship with [REDACTED]. The Task Force's letter is reproduced below:

REDACTED

Figure: Task Force letter to [REDACTED], p. 1 ([REDACTED])

111. On [REDACTED], [REDACTED] submitted a response (see Annex B to this Report), signed by [REDACTED] ([REDACTED]). [REDACTED] response was neither substantive nor comprehensive. No supporting records were provided, although the Task Force has specifically requested them in its letter of [REDACTED]. Further, based on other records obtained by the Task Force, some of the information provided by [REDACTED] was inconsistent with evidence from other

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sources (particularly with regard to the circumstances of this company's involvement with [REDACTED]) and was not comprehensive, detailed, or satisfactory.

112. [REDACTED] has previously refused to cooperate with the [REDACTED]. As part of its [REDACTED] of the [REDACTED], the [REDACTED] requested the management of [REDACTED] to request [REDACTED] for certain information concerning the company. On [REDACTED], [REDACTED] sent a letter to [REDACTED], requesting the company to complete a "[REDACTED]."

REDACTED

Figure: [REDACTED] letter to [REDACTED] ([REDACTED])

113. However, the company declined to reply to [REDACTED] request for information. In his [REDACTED] letter to [REDACTED]—shown in Annex C to this Report—[REDACTED] of [REDACTED] stated, "[REDACTED]."

[REDACTED] was "[REDACTED]" further asserted that [REDACTED] and, "[REDACTED]" which precluded the company from sharing any information with any other parties, including the United Nations. [REDACTED] concluded that "[REDACTED]" for [REDACTED] to provide the United Nations with the requested information.

114. Despite numerous attempts on the part of the Task Force to solicit substantive cooperation from [REDACTED], this company has failed to provide any of the requested company documents or make company officers and employees available for interviews. [REDACTED] has failed to provide any assistance to the Organization in its inquiry despite the fact that it has enjoyed the benefit of substantial involvement in projects directly related to the United Nations. As a result, the Task Force was unable to examine and verify certain aspects of [REDACTED] involvement in the [REDACTED]-related matters under examination.

XI. INTELLECTUAL PROPERTY RIGHTS

115. A number of concerns were brought to the attention of the Task Force regarding the potential implementation of the [REDACTED] without the knowledge or involvement of [REDACTED]. Specifically, such concerns were expressed with regard to the implementation of the [REDACTED] in the [REDACTED]. The Task Force conducted a preliminary investigation of the unauthorized implementation issue and found those concerns to be unwarranted.

116. As a result of its review of this issue, the Task Force considered the question of what intellectual property rights, if any, the Organization might have in the [REDACTED]

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[REDACTED] should there be a need to rely on such rights to prevent any unauthorized use or implementation of the [REDACTED].

117. Investigators spoke with [REDACTED], [REDACTED] to [REDACTED], to determine what steps, if any, had been taken by [REDACTED] to protect the Organization's intellectual property rights in [REDACTED]. [REDACTED], who has been with [REDACTED] since [REDACTED], was of the belief that the Organization had never taken any formal steps to apply for or otherwise register any intellectual property rights in respect of [REDACTED]. [REDACTED], former [REDACTED] of [REDACTED], expressed a similar view in a letter.

118. [REDACTED], during his interview, said that he was not sure of the position with respect to registration of intellectual property rights, but noted that this was a question he had raised in the past but to which he had never received a "straight answer."

119. During its review, Task Force investigators found a document which, on its face, purports to assert that [REDACTED] is the registered [REDACTED] of a [REDACTED] of intellectual property rights in [REDACTED]:

REDACTED

Figure: "[REDACTED] Powers the [REDACTED]" (undated)

120. [REDACTED] stated that he did not think that the content of this document in the figure above was accurate with respect to the registration of intellectual property rights, but that it suggested to him as though a member of [REDACTED] staff had made a good faith attempt to protect rights in [REDACTED] without necessarily understanding the content of what was being drafted. [REDACTED] was also unable to comment on the accuracy or otherwise of the information set out in the figure above, but speculated that the document was likely a test web page from an early [REDACTED] of [REDACTED].

121. The Task Force did not identify any records showing that any intellectual property rights have been registered. Although the figure above does not specify the jurisdiction in which the [REDACTED] [REDACTED] and [REDACTED] are purportedly registered, investigators made preliminary enquiries of the [REDACTED] registries of [REDACTED] and the [REDACTED] and found no evidence that any such registrations have been made.

122. According to [REDACTED], one of the difficulties associated with registration of intellectual property rights in the name of [REDACTED] was that [REDACTED] has no legal identity. As such, any registration of intellectual property rights would need to be in the name of the Organization—not [REDACTED].

123. A preliminary examination of the [REDACTED] website reveals evidence suggesting that [REDACTED] is provided on an [REDACTED] basis, and that Member States acquiring the [REDACTED] also acquire "[REDACTED]" when they implement the [REDACTED]:

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Figure: [REDACTED], "About [REDACTED]," [http://www.\[REDACTED\]](http://www.[REDACTED])

124. The wording on the website shown in the figure above raises the issue of the extent to which the Organization intends to maintain intellectual property rights in [REDACTED]. [REDACTED] which is truly "[REDACTED]" in nature is subject to significantly fewer restrictions in terms of [REDACTED] and [REDACTED] than [REDACTED] which is not provided on an [REDACTED] basis. Although it is ambiguous, the expression "[REDACTED]" could be construed as suggesting that users of the [REDACTED] acquire intellectual property rights in the [REDACTED] which might otherwise belong to the Organization.

125. Task Force investigators considered the issue of [REDACTED] in their interviews with [REDACTED] and with [REDACTED]. Both expressed the view that [REDACTED] was *not* to be considered [REDACTED]. In a letter to the Task Force, [REDACTED] expressed a similar view.

126. However, it appears that there is no formal [REDACTED] ([REDACTED] or otherwise) in place governing the intellectual property rights position in respect of [REDACTED]. Rather, [REDACTED] relies on a single paragraph inserted in the project documentation for implementation of the [REDACTED] system in a Member State to set out its position with respect to intellectual property rights. Task Force investigators obtained a sample of that wording taken from the implementation documentation for one of the Member States and which is, according to [REDACTED], representative of the wording used in other projects.

REDACTED

Figure: [REDACTED] email to [REDACTED] ([REDACTED]) (containing sample wording from [REDACTED])

127. While this wording makes clear that a Member State is not to [REDACTED] to a third party without the prior permission of [REDACTED], it is not clear what is meant by the fact that [REDACTED] is "[REDACTED]" to the Member State, nor is it clear how this is consistent with the concept of "[REDACTED]" by a Member State as specified on the [REDACTED] website. According to [REDACTED], the wording used above was not a result of formal legal advice having been obtained.

128. The picture which emerges from the review of intellectual property issues is one of uncertainty, inconsistency, and confusion as to the legal position with respect to the protection of intellectual property rights in [REDACTED]. Inconsistencies in approach between the way in which [REDACTED] is presented to the public at large on the [REDACTED] website and the understanding of the legal position by [REDACTED] staff members is a matter of concern, as is the fact that the provisions dealing with intellectual

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property protection in [REDACTED] project documentation are brief, ambiguous, and are not the product of legal advice having been obtained.

129. [REDACTED] has recently begun to consult with [REDACTED] regarding appropriate measures to be taken with respect to the protection of intellectual property rights in [REDACTED]. These consultations should continue until the Organization's position concerning the intellectual property rights in [REDACTED] is clarified and appropriate steps are taken. [REDACTED]—in consultation with [REDACTED]—should ensure that its documentation is consistent with the Organization's position with regard to the protection of intellectual property rights in [REDACTED] (as will be determined in consultations with [REDACTED] and other relevant offices and departments).

XII. FINDINGS AND CONCLUSIONS

130. The Task Force finds that the [REDACTED] and its outcome—i.e., [REDACTED] of [REDACTED] without any assurances and guarantees on the part of the company, particularly with regard to performance and pricing—were not in the best interests of the Organization. The [REDACTED]—as well as [REDACTED] and the Organization—were exposed to unjustified and significant financial and reputational risk.

131. Although the Task Force finds that the [REDACTED] of [REDACTED] was not conducted in the best interests of the Organization, the Task Force does not find that any disciplinary action is warranted against the staff members involved in the [REDACTED]. The Task Force takes into account the explanations provided by the staff members concerned and the fact that it did not identify any evidence of nefarious intent on the part of the staff members involved in the [REDACTED].

132. The Task Force cannot reach firm conclusions about the activities of [REDACTED] as a result of his failure to cooperate fully with the Task Force, the lack of cooperation provided by the companies as discussed above, and the gaps in evidence that have been identified. The Task Force established that, prior to [REDACTED], [REDACTED] was involved in discussions—including with [REDACTED]—concerning [REDACTED]. The Task Force did not identify evidence through the materials it has reviewed and the other interviews conducted, however, that [REDACTED] was engaged in outside employment or occupation while employed by the Organization, that he was involved in the [REDACTED] of the [REDACTED] while employed by the Organization, or that he attempted to steer business opportunities to [REDACTED]. The Task Force notes, however, that it was unable to establish and verify the exact nature and scope of [REDACTED] involvement with [REDACTED] in [REDACTED] due to the limited information provided by [REDACTED].

[REDACTED]. The [REDACTED] calls into question the nature and extent of activities. Therefore, the Task Force cannot reach firm conclusions about [REDACTED] on these issues.

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133. The Task Force did not identify evidence substantiating that [REDACTED], [REDACTED], or [REDACTED] were associated with [REDACTED]. The Task Force did not identify evidence suggesting that [REDACTED] were, in fact, engaged in any outside employment with [REDACTED], including [REDACTED].

134. The Task Force did not identify instances of improper disclosure of confidential United Nations information and documents by any [REDACTED] staff members.

135. The Task Force identified a separate matter concerning improper and unauthorized use of information and communication technology resources by several UN staff members. This matter does not directly concern the issues addressed in this Report and will be referred to the [REDACTED] for further investigation.

136. Throughout this investigation, the Task Force has made numerous requests to [REDACTED] and [REDACTED] for relevant information, records, and access to company employees and officers. However, [REDACTED] and [REDACTED] have refused to provide any assistance to the Organization in its inquiry despite the fact that they have enjoyed the benefit of substantial involvement in projects directly related to the United Nations. As a result, the Task Force was unable to examine and verify certain aspects of [REDACTED] involvement in the [REDACTED]-related matters under examination. By intentionally refusing to cooperate with an official United Nations investigation, [REDACTED] acted to the detriment of the Organization. [REDACTED] and [REDACTED] failure to respond to the Organization's requests for documents and information has been one of the major impediments to this investigation.

XIII. RECOMMENDATIONS

A. RECOMMENDATION PTF-R006/08/1

137. The Task Force recommends that [REDACTED] take appropriate measures to ensure that [REDACTED] is fully involved and consulted with in all procurement-related matters.

B. RECOMMENDATION PTF-R006/08/2

138. The Task Force recommends that [REDACTED] ensure that the interests of the Organization are fully protected when developing and implementing further [REDACTED] of the [REDACTED].

C. RECOMMENDATION PTF-R006/08/3

139. The Task Force recommends that [REDACTED] inform [REDACTED], [REDACTED], and [REDACTED] that the investigation did not identify any violations of any rules or regulations on their part.

D. RECOMMENDATION PTF-R006/08/4

140. The Task Force recommends that the [REDACTED]

E. RECOMMENDATION PTF-R006/08/5

141. The Task Force recommends that the [REDACTED]

F. RECOMMENDATION PTF-R006/08/6

142. The Task Force recommends that [REDACTED]

G. RECOMMENDATION PTF-R006/08/7

143. The Task Force recommends that the [REDACTED]

H. RECOMMENDATION PTF-R006/08/8

144. The Task Force recommends that the [REDACTED]

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I. RECOMMENDATION PTF-R006/08/9

145. The Task Force recommends that [REDACTED]

J. RECOMMENDATION PTF-R006/08/10

146. The Task Force recommends that [REDACTED]

K. RECOMMENDATION PTF-R006/08/11

147. The Task Force recommends that [REDACTED] consult with [REDACTED] and other relevant offices and departments to determine the Organization's formal position with regard to the protection of intellectual property rights in [REDACTED].

L. RECOMMENDATION PTF-R006/08/12

148. The Task Force recommends that [REDACTED] review existing product documentation—including, *inter alia*, project descriptions and implementation agreements—to ensure that its documentation is consistent with the Organization's position with regard to the protection of intellectual property rights in [REDACTED] (as will be determined in consultations with [REDACTED] and other relevant offices and departments).

M. RECOMMENDATION PTF-R006/08/13

149. The Task Force recommends that the [REDACTED], through [REDACTED]"), in consultation with other offices and departments concerned (including [REDACTED]), develop uniform standards for the preservation and archiving of information and communication technology resources and data, covering standards for the retention of official emails, working files stored on servers, and hard drives used by United Nations staff members.

150. The development of standards should take into account the substantive interests of the Organization as identified by [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], and other relevant offices, while balancing those with the practical and financial implications to those offices charged with

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implementing them, such as [REDACTED]. Such standards should also be supported with the assignment of appropriate human and financial resources to accomplish the task.

151. Having the responsibility for “assessing substantive and operational needs of the United Nations, and for developing, maintaining and monitoring the implementation of an effective information and communication technology strategy,” the recently appointed [REDACTED] would be best positioned to lead the effort to develop such standards, and to ensure their implementation throughout the Organization.

152. This recommendation is based on the experience of the Task Force in this and other cases, when significant and highly relevant information and communication technology data and resources were no longer available to [REDACTED] because of the lack of clear and uniform guidelines within the Organization on the preservation and archiving of such resources and data.

N. RECOMMENDATION PTF-R006/08/14

153. The Task Force recommends that [REDACTED], in cooperation with [REDACTED]—and, in particular, [REDACTED]—conduct ethics and procurement training for [REDACTED] staff members involved in any procurement operations to ensure that they are fully aware of all applicable procurement rules and procedures.

ANNEX A: GLOSSARY OF NAMES

REDACTED

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**ANNEX B: [REDACTED] LETTER TO THE TASK
FORCE ([REDACTED])**

REDACTED

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ANNEX C: [REDACTED] LETTER TO [REDACTED]
[REDACTED] ([REDACTED])

REDACTED