**UN's internal watchdog faces leadership vacuum**

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UNITED NATIONS — The leader of the agency that is supposed to root out corruption in the United Nations is stepping down Wednesday with no successor in sight, adding to fears that the U.N. is becoming less capable of policing itself.

With the departure of Inga-Britt Ahlenius, head of the Office of Internal Oversight Services for the past five years, three of the agency's four top jobs are unfilled. American and U.N. officials and watchdog groups are concerned that the U.N. is compromising its ability to prevent another scandal like the $1.8 billion bilked from the U.N.-run oil-for-food program in Iraq.

"The United States has consistently and aggressively pushed for a strong and independent Office of Internal Oversight Services to uncover fraud, waste and mismanagement at the U.N., but we are disappointed with the recent performance of its investigations division," said Patrick Ventrell, a spokesman for the U.S. Mission to the U.N.

"We have been crystal clear with the U.N. at the highest levels that the coming change in OIOS leadership must bring about a significant improvement in its performance to increase oversight and transparency throughout the organization," he told the AP, using the initials of the oversight office.

Interviews with OIOS officials and documents uncovered in Associated Press investigations portray a demoralized office whose staff lacks confidence in the management's leadership.

Despite a General Assembly resolution last December urging Secretary-General Ban Ki-moon to ensure that a successor was appointed before Ahlenius' term expired, none has been named and no indication has been given of when that will happen.

Asked by AP about the prospects for replacing Ahlenius, Angela Kane, the U.N.'s undersecretary-general for management, said July 1 that "a very intensive search" is under way.

Ahlenius declined interview requests and said by e-mail she will submit her end-of-assignment report to Ban on Wednesday, her last day on the job.

Another OIOS leadership position — the directorship of its investigative division — has been vacant since 2006. That unit's investigators were told, in a document obtained by the AP, not to open cases of financial fraud or corruption involving U.N. vendors or former staff — a reversal of past policy. Separately, they were ordered not to follow up on or to quickly close out investigations already launched by the U.N. Procurement Task Force when it operated from 2006 through 2008, according to OIOS officials speaking on condition of anonymity because they said they feared reprisals.

The Procurement Task Force, set up in the wake of the oil-for-food case, was headed by Robert Appleton, a veteran former U.S. federal prosecutor who was special counsel for that inquiry. It was disbanded at the end of 2008 under pressure from some governments that protested findings of wrongdoing involving citizens or companies from their nations.

The General Assembly had directed Ban and Ahlenius to ensure that the task force's caseload and capacities were transferred to OIOS' investigation division.

But since the start of 2009, the U.N. under Ban has cut back sharply on investigations into corruption and fraud within its ranks, shelving cases involving allegations of theft or misuse of millions of dollars, an AP investigation in January showed.

Many of the Procurement Task Force's completed investigations included urgent recommendations to turn over evidence to prosecutors in the countries concerned, but Ban's office rarely did so. The U.N. has no prosecutorial powers.

Since the start of 2009, Ban's office has referred one major case outside the U.N., according to U.N. officials, diplomats and figures supplied to AP by the U.N.'s legal office. Some major reports also remain sealed from public view, for no publicly stated reasons.

Last month, when asked by the AP to respond to the allegations and detail the U.N.'s anti-corruption efforts, Ban replied only that "addressing corruption as a way of enhancing good governance — that is a very important area — the United Nations is putting emphasis on that."

However, David Walker, the former U.S. comptroller general who now chairs the U.N.'s Independent Audit Advisory Committee, told AP he fears OIOS will be relegated to "a caretaker status" under the temporary oversight of the U.N.'s legal chief, Patricia O'Brien.

"Frankly, my bigger concern now is the leadership vacuum that exists in OIOS because Ahlenius' term ends this month, and it's very unclear what the status of the search is for a successor," said Walker, whose committee advises the General Assembly on accountability issues.

"And, furthermore, the heads for the investigation division and the evaluation and inspections division are still open," Walker said. "There are recommendations that have been pending with the secretary-general's office for an extended period of time — and just no response whatsoever."

Appleton was twice unanimously selected by an independent U.N. panel to head the investigations unit, and was among the more than 70 applicants who responded to worldwide advertising for a candidate. He was Ahlenius' choice for the job, but when asked why he hasn't gotten the job, Ban's office and Kane said the list of applicants lacked diversity.

In the absence of a permanent director, the investigation division is run by an acting director, Michael Dudley, a career U.N. official. The department's management under his tenure was criticized by some employees of the 70-strong division in a survey of staff in late 2008 obtained by AP.

Of 52 respondents, 47 percent said the management operates with integrity and 41 percent said it doesn't. The rest had no opinion. About three-fifths described the office as having low morale, ineffective leadership and unfair promotion practices.

In a Nov. 24, 2008, e-mail to senior staff, Dudley said the survey contained "some expected comments, some of which are very personal and related to my integrity and performance." He noted "most of the negative comments about me show a lack of trust," but said he hoped to change that.

The Government Accountability Project, a Washington-based nonprofit law firm, has previously represented at least one OIOS investigator who filed a whistleblower complaint alleging retaliation by Dudley.

Bea Edwards, the firm's international program director, told the AP that Dudley "does not seem to have been able to really pursue and close the tough cases that were left there by the Procurement Task Force."

"Many serious cases of substantial corruption have simply been closed or languished in that division under his management," she said.

The AP's investigation, based on U.N. documents and interviews with officials, found that Dudley has a record of closing cases before investigations were complete and has not actively pursued the initiatives begun by the Procurement Task Force. These include plans to investigate all five of the U.N.'s economic commissions around the world.

He also has cut back on investigators experienced in financial fraud and corruption and ditched other resources including former task force investigators and a task force contract that provided expert forensic support services.

Dudley, a 47-year-old Kentuckian, was hired as a deputy director of the investigative division in 2007. He declined to be interviewed, but in response to detailed questions, he told AP by e-mail he considers every investigation to be significant. He said his division looks into allegations of fraud, bribery and embezzlement and "a wide range of matters beyond.