Money to burn? US fumes as UN agency hands out millions in staff bonuses

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The World Intellectual Property Organization, an obscure United Nations agency in Geneva, has twice dismayed much of the world by its cavalier disregard for U.N. sanctions against North Korea. Now WIPO, as it is known, has found something else important to ignore:  the constraints of the U.N.’s cushy payroll system.

Diplomatic representatives from the U.S. and 17 other WIPO member nations known as the “Geneva Group”—mostly rich and Western, but including the Russian Federation—called on Francis Gurry, the autocratic Director General of WIPO, to “reconsider immediately” his announcement last month of a bonus of about $2,000 each for virtually everyone in his 1,200-person agency. Total value: about $2.4 million.

So far, he appears unlikely to do any such thing.

The reason for the group’s dismay:  Gurry’s burst open his bonus piñata without advance notice at a WIPO town hall meeting in April, and linked it to a WIPO program to reward efforts linked to “exceptionally meritorious performance, outstanding productivity or exceptional act of service.”

But since everyone at his agency with six months or more on the job got the money, that seemed unlikely.

Instead, outsiders believed the gusher was mostly intended to override one of the few pay cuts recently imposed at the U.N., a roughly 4.7 percent decrease in the cost-of-living formula for some 9,500 U.N. employees in Geneva, after a recalculation by an independent body known as the International Civil Service Commission (ICSC).

The U.N.’s pay and benefits system, known as the U.N. Common System, is one of the few threads that link together the more than 60 U.N. agencies, funds, programs and major offices around the world.

The system is ostensibly linked to the pay and benefits of the U.S. Foreign Service. But through the “post-adjustment” calculations and other perks—plus the fact U.N. salaries are essentially tax-free—it is much more generous.

ICSC officials say the cost-of-living “post adjustments” that form a vital element in the U.N.’s maddeningly opaque system of salaries and allowances, which even the [U.S. State Departments has said it does not understand](http://www.foxnews.com/world/2014/07/02/un-pay-and-perks-after-two-years-us-study-still-mystery.html), change all the time.

But in Geneva, the allowances mostly move up:  the last time the “post adjustment” was cut was in 1983, according to an ICSC fact sheet.

“The context of WIPO’s action is important, a U.S. State Department official told Fox News in an email response to questions.

The “decision to issue an agency wide bonus creates the impression that WIPO is trying to circumvent this reduction, and would set an unhelpful precedent unlikely to be lost on other organizations.”

In other words, at a time when the Trump Administration and many cash-strapped Western nations are looking at ways to limit their U.N. spending, the worry is that he may have found a new way to hit the financial accelerator.

Gurry and WIPO did not respond to questions from Fox News about the bonus and the Geneva Group letter. Several Geneva Group members contacted by Fox News also declined to answer questions.

One reason for the reticence, perhaps, is that Gurry apparently informed no one outside his agency in advance about the move—especially not U.N. Secretary General Antonio Guterres, who has no direct authority over the decision -- or over Gurry -- but is in the throes of a sensitive blitzkrieg effort to streamline and better coordinate his own stolid and sprawling U.N. Secretariat bureaucracy.

“We are not going to comment on this as WIPO has its own governing body and the Secretary General has no authority over WIPO,” Guterres spokesperson, Stephane Dujarric de la Rivierge, told Fox News.

WIPO is, however, a member of what the U.N. calls its “Chief Executives Board for Coordination,” or CEB, a group of 31 heads of major U.N. organization that meets to coordinate, among other things, management and human resources policy, and “harmonization of business practices.”  The most recent CEB meeting was on May 3-4.

Gurry also didn’t give advance notice to WIPO’s 191 member states, including the influential Geneva Group, who sit in various combinations on the organization’s governing bodies.  Nor did he tell the ICSC itself. The organization’s executive secretary, Regina Pawlik, says she first heard of the bonus announcement from Fox News.

One reason Gurry may feel he didn’t need to tell anyone is that his organization, by U.N. standards, is rich as well as independent. WIPO depends on money from its member states far less than other U.N. organizations, because it hauls in hefty fees from its main line of business, the facilitation of international patents.

The biggest factor of all, however, is that for years, Gurry has boggled the international community and his own staff with the high-handed and arbitrary way he does many things.

In 2012, he caused an uproar among Western governments when documents emerged showing WIPOP sent sophisticated computers and firewalls to North Korea and to Iran, both under sanctions for their [illegal and threatening nuclear weapons programs](http://www.foxnews.com/world/2012/04/03/exclusive-cash-for-computers-is-un-busting-its-own-sanctions-in-north-korea.html).

A subsequent investigation found WIPO had not technically broken U.N. sanctions, but investigators said they “simply cannot fathom” why Gurry went ahead [without informing U.N. sanctions committees of the move.](http://www.foxnews.com/world/2012/09/13/un-shipment-high-tech-to-north-korea-iran-unjustified-and-unfathomable-say.html)

Yet another internal U.N. report declared in 2016 that Gurry, an Australian native, had bent his agency’s procurement rules and steered an ultrasensitive cybersecurity contract to a business acquaintance.

And in 2017, Gurry again boggled U.N. sanctions experts when WIPO routinely facilitated a North Korean international patent for the industrial production of hydrogen cyanide, a chemical used in nerve gas production long on U.N. prohibited lists, [without ever informing U.N. sanctions experts.](http://www.foxnews.com/world/2017/05/15/un-agency-helps-north-korea-with-patent-application-for-banned-nerve-gas-chemical.html)

Gurry declared WIPO had no obligation to let the sanctions experts know. In their annual report this year on the success and failure of U.N. sanctions against North Korea, the experts emphatically said he was wrong.

Throughout it all, Gurry’s high-handed methods of firing or freezing out those who have blown the whistle on his behavior, or who he apparently believes have done so, have made WIPO unique in another way.

It is the only U.N. organization that has ever been sanctioned by the U.S. State Department under a law that withholds a portion of U.S. financial contributions to such bodies when whistleblower protection policies do not meet “best practices.”

The U.S. money withholding, even though it does not cramp Gurry’s financial style, continues.

It may be that Gurry’s cost-of-living Santa Claus decision was part of an equally high-handed strategy to smooth the edges of staffer discontent with dollops of money. But if so, he has added a roster of important nations to the discontented category.

Will Gurry get away with it?  The ICSC says it will take up the issue of the bonus bonanza at its next meeting—in July. By that time, all the bonus money will likely be out the door.

Despite his many reckless provocations, Gurry is apparently confident that he won’t go with it.