

# UN official accused of diverting money still heads unit tied to Olympic Games

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**EXCLUSIVE:** A key official at the United Nations Environment Program (UNEP) has been charged with spending hundreds of thousands of dollars donated by the German drug manufacturer Bayer AG and the Government of Norway outside normal channels, gaining financial benefits for a family-owned company, sending his children on expensive junkets contrary to UNEP rules, and otherwise abusing his position to “unduly benefit himself and third parties,” according to a U.N. investigation report obtained by Fox News.

So far, the official continues to work in UNEP’s Nairobi-headquarters as head of a unit that, among other things, fosters UNEP collaboration with the Olympics, including next year’s Sochi Winter Games.

Meantime, UNEP and U.N. Secretary General Ban Ki-moon are deciding what to do about the report, which was presented to UNEP’s executive director, Achim Steiner, in early January.

For its part, the report recommends that the U.N. take “appropriate action” against the official, and that Ban’s legal affairs office “consider referral of this matter to the national authorities.”

Those recommendations are often U.N.-speak for firing someone, stripping them of the U.N.’s sweeping diplomatic immunity and seeing if criminal charges can be brought.

In brief email and telephone exchanges with Fox News on April 16 and 18, the Kenya-based UNEP official, Theodore Oben, said he has no knowledge of the report’s findings and recommendations, and vigorously denied any allegations of wrongdoing. The report shows he was extensively interviewed on several occasions in 2012 during the course of the investigation, and provided a written rebuttal to a draft version of the report, in which he also denied all accusations, before the report’s recommendations were finalized.

Under the U.N.'s internal justice system, Oben is supposed to be provided with the report and its evidence before the ultimate decision is rendered in his case. In an email exchange with Fox News, UNEP's communications director Nick Nuttall — who is also the accused official's boss — confirmed the existence of the report, which, he said, "specifically relates to Mr. Oben's individual conduct and execution of his professional duties."

Atop the many questionable financial flows, the investigators charged that Oben arranged for two young women to attend Tunza events at UNEP expense.

The matter, he added, "is now under review by the relevant authorities at the U.N. Headquarters in New York. Under the advice of U.N. Headquarters and due to the ongoing nature of these inquiries, which are subject to the U.N. rules and procedures governing such investigations, UNEP cannot provide specific comments or responses at this stage."

Meantime, Oben continues as head of what is called the Outreach Unit in Nairobi-based UNEP's department of communications and public information, which in turn is headed by Nuttall. Oben has been chief of the Outreach Unit since 2006. UNEP is one of the smaller agencies in the sprawling global tangle of U.N. organizations, with a budget of about \$635 million for the biennium 2014-2015 (U.N. agencies customarily budget for two years at a time). But it is also one of the more ambitious: in the wake of the Rio + 20 environmental summit, it claims to be "not only the voice, but also the authority for the environment in the United Nations system," a stance bolstered at a meeting of its supervisory Governing Council in February.

Oben has long played an important role in one of UNEP's fastest-growing and most important lines of business: striking and cultivating partnerships with a growing array of public and private enterprises, non-government organizations and interest groups to promote UNEP's environmental causes, provide additional funding for UNEP-endorsed projects, and burnish UNEP's global image. UNEP, in turn, provides an influential seal of approval for the projects and activities it supports.

According to a UNEP strategic plan for the years 2014 to 2017, such partnerships are expected to be even more of a mainstay in the future. "The business model employed by UNEP in pursuit of its planned results is to work through partnerships," the document declares. "UNEP aims to use partnerships as an opportunity to expand its reach and to leverage an impact much greater than it

would be able to achieve on its own.”

That partnership business, and others like it which have also expanded rapidly across many of the U.N.’s sprawling array of funds, agencies and programs, as well as Ban’s Secretariat, is mostly carried on through agreements that are usually negotiated behind closed doors.

But some of the outcomes become high profile. Along with his title as Outreach chief, Oben heads a “sport and environment” section within the Outreach unit that organizes “green” partnerships with the host countries of the Olympic and Paralympic Games, including the upcoming 2014 Sochi Winter Games in Russia, as well as partnering in broad array of other sports-related activity.

In 2009, for example, Oben was the UNEP official who signed a memorandum of understanding on behalf of his organization with the Sochi Winter Games organizers in Russia, which created a framework “to create environmentally friendly Winter Games of 2014, to develop and deliver environmental education, and to raise public awareness of environmental issues” in conjunction with the Games.

Oben has been involved since then with developing agreements for what is intended to be one of the Sochi Games’ environmental centerpieces, the restoration of the neighboring Mzymta River basin, with funding provided by various Olympic contractors.

Last week, UNEP Executive Director Steiner and Russian Federation Minister of Natural Resources and Environment Sergey Donskoy signed an additional agreement cementing the original 2009 memorandum of understanding. Additionally, Oben is a UNEP representative on the International Olympic Committee’s Sport and Environment Commission, according to the OIC website. Until mid-January — shortly after the investigation report hit the desk of UNEP’s Executive Director, Achim Steiner-- Oben also headed a sprawling array of youth-oriented environmental networks and programs, and is credited as developing UNEP networks for “over 5,000 youth organizations,” as well as creating electronic networks “for reaching out to schools, children and youth groups in more than 150 countries.”

The website further credits Oben with “development of the UNEP long-term strategy for children and youth and sport” for UNEP’s Governing Council. The centerpiece of the strategy is a youth involvement effort known as Tunza

☞ (the name means “to treat with care and affection” in Kiswahili), a network originally started in 2003, according to UNEP, “to create a global movement in which children and youth worldwide will actively participate in environmental activities.” The goal is to “foster a generation of environmentally conscious citizens, capable of positive action.”

In effect, the Tunza movement focused on young people as key drivers in UNEP environmental campaigns, and “positive action” has included acting as a political echo-chamber for favored U.N. causes.

In 2009, for example, while Oben was in charge, Tunza was part of an unprecedented — but unsuccessful -- effort by Ban Ki-moon to pressure wavering nations into signing the ill-fated Copenhagen Accord to create a global treaty on climate change.

Bayer AG, based in Germany, has been a strong financial supporter of Tunza since 2005. Between 2005 and 2011, according to the U.N. investigative report, the firm provided UNEP with roughly \$5.5 million (at current euro-vs. dollar exchange rates) for activities administered by the environmental organization, mostly to do with Tunza.

During a considerable part of this period, it was revealed by the U.N.’s internal auditing watchdogs in 2011, much of UNEP’s partnership efforts in a wide variety of areas were deemed to be a huge administrative mess. Among other things, the auditors found virtually no internal financial controls, lack of coordinated knowledge about who UNEP’s many partners were and what they might be doing, and millions of dollars changing hands outside the normal U.N. accounting system. According to the January 2013 investigation report, Oben was a notable force in bypassing the system.

Largely on his personal say-so, the report says, starting roughly in 2007, about \$1.8 million largely devoted to airline ticket purchases for various Tunza events, including international conferences, were handed over to a Nairobi travel firm named Boma Adventures and/or Boma Holidays, where a woman named Hema Lumb, with close ties to Oben, ultimately became one of three corporate directors. Boma was never signed up as an authorized U.N. vendor; and other official vendors were bypassed in its favor, the report says. Indeed, the report relates that some of the money that went to Boma was supposed to go to another approved ticketing firm — where Lumb worked before officially becoming a Boma director. According to the report, Oben never sought formal permission for directing the

money to Boma, even when he was told to do otherwise by superiors, including the former head of UNEP's communications unit, Satinder Bindra.

According to the reports, Boma made payments to a Nairobi-based taxi firm named Eco-Cabs Ltd., which was owned by Oben's wife and, through a holding company, his mother-in-law. According to investigators, they found evidence on Oben's UNEP computer that the holding company was described as a "family-owned company."

According to the investigators, Boma funds were used to pay for Eco-Cabs vehicles, which Oben denies. Boma also used Eco-Cabs for its airport services, the investigators say, though Oben denied any knowledge of such business dealings. Boma also booked flights for Oben's family to Malaysia and other destinations, including elite Tunza conferences. While Oben claims that he paid for the flights, investigators said they could find no costs attached to them.

According to the investigators, much of the money for Boma was sent directly by Bayer on Oben's say-so — a major end-run around UNEP financial controls. Oben's claim that nothing was amiss in the way funds went to Boma was apparently questioned by Bayer at least at one point, but nothing came of it, and the transfers continued. As the report dryly puts it, the UNEP-Bayer partnership "operated on a system of trust, and UNEP's narratives stating that funding had been expended [properly] were sufficient assurance for Bayer."

Nor, it appears, was Bayer the only donor affected. According to the report, for a 2009 Tunza conference in South Korea, UNEP handed over \$490,000, over and above Bayer contributions, that "was sourced from funding received from the Government of Norway."

The report says that Oben declared that \$340,000 of the money should be used by airline tickets; that a major portion should go to pay for the travels of Latin American and Caribbean delegates, and the conference organizers should accept Boma's invoice for the cost. In fact, Boma apparently issued *two* invoices; a copy of a subsequent transfer receipt to Boma for about \$198,000 turned up, but according to the investigators, they never got confirmation of what happened to a second invoice for roughly \$250,000.

Asked by Fox News whether Norway's government had been told of the fate of its money, the Inspector General of the Norwegian Foreign Ministry said they had only learned of the issue on April 17, 2013 — the same date that Fox News got

replies to its initial questions about the investigation report.


Nonetheless, as early as June 2010, UNEP internal watchdogs were telling top officials that there was something amiss with the Bayer money transfers, that the money was being handled by unauthorized personnel, and wasn't going through official U.N. accounts. Bayer's partnership deal with UNEP was amended shortly thereafter to make the use of such official accounts mandatory.

After that, UNEP partnership funds were transferred to Tunza conference official organizers -- and then, according to the report, transferred back to Boma, allegedly on Oben's say-so. Oben denied to U.N. investigators that he had given any such instructions, and in one specific instance, was only providing "information" to conference facilitators about the travel agency, which they were free to use or not use.

Atop the many questionable financial flows, the investigators charged that Oben arranged for two young women to attend Tunza events at UNEP expense. According to the report, he described one of them as a "chaperone." The investigators said both were "intimate" friends of his. Oben denied any relationship, even when presented with email and chat records that indicated the contrary, and also said the women had paid for travel and accommodation with their own money.

The question is: What happens next?

So far, UNEP is not saying — except to point out to Fox News that a brief follow-up audit report on its partnership enterprises, published on November 29, 2012, but only made public on the website of the U.S. Mission to the U.N. in late March 2013, asserts that the overall partnership mess has been cleaned up. According to that document, UNEP's governance, risk management and control processes examined were satisfactory in providing reasonable assurance regarding the efficient and effective use of partnerships.

In other words, there is no cause for further concern. Bayer continues its support for Tunza, although a company spokesman would not answer questions from Fox News about the investigation report, and instead declared that "comprehensive information on the UNEP Bayer partnership is available at [www.unep.bayer.com](http://www.unep.bayer.com) .

That website offers general information about the partnership, but nothing about

unorthodox financial flows.

The U.N. audit that gives UNEP a clean bill of health likewise makes no mention of the investigation of Tunza irregularities.