

TESTIMONY OF US SENATOR JAMES INHOFE BEFORE THE  
**U.S. Senate Committee on Homeland Security and Governmental  
Affairs**

Subcommittee on Federal Financial Management, Government Information,  
and International Security

July 21, 2005

**BACKGROUND**

I want to begin the hearing by congratulating my fellow Oklahoman, Dr. Coburn, for holding this hearing. It is sorely needed, and I recommend more to come.

After decades now in Congress dealing with United Nations issues of all stripes, I am completely fed up with the United Nations.

For about a decade now, since even before its signature in 1997, the Kyoto Protocol to the United Nations Framework Convention on Climate Change has been a prime focus of my wrath in the Environment and Public Works Committee I now chair, as well as on the Senate floor, and overseas in Milan, Italy, at the 9th Conference of the Parties to the United Nations Framework Convention on Climate Change, known as COP-9.

Similarly, for over two years now, I have been engaged in battling the United Nations Convention on the Law of the Sea, including holding a hearing in my EPW Committee, and prompting ones in the Senate Armed Services Committee on which I serve, in the Senate Intelligence Committee, and in the House International Relations Committee.

Just recently I had the pleasure of voting AGAINST an amendment on the Senate floor to extend the reach of the United Nation into the United States regulation of energy production via UN designations of World Heritage sites.

I note gladly that on all of these issues Senator Sessions has been a stalwart ally, fellow traveler, and like-minded voter.

My interest in and concern about the United Nations was particularly peaked in December of last year (2004) upon my return from one of my many trips to Africa.

Shortly after that trip, I was talking with Ward Brehm, whom I had the pleasure of bringing to the attention of the Bush Administration and shepherding through the nomination and confirmation process to be the current Chairman of the African Development Foundation.

Ward Brehm related to me a meeting he had in Kigali, Rwanda, with my friend Rwandan President Paul Kagame and my other friend Nate Fields who serves as President of the African Development Foundation (ADF). The discussion centered on the African Development Foundation announcing the start-up of its operations in Rwanda.

President Kagame welcomed and endorsed ADF's operating mode where assistance is channeled directly to Rwandan enterprises, communities, businesses and non-governmental organizations. He noted that this was the only way of assuring that the people benefit, because this type assistance generates new jobs, increased incomes, and the development of Rwandan products.

In contrast President Kagame suggested that too much of the assistance for the United States Agency for International Development (USAID) was in the form of highly paid consultants and numerous technical studies (often repeating the same analysis). President Kagame suggested that out of the more than \$50 million annual assistance received from USAID, he could see or account for perhaps \$3 million that was going directly to the people at grassroots to generate economic growth in Rwanda.

Assistance for Rwanda according to State  
Department

<u>Account</u>	<u>Fiscal Year 2004</u>
Child Survival & Health	13,300,000
Development Assistance	5,871,000
Global HIV/AIDS Initiative	16,382,000
International Military Education Training	298,000
PL 480	14,579,000.00
<b>TOTAL</b>	<b>50,430,000</b>

That discussion infuriated me. What a waste on behalf of our citizens and what a shame for the lost opportunity to truly help the needy souls of Rwanda! It was time to act and to prevent that aid from being diverted, and I became determined to get to the bottom of the problem.

In a related discussion with Richard Soudriette, my Chief of Staff when I was Mayor of Tulsa and current President of the International Foundation for Election Systems, it was suggested that inefficiencies within and diversions by the United Nations World Food Programme and the United Nations Food and Agriculture Organization could be part of the problem.

At that point my interest in the United Nations had not only been kindled but was on fire.

### **SIGNIFICANT PROBLEMS AT THE UNITED NATIONS**

With my ear now acutely attuned to United Nations activities as of last December, a true litany of United Nations problems ensued, each one a prayer for improvement and correction:

1. Congressman Chris Smith held a hearing in December of 2004 pointing out the complicity of the United Nations in the forced abortion policies of the People's Republic of China;
2. I was impressed by and cosponsored Senator Ensign's reintroduction in February 2005 of his bill S. 291 to require the withholding of United States contributions to the United Nations until the President certifies that the United Nations is cooperating in the investigation of the United Nations Oil-for-Food Program, which Senator Ensign originally introduced on May 5<sup>th</sup> of 2004;
3. *Congo Rapes*  
Whereas United Nations peacekeepers and civilian personnel in the Democratic Republic of the Congo, entrusted with protecting some of the weakest and most vulnerable women and children in the world, stand accused of more than 150 major human rights violations, the U.N. Secretary-General Kofi Annan has both

validated and acknowledged that “*acts of gross [sexual] misconduct have taken place,*” and allegations exist of U.N. Peacekeepers in the Congo have threatening and seeking to illegally manipulate U.N. investigations through the obstruction of witness testimony.

4. *Sudan/Darfur*

Whereas there have been over 300,000 deaths in the Darfur region due to violence, famine and disease, over 70,000 of which were civilian deaths, and nearly two million displaced persons, and the refusal of the UN Security Council to declare these mass killings in this region a genocide.

5. *Rwanda Refugee Camps*

Whereas attacks on Rwandan refugee camps have claimed hundreds of lives; about 160 killed and 110 injured on the Gatumba refugee camp and the 160 people shot, hacked, and brunt to death at a Tutsi refugee camp in Burundi, a crisis where the President Domitien Ndayizeye claims no responsibility.

6. Scant attention paid to the grievous sins of the Lord’s Resistance Army.

7. The UN holds a multitude of conferences around the world in exotic locations on every topic under the sun, including Global Warming.

- These are lavish events with fancy hotels and succulent foods.
- Story about your friend from Africa whom you saw in Milan, Italy.

8. Kofi Annan knew about the genocide in Rwanda before it occurred and kept the UN neutral.

- The movie Hotel Rwanda is based on the incredible true story of Paul Rusesabagina, who used the five-star hotel he managed to shield almost 1,300 Rwandans from certain death in 1994.
- The only place you can find this stomach-turning story, in fact, is in Ambassador Dore Gold’s new UN-trashing tome called Tower of Babble.

- Gold’s heavily researched and copiously footnoted book is solid throughout, but by far the best chapter is “Impartial to Genocide,” which serves as a damning indictment of Kofi Annan. The most startling revelation: Despite having credible advance warning that a genocide was imminent, Kofi was the man who spearheaded the UN’s unconscionable position of “neutrality” as Hutu militias murdered thousands of Tutsis per day.
- On January 11, 1994—three months before the genocide began—Major General Romeo Dallaire, head of the original UN peacekeeping unit in Rwanda, sent a secret cable to UN officials in New York warning that a “very, very important government politician” had put him in touch with a Hutu informant who warned that Hutu militias were planning the “extermination” of minority Tutsis.

#### 9. UN Oil For Food Programme

- Has been a complete scandal.
- Kofi Annan’s son right in the middle of it.
- It has prompted numerous investigations and legislation against the UN.
- You are a sponsor of the principal Oil-For-Food bill in the Senate this Congress.
- All agree it has seriously damaged the credibility of the UN.

#### 10. United Nations Convention on the Law of the Sea

- **John Norton Moore, University of Virginia Law School Professor:** “[T]here is nothing in the International Seabed Authority or any other element created by the Law of the Sea Treaty that is United Nations. There is no unit of the United Nations created. The International Seabed Authority has no employee of the United Nations. It is not United Nations...”
- That is totally refuted by **Hans Corell**, United Nations Under-Secretary-General for Legal Affairs (**Legal Counsel of the UN**) stated, “At

the highest level the global and political, the UN General Assembly exercises a general oversight function over all matters related to ocean affairs and the Law of the Sea.”

- **Vern Clark, CNO**, testified that Law of the Sea “provisions also do in fact apply to the air.”
- **INHOFE**: “Under the Convention, the U.S. Coast Guard or others would not be able to search any ship until the U.N. notifies and approves the right to search a ship. Is that accurate or is that inaccurate?”
- **John Turner**, Assistant Secretary of State for Oceans and International and Scientific Affairs: “I am going to ask Mr. Taft to respond to that.”
- **William Taft**, Chief Legal Counsel for the Department of State: “I will have to look at that specific provision, Mr. Chairman. I am not familiar with that, I am afraid to say, but I think we ought to look at it.”

## **AMENDMENTS TO FOREIGN AFFAIRS AUTHORIZATION ACT**

To begin to rectify some fraction of these problems, I offered 14 amendments to the Foreign Affairs Authorization Act to address many of these problems.

Working with Senator Lugar and his staff, I had 11 of the 14 accepted by the majority in some negotiated form or other. Shortly thereafter, the Foreign Affairs Authorization Act was pulled from floor consideration.

Of those 14 amendments I introduced, one of them, SA 304, addressed the reports of exorbitant costs of renovating the UN headquarters.

## **NEW YORK SUN ARTICLE**

Perhaps the real genesis of my United Nations headquarters renovation amendment was a fascinating piece in the New York Sun written on Friday, February 4, 2005, by Staff Reporter Meghan Clyne entitled, *TRUMP SCOFFS AT U.N.'S PLAN FOR NEW H.Q.*

Congressman Scott Garrett, a Republican from New Jersey's fifth District is mentioned in the article and my office made more than twenty contacts with Congressman Garrett's office, including meeting in person to discuss various options for addressing the issue.

Thus the article provided excellent contacts.

Substantively, the article brought to light several interesting points. Meghan Clyne, the reporter, noted the sorts of renovations planned by the United Nations: "security upgrades, greater energy efficiency, the removal of hazardous materials, updated fire-safety systems and handicapped access, expansion of meeting facilities, and improvements in technology and communications equipment."

Ms. Clyne took those categories of renovations to several qualified Manhattan real-estate experts to check the cost proposed by the United Nations for the 2,650,653 square feet to be renovated.

These experts included the respectable likes of an executive managing director at the commercial real-estate firm Julien J. Studley Inc., Woody Heller; an executive vice president at Newmark, Scott Panzer; chairman of global brokerage at commercial real-estate firm CB Richard Ellis, Stephen Siegel; and another from whom I look forward to hearing today and about whom Senator Sessions will have more to say.

To a person, they all said that the renovation costs proposed by the United Nations was much higher than it should be.

## **COST COMPARISONS**

The Environment and Public Works Committee I chair has jurisdiction over the General Services Administration that has charge of federal buildings such as office buildings and courthouses. We authorize each and every prospectus for these buildings.

The UN buildings to be renovated have square footage as follows:

General Assembly	263,600 square feet
Secretariat	812,500 square feet
Conference Building	320,000 square feet

Basement (Parking)	856,800 square feet
South Annex Building (Cafeteria & Training Classrooms)	42,000 square feet
Dag Hammarskjold Library	115,600 square feet
North Lawn Building (Printing facility)	95,800 square feet
United Nations Institute for Training and Research (UNITAR)	144,300 square feet
TOTAL	2,650,600 square feet

Hence the article reports that, “Under the Capital Master Plan, a total of 2,650,653 square feet will be renovated.”

Dividing the total cost of the renovation project by the square footage to be renovated, Ms. Clyne notes, “Using the space figure cited in the Capital Master Plan yields a per-squarefoot cost of \$452 for the renovation.”

For some points of reference, my staff has provided a cost comparison to some federal buildings in the United States:

Brooklyn Courthouse (Annex), New York	\$307 per gross square foot
Islip Courthouse, New York	\$262 per gross square foot
Ronald Reagan Building, Washington	\$263 per gross square foot
Boston Courthouse, Massachusetts	\$297 per gross square foot
Embassy, Bangkok, Thailand	\$410 per gross square foot
Embassy, Ottawa, Canada	\$492 per gross square foot

Now it’s important to keep in mind that the cost reflected in these numbers includes CONSTRUCTION and even demolition in some cases, rather than mere renovation.

Renovation ought to be less expensive than construction from scratch.

My office has communicated with Charles Matta, FAIA, who is the Acting Director of the Center for Federal Buildings and Modernizations in the Office of the Chief Architect at the General Services Administration’s Public Buildings Service.

Mr. Matta has kindly provided that some useful information. He notes, for example, that the building type and square footage of a New York courthouse will bear some similarities to the New York General Assembly building that has 263,600 square feet. He makes the other following comparisons, complete with comparable square footage and comparable cost per square foot:



General assembly:	(equivalent to Courthouse 263,600 s.f low rise):	\$360-416 per Gross Square Foot
Secretariat	(equivalent to high end tall Office Building 812,500 s.f high rise):	\$282 per Gross Square Foot
Parking Garage modernization:	(equivalent to new inside parking structure with secure 200 spaces):	\$125 per Gross Square Foot
Conference facility:	(equivalent to 320,000 s.f low rise):	\$303 per Gross Square Foot
Cafeteria & Training:	(equivalent to 42,000 s.f 2-story):	\$331 per Gross Square Foot
Library:	(equivalent to 115,000 s.f low rise):	\$290 per Gross Square Foot
Printing Plant:	(equivalent to warehouse 95,800 s.f one level):	\$256 per Gross Square Foot

Thus, from the information available to my staff and me, I conclude that loan amount of \$1.2 billion for renovating the UN Headquarters per the UN Capital Master Plan is significantly higher than fair market value would require.

### **OVERSIGHT OF THE UN CAPITAL MASTER PLAN**

Through the good work of the Subcommittee Chairman’s staff, my staff and the staff of Senator Sessions met several times with the General Accountability Office, which has conducted two studies of the UN project.

The most striking thing my staff learned is really what the GAO did not do. GAO examined the process the United Nations used, but GAO did not guarantee that the price was at fair market value. GAO did not guarantee that the project was being done as cost-effectively as possible.

In fact, GAO concludes that “Oversight Will Be Needed.” And here we are today.

Also important from the New York Sun article by Meghan Clyne is the statement,

“Another body that reviewed that plan, according to a U.N. spokesman, Farhan Haq, was the U.N. Board of Auditors. That board, the plan says, ‘was unable to carry out an assessment of the cost estimates due to conflict of interest considerations.’ Those considerations were not explained.”

Obviously the problem is that the normal assessment of cost estimates was not done, and such oversight is crucial because this project is the largest of its type in UN history. There were even questions whether the UN could handle the project in the first place. I still wonder.

Furthermore, the Sun article continues,

“Mr. Haq said, however, that another U.N. watchdog, the Office of Internal Oversight Services, was "regularly auditing" the Capital Master Plan in full, including the cost estimates. The Office of Internal Oversight Services was one of two U.N. bodies that audited the oil-for-food program.”

Here too, the implication is clear—if the Office of Internal Oversight Services at the UN audited the Oil-for-Food Program so poorly that Dileep Nair, the head of this watchdog office, was fired, how good can we expect the auditing of the UN Capital Master Plan to be?

### **INHOFE UN HEADQUARTERS AMENDMENT TO FOREIGN AFFAIRS AUTHORIZATION ACT**

Given this dearth of reliable and normally functioning cost controls, I offered my United Nations Capital Master Plan amendment to the Foreign Affairs Authorization Act.

It read as follows:

#### ***Congressional Record Full Text for the 109th Congress***

**(Senate - April 06, 2005)**

[Page: S3320 & S3321]

SA 304. Mr. INHOFE submitted an amendment intended to be proposed by him to the bill S. 600, to authorize appropriations for the Department of State and international broadcasting activities for fiscal years 2006 and 2007, for the Peace Corps for fiscal years 2006 and 2007, for foreign assistance programs for fiscal years 2006 and 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 59, between lines 4 and 5, insert the following:

SEC. 405. RENOVATION OF UNITED NATIONS BUILDING IN NEW YORK CITY.

(a) *In General.*--Notwithstanding any other provision of law, no Federal funds shall be used to process any acceptance of the offer of a loan for \$1,200,000,000 at 5.5 percent interest, or any other loan amount at any other interest rate, for the renovation of the United Nations building in New York, New York, until the Secretary of State certifies the falsehood of reports from approximately 6 renovation experts with particular experience in the costs of renovating high-end facilities and structures in New York, New York that the costs proposed by the United Nations for such renovation is above commercial, fair market prices.

(b) *Additional Offers.*--In examining such reports of severely inflated cost estimates (some estimating charges in excess of 200 percent of fair market value), the Secretary shall arrange a meeting of the Bureau of International Organizations to discuss and receive written offers for the renovation of the United Nations building in New York, New York from not less than 12 different renovation enterprises or experts.

After negotiation with the Foreign Relations Committee, we settled upon the following approach:

SEC. 405. RENOVATION OF UNITED NATIONS BUILDING IN NEW YORK CITY.

(a) *In General.*--Notwithstanding any other provision of law, no Federal funds should be used to process any acceptance of the offer of a loan for \$1,200,000,000 at 5.5 percent interest, or any other loan amount at any other interest rate, for the renovation of the United Nations building in New York, New York, until the Secretary of State determines, based on expert opinion provided by the Bureau of Overseas Building Operations, that the cost proposed by the United Nations for

renovating facilities and structures in New York, New York is not above commercial, fair market price.

In our negotiations, the Foreign Relations Committee explained that the State Department has grappled with excessive costs before. Specifically, there was a problem with the costs of building and renovating United States embassies.

To this end, the Secretary of State put in place strong, experienced, and professional leadership to create a high-performing and responsive organization. On March 12, 2001, Major General Charles E. Williams, USA, retired, was appointed as Deputy Assistant Secretary of the Office of Foreign Buildings Operations. Two months later, the former Office of Foreign Buildings Operations was upgraded to Bureau level, reorganized, and renamed Overseas Buildings Operations (OBO), reporting to the Undersecretary for Management, with General Williams as Director and Chief Operating Officer (Assistant Secretary equivalent).

General Williams reorganized the Bureau to ensure full accountability, top performance, and clear understanding of the mission; introduced industry best practices and an Industry Advisory Panel; fast tracked every project; created a Long-Range Overseas Buildings Plan; and is leading the Bureau to becoming a results-based organization.

The Bureau of Overseas Buildings Operations (OBO) directs the worldwide overseas buildings program for the Department of State and the U.S. Government community serving abroad under the authority of the chiefs of mission. In concert with other State Department bureaus, foreign affairs agencies, and Congress, OBO sets worldwide priorities for the design, construction, acquisition, maintenance, use, and sale of real properties and the use of sales proceeds.

Since his appointment as Director/Chief Operating Officer, General Williams has opened 15 new embassy compounds with an additional 40 under design and construction.

Against this background, and as a result of General Williams' effective work, we designated the Bureau of Overseas Buildings Operations and General Williams as independent third-party arbiters of whether or not the cost of the planned UN renovations exceeded fair market value.

My amendment is one method to ensure that the US taxpayers who will be paying hundreds of millions of dollars for this project do not get taken.

## **WRAP UP**

That wraps up the meat of my testimony, but I did want to mention a few last items.

I want to note that in examining the workings of the United Nations, I had my staff contact the UN and ask for their budget. I want you to know the United Nations responded that it was the first time that they had ever received a request from Congress for their budget.

That fact alone cries out for more good work by the likes of this committee. I would like to recommend the topics of some of the other subjects of my amendments to the Foreign Operations Authorization bill.

I am interested in the ensuing testimony from the all of the witnesses, and thank Dr. Coburn and Senator Sessions for their excellent work and the work of their staffs in raising the profile of this important issue.

Thank you.