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**UNITED NATIONS**

**Office of Internal Oversight Services  
Investigations Division**

**REDACTED  
REPORT OF INVESTIGATION**

**ID CASE NO. 0417/04**

**12 December 2005**

**ALLEGATIONS OF BRIBERY AND A LEAK OF INFORMATION PRIOR TO  
THE BIDDING PROCESS FOR A TRAVEL MANAGEMENT SERVICE  
CONTRACT IN THE UNITED NATIONS MISSION IN LIBERIA**

**I. INTRODUCTION**

1. A report was received by the Investigations Division of the Office of Internal Oversight Services (ID/OIOS) alleging that a travel agency had offered a kickback to two staff members working in the United Nations Mission in Liberia (UNMIL) to influence the award of a contract related to the provision of Travel Management Services (TMS) in Accra, Ghana. It was further alleged that UNMIL staff members may have leaked confidential information relating to the pending TMS contract.

**II. BACKGROUND INFORMATION**

2. UNMIL was established by Security Council Resolution 1509 on 19 September 2003. In order to facilitate the acquisition of official business and private travel air-tickets, UN Financial Regulations required UNMIL to procure the services of a reliable travel agency to act as the official contractor for such expenditures.

3. The necessity for such procurement is detailed in an interoffice memorandum dated 2 December 2004 from Procurement Officer in UNMIL, to the Headquarters Committee on Contracts (HCC) for their consideration and approval. The presentation identified the need for staff members to travel from Monrovia to various destinations for both official and private purposes. While there are regional airlines that offer flights from Liberia to countries such as Guinea, Sierra Leone, Ivory Coast, Ghana and Nigeria, only SN Brussels operates direct flights to Europe via Brussels twice a week. SN Brussels airfares are expensive, due to the lack of competition. The presentation also identified that Liberian travel agents do not possess the capacity or the ability to cover the full range of Travel Management Services as required by UNMIL.

4. Given these reasons, UNMIL first established a focal point for travel in Abidjan, Côte d'Ivoire to enable the mission to meet the travel requirements of its staff members. UNMIL flights were thus scheduled to Abidjan, enabling staff members to connect to various international destinations. However, due to conflict in Côte d'Ivoire in November 2004, the hub had to be relocated to Accra, Ghana.

5. The procurement files revealed that UNMIL General Services Section (GSS) was the requisitioning office. After proper compliance with procedures, the requisitioner recommended that the contract be awarded to Travel Agency 1. The UNMIL Procurement Section (PS) concurred with the recommendations.

6. On 8 November 2004, the Procurement Section provided an in depth account to the Local Contracts Committee (LCC) of the requirement for the provision of travel management services to UNMIL. The LCC considered the case (MIL/LCC/4/3/05) and unanimously recommended approval by the HCC of the proposed one year contract for the

provision of Travel Management Services to Travel Agency 1, in the net travel estimates (NTE) amount of US\$2,000,000. The LCC received approval of the recommendation from the HCC in February 2005. The TMS contract between Travel Agency 1 and UNMIL was signed by both parties on 15 and 17 March 2005.

### **III. APPLICABLE NORMS**

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

*(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. Nor shall staff members use their office for personal reasons to prejudice the positions of those they do not favour”.*

*(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. These obligations do not cease upon separation from service”.*

#### **Procurement Regulation 4.2.5**

*“(2) (i) Bribery means the act of unduly offering, giving, receiving or soliciting anything of value to influence the process of procuring goods or services or executing contracts.”*

#### **Procurement Regulation 7.06.01**

*“No information of a material nature other than the bidding documentation, subsequent amendments thereto and questions and answers sent to all the invitees may be divulged to any individual or otherwise made public prior to the time of bid or proposal opening”*

#### **Financial Regulation 5.12:**

*“Procurement functions include all actions necessary for the acquisition, by purchase or lease, of property and real property, and of services, including works. 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.*

#### IV. METHODOLOGY

7. ID/OIOS reviewed the procurement files and conducted interviews with UNMIL Procurement and Travel and Traffic Unit (TTU) staff members. ID/OIOS also interviewed the Managing Director of the travel agency that was awarded the TMS contract.

#### V. INVESTIGATIVE DETAILS

##### *Offer of a kickback to influence travel contract*

8. ID/OIOS interviewed GSS Officer and a UNMIL Procurement staff member, in relation to the allegation of an offer of a kickback for the travel management contract. Both witnesses advised they travelled to Accra on 19 July 2004 to meet with potential bidders for the provision of the services to UNMIL. One of the meetings was with the supervisor of Travel Agency 2. After having the Mission's travel contract provisions explained to him, the supervisor of Travel Agency 2 offered GSS Officer a percentage of the contract to induce them to influence the final award of the TMS. This offer was also overheard by the Procurement staff member and both staff members advised ID/OIOS they were startled by the proposition. They subsequently informed the supervisor of Travel Agency 2 that while Travel Agency 2 could bid on the pending TMS contract, the Organization strictly forbids an offer of percentages or awards to staff members involved in the procurement process.

9. In order to obtain his version of events, the supervisor of Travel Agency 2 was also interviewed. He confirmed that he is the supervisor of Travel Agency 2 and recalled the visit of the UNMIL staff to explain the TMS contract. He advised that he offered a two percent commission to UNMIL on all ticket sales if Travel Agency 2 was to be awarded the contract. He confirmed that he was advised by the UN staff present that the United Nations (UN) prohibits the acceptance of such commissions. He advised ID/OIOS however that his proposal was directed to the UN as an organization and not to the individual staff members. He explained that the airline his company represents offers his company a four percent commission on ticket sales and in turn, his company could offer a two percent commission to any organization it contracted business with. He alleged it was the latter percent he offered to UNMIL.

##### *Leak of confidential information*

10. During a subsequent meeting with another travel agent in Accra, the UNMIL staff were appraised that they were in fact the second person(s) to visit Travel Agency 3 regarding the TMS contract. The manager of Travel Agency 3 advised the staff members that the representative of Travel Agency 4" had already approached and briefed him on the proposed UN contract. He stated that the representative of Travel Agency 4 offered him a commission to secure business for Travel Agency 4 in relation to the pending TMS contract.

11. GSS Officer confirmed with ID/OIOS that the bidding information was supposed to be confidential at this stage of the process. It was however apparent that the manager of Travel Agency 3 had already received detailed information in relation to the pending TMS

contract. The UNMIL staff members both suspected that the bidding information had been leaked. When questioned as to where the leak may have originated from within the UN, GSS Officer advised that he could not say for sure, but suspected that it may have been TTU Staff Member 1. He was aware that TTU Staff Member 1 had a friend, the representative of Travel Agency 4, because on one occasion he observed the subject in the TTU in front of a computer and inquired with staff present what he was doing there. He was informed that the representative of Travel Agency 4 had come to visit TTU Staff Member 1. Subsequent to this he had observed TTU Staff Member 1 sharing a meal with the same subject and also recalled one occasion when TTU Staff Member 1 mentioned to him that he had stayed at the representative of Travel Agency 4's residence. During the course of the separate interview with the Procurement Officer, it was also speculated that TTU Staff Member 1 could be responsible for the leak of information because of his supposed links to the management of Travel Agency 4 (the representative of Travel Agency 4.)

12. ID/OIOS interviewed each of the UNMIL staff members working in the TTU, including TTU Staff Member 1. All were apprised by ID/OIOS that evidence had been obtained indicating that a the representative of Travel Agency 4 had approached a travel agency in Ghana trying to solicit business with them in Accra through UNMIL's proposed TMS contract at a time when the information was still confidential. All four staff members denied having conveyed any such confidential information. One travel assistant acknowledged that he had prepared the original travel authorizations to Accra (which outlined the purpose of the trip to brief travel agents of the TMS), but indicated that all travel unit staff members have access to that information through the TTU database and filing system.

13. During the course of his interview, TTU Staff Member 1 confirmed that he knows the representative of Travel Agency 4. When asked to describe the nature of his relationship with the representative of Travel Agency 4, he advised that the directors of Travel Agency 4 also own two other companies, namely "Travel Agency 5" in Abidjan (directed by the representative of Travel Agency 5) and "Travel Agency 6" in Monrovia (directed by the representative of Travel Agency 6.) TTU Staff Member 1 said he got to know the representative of Travel Agency 4 through the representative of Travel Agency 6. While acknowledging that he and the representative of Travel Agency 4 enjoyed speaking in another language, he advised that he treated the representative of Travel Agency 4 no different than other vendors of the TTU.

14. TTU Staff Member 1 was questioned by ID/OIOS whether he had ever stayed in the representative of Travel Agency 4's residence. He stated that on 7 June 2004, he stayed in a guesthouse in Abidjan owned by the representative of Travel Agency 5, a business associate of the representative of Travel Agency 4, and that he paid US\$25.00 for the overnight accommodation. TTU Staff Member 1 provided ID/OIOS with a receipt issued by "Travel Agency 5" to establish his claim. He explained that he had lost the original receipt and had e-mailed the representative of Travel Agency 4 to request a copy. A copy of this e-mail was also produced. TTU Staff Member 1 also stated that the former UNMIL Travel Assistant had also previously stayed in this guesthouse. He provided ID/OIOS a copy of a receipt showing that the former Travel Assistant had been billed US\$35.00 for his stay at the guesthouse. When questioned, TTU Staff Member 1 stated that he has never

received any gifts or benefits from any travel agency and denied having ever provided any confidential information to the representative of Travel Agency 4.

15. One of the other TTU staff members, TTU Staff Member 2, interviewed during the course of the investigation provided information in relation to a separate incident that occurred in February 2005, when TTU Staff Member 1 handed him a sealed, brown envelope. The envelope was addressed to the representative of Travel Agency 4 and TTU Staff Member 1 wanted him to deliver it to the representative of Travel Agency 4 as the noted staff member was traveling to Accra in two days time. TTU Staff Member 2 asked TTU Staff Member 1 to give him the letter on the date he was actually leaving but TTU Staff Member 1 refused to take it back. The letter was subsequently left on a desk in the TTU. On the day of his departure for Accra, TTU Staff Member 2 called TTU Staff Member 1 intending to pick up the envelope. However, TTU Staff Member 1 was unable to find it and both then realized that the envelope had disappeared. TTU Staff Member 2 said he was surprised to learn from TTU Staff Member 1 that the envelope contained US\$2,800.00 for the purchase of personal airline tickets for two UNMIL staff members. TTU Staff Member 2 advised ID/OIOS that if he had known that the sealed envelope contained money, he would not have agreed to deliver the envelope for TTU Staff Member 1. The incident was brought to the attention of GSS Officer and the UNMIL Special Investigations Unit (SIU). After completion of their investigation, the SIU found both staff members to be negligent and requested reimbursement of the missing funds in equal portions. TTU Staff Member 2, when interviewed, advised ID/OIOS he refused to make any reimbursement, stating that even prior to this incident, TTU Staff Member 1 made a practice of collecting cash from staff members for payment to Travel Agency 4 for personal airline tickets and had advised him to stop the practice as it was improper. He also commented that the representative of Travel Agency 4 often telephoned TTU Staff Member 1 in the office, but because they always spoke in another language, he was unable to ascertain what was being discussed.

16. During the course of the investigation, ID/OIOS also found affixed to the door of the TTU, a copy of a Travel Agency 4 advertisement depicting economy fares for certain routes originating out of Accra. Although the TTU staff all agreed that it was improper for such an advertisement to be displayed within their premises, each of them also denied having placed it on the door.

17. As a result of the information gained, ID/OIOS requested the Finance Officer to produce the financial vouchers indicating payments affected to the various travel agencies utilized by UNMIL. The payments made are summarized as follows:

<b>Travel Agency</b>	<b>Total payment</b>	<b>Period</b>
Travel Agency 7	US\$ 28,303.00	12 Nov 03 -26 March 03
Travel Agency 8	US\$ 11,621.00	13 Dec 03- 30 Sep 04
Travel Agency 9	US\$ 22,308.74	28 Jan 04-31 Jan 05
Travel Agency 6/ Travel Agency 4	US\$ 539,968.00	10 May 04-14 April 05
Travel Agency 10	US\$ 322,367.00	14 Jan 05-22 March 05
Travel Agency 1	US\$ 32, 612. 00	23 Feb 05-30 March 05

18. A separate issue that arose during the course of the investigation was the non-adherence to the Financial Regulations and Rules (FRR) by TTU Staff Members. ID/OIOS established that initially, TTU did not request a minimum of three quotations from the various travel agencies as required by the Organization before the authorization of an official trip. Instead, quotations were mostly requested from one travel agency, Travel Agency 4, and, after August 2004, from Travel Agency 10. One staff member said that he was not well acquainted with the FRRs and procurement procedures in relation to purchasing of official travel air tickets for staff members, but was well aware that a minimum of three quotations had to be obtained before confirming any ticket purchase. He also advised that he had yet to receive any training on the FRR's and/or procurement regulations.

19. When questioned as to why quotes were initially only requested from Travel Agency 4, TTU Staff Member 3 advised ID/OIOS that TTU Staff Member 1 had introduced him to the idea of obtaining travel quotes from Travel Agency 4. At the time there was no officially appointed travel agency for UNMIL. TTU Staff Member 3 also acknowledged that a minimum of three quotations was supposed to be obtained before confirming a ticket purchase, but advised it was not always possible to adhere to this rule for operational reasons, such as responses from travel agencies were lacking and often extremely slow due to the fact that most travel agencies were unwilling or reluctant to issue tickets to UNMIL on credit.

20. In relation to the quotation requirements, TTU Staff Member 1 also stated that travel agencies were extremely slow to respond, due to the fact that most travel agencies were reluctant to issue tickets to UNMIL on credit. He added that the three-quotation requirement was only carried out from May 2004, and prior to that most of the official air tickets were purchased from Travel Agency 4. He noted that Travel Agency 4 would always respond quickly to UNMIL requests and they therefore preferred to use their services. He further explained that when a booking was placed first by one travel agent, it would then prevent the other agents from entering their bookings into the system. Thus, for convenience's sake they would usually confirm the booking with Travel Agency 4, especially where official tickets were needed on an urgent basis. He also noted that when UNMIL commenced operations, the TTU offices were situated at a hotel, the same location in which Travel Agency 4 was based and as such they always received notification of required bookings.

21. TTU Officer was appointed to the TTU in 2004. He confirmed that there was no official appointed travel agency when he assumed the position. He added that at that time, the TTU was obtaining travel tickets from Travel Agency 4 after obtaining two other quotations. Because Travel Agency 4's response was faster, they were able to secure the ticket deal. TTU Officer said that the TTU was given a list of travel agencies in November or December 2004 by Procurement, indicating that the TTU could explore the services of these other agencies for official travel. Upon receipt of this information the TTU began to use Travel Agency 10 as their response to TTU's requests for quotations was also fast.

## VI. EVIDENCE AND FINDINGS OF FACT

### *Offer of a kickback to influence travel contract*

22. ID/OIOS obtained testimonial evidence indicating that the supervisor of Travel Agency 2 offered two UNMIL staff members a kickback. However, there is no evidence to indicate that either staff member accepted the offer. The supervisor of Travel Agency 2 denied the accusation, stating that he had instead offered a two percent commission to UNMIL as an organization. ID/OIOS is inclined to believe the evidence of the two staff members who appeared to be very credible and clear about the fact that the supervisor of Travel Agency 2 had offered them a kickback if the Travel Management Service contract was awarded to Travel Agency 2.

### *Leak of confidential information*

23. ID/OIOS confirmed that when the UNMIL staff members visited the travel agencies in Accra between 18 and 20 July 2004, the bidding process for the provision of TMS services had yet to commence. Despite this, the representative of Travel Agency 4 was privy to confidential information as to UNMIL plans to appoint an official travel agency.

24. The association between the representative of Travel Agency 4 and members of the TTU, in particular TTU Staff Member 1, is of significant concern. The financial payment sheets confirm that Travel Agency 4 was the travel agency most utilized by UNMIL up to April 2005, having received approximately US\$540,000 in fees. TTU Staff Member 1 also seemed to have established a system with Travel Agency 4 for direct payment of cash for UNMIL staff members' personal airline tickets. His meal engagements with the representative of Travel Agency 4 and overnight stay in a guesthouse owned by a director of Travel Agency 4 (upon the invitation of the representative of Travel Agency 4) provides evidence to suggest something more than a mere business relationship, although TTU Staff Member 1 did produce a receipt of payment for his overnight stay in the guesthouse. It is not known, however, why his accommodations cost less than that of another former TTU Staff Member 1. The Travel Agency 4 advertisement found affixed to the door of the TTU also demonstrates a degree of bias by the TTU, but does not adduce evidence of corruption. Despite the fact that some staff members feel TTU Staff Member 1 might be behind the leak of information to the representative of Travel Agency 4, ID/OIOS is cautious to draw this conclusion, as the evidence to date is circumstantial and inconclusive.

### *Association with vendors*

25. TTU Staff Member 1 informed ID/OIOS that his stay at the guesthouse and his personal relationship with the representative of Travel Agency 4 did not influence the manner in which he dealt with Travel Agency 4. However, in accordance with Regulation 4.2.1 (1) of the Procurement Manual, TTU Staff Member 1 should have been cognisant of the impression that his actions create on others. When two witnesses were asked whom they thought leaked the confidential bidding information, they both speculated that it might be TTU Staff Member 1, with one adding that he had seen TTU Staff Member 1 dining out with the representative of Travel Agency 4 and that the representative of Travel Agency 4 once sat in the TTU in front of a computer allegedly on a visit to TTU Staff Member 1.



These associations, which are not prohibited as long as in good faith, combined with the fact that TTU Staff Member 1 stayed at the guesthouse, create an impression that TTU Staff Member 1 may have favoured Travel Agency 4, which is supported by the fact that Travel Agency 4 has been engaged the most of all the travel agencies working with UNMIL.

### ***Process of award of Travel Management Service Contract***

26. ID/OIOS found no evidence indicating that the procurement process leading to the award of the TMS contract to Travel Agency 1 was unfair or not transparent. However, ID/OIOS is concerned that Travel Agency 2 was invited to bid in the procurement process despite the fact that the Procurement Office had knowledge that the supervisor of the company had offered a bribe to UNMIL staff members in July 2004.

### ***Non-Observance of Financial Regulations Rules in the Travel Unit***

27. One of the principles under FRR 5.12 requires that staff members concerned with procurement functions do so with due consideration for best value for money. This provision was not always adhered to when TTU Staff Member 1 failed to request a minimum of three quotes as required. ID/OIOS also obtained evidence demonstrating that not all staff members were well acquainted with the financial rules, due to a lack of appropriate training.

## **VII. CONCLUSIONS**

28. The conduct of the supervisor of Travel Agency 2 in offering staff members a percentage in order for them to influence the award of the TMS contract amounts to a bribe within the purview of Regulation 4.2.5 of the Procurement manual. There is however no evidence of acceptance of the bribe by the UNMIL staff members.

29. Regulation 7.06 of the Procurement Manual and Staff Regulation 1.2 (i) was not adhered to as material and confidential information was disclosed by an unknown perpetrator(s) prior to the opening of bids for the TMS contract.

30. The concept of impartiality and fairness cannot be upheld as envisaged by Staff Regulation 1.2 (g) when an advertisement for one particular travel agency was placed on the TTU door, or by having staff members engage in dubious private transactions on behalf of vendors.

## **VIII. RECOMMENDATIONS**

31. Given the findings of this investigation, ID/OIOS recommends the following:

Recommendation 1: It is recommended that DPKO urges UNMIL, and all other missions, to immediately apprise ID/OIOS of reports of contractors who offer bribes to staff members, so that appropriate action can be taken. (ID Rec. No. IV04/417/01)

Recommendation 2: It is recommended that UNMIL, in collaboration with DPKO and the Procurement Division in UNHQ, ensure that the Procurement Section and Requisitioning Offices are well aware of the requirements for the confidentiality of bid information and that all applicable UN guidelines for procurement activity are in place and adhered to by all staff members. (ID Rec. No. IV04/417/02)

Recommendation 3: It is recommended that UNMIL should undertake training for all TTU staff on UN Rules and Regulations that apply to their official duties, with emphasis on conflict of interest issues. (ID Rec. No. IV04/417/03)

Recommendation 4: It is recommended that UNMIL advise TTU staff that the practice of receiving cash from staff members for private air ticket transactions should be stopped. If staff members experience difficulties in purchasing private air tickets in Monrovia, it is recommended that UNMIL consider facilitating the process of purchasing private air tickets in Accra in an open, transparent and controlled environment in compliance with UN Staff Rules and Regulations. This service should not be seen as an obligation by UNMIL, but merely a service to facilitate the private travel of staff members given the difficulties of travel related issues within the mission area. (ID Rec. No. IV04/417/04)

Recommendation 5: It is recommended UNMIL request the OIOS Resident Auditors in UNMIL to conduct an audit of the UNMIL Travel Unit to examine the current procedures and internal control systems. (ID Rec. No. IV04/417/05)

Recommendation 6: It is recommended that DPKO consider removal of Travel Agency 2 from future UNMIL procurement activities in accordance with paragraph 4.2.5 (3) (ii) of the Procurement Manual of January 2004, Rev. 02. (ID Rec. No. IV04/417/06)

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