

Amendment 2785

Redirect U.S. dues to the United Nations to the Veterans Caregiver Program

The United States taxpayer is the single largest contributor to the United Nations providing over \$4 billion annually to the entire United Nations system that is estimated to be at least \$20 billion. No one knows for sure how big the U.N. really is – not even the U.N. itself since it operates in an opaque, unaccountable fashion, refusing even the most basic of transparency requests.

The U.S. federal budget that is rife with waste, fraud, and abuse, but the U.N. budget is far worse. Its funding is complicated by diplomatic immunities, spends across international borders, is impossible to audit, and spent by U.N. agencies that levy taxes and fees on each other.

This amendment to the Veterans' Caregivers Bill reduces the contributions that the United States makes to the United Nations by a sufficient amount to provide caregiver benefits to ALL severely disabled wartime veterans, not just veterans injured after September 11, 2001. The current bill discriminates against veterans injured prior to that as it does not offer the same care it would provide to individuals after that date.

The national debt just passed \$12 trillion and the Congress must pass a debt limit increase. Passing the veterans caregivers bill without having the increased spending offset elsewhere is completely irresponsible and further condemning our grandchildren to a lower standard of living.

UN tainted with fraud, waste, and abuse

According to internal U.N. reports, U.N. procurement programs suffer from serious fraud and mismanagement problems that taint almost half of the contracts that were audited. The report from the U.N. procurement task force found that 43% of UN procurement investigated is tainted by fraud. Out of \$1.4 billion in contracts internally investigated, \$630 million were tainted by "significant fraud and corruption schemes."¹

The U.N. Environment Program spends over \$1 billion annually on global warming initiatives but there is almost no auditing or oversight being conducted. The U.N. Environment program has one auditor and one assistant to oversee its operations. According to the task force it would take 17 years for the auditor to oversee just the high-risk areas already identified in UNEP's work.²

The United Nations Human Settlements program, known as UN-Habitat, only has one auditor, and it would take him 11 years to cover the high-risk areas alone. In cases where the U.N. auditors and investigators found evidence of administrative malpractice, the U.N. management has taken little if any action. For example, the managers of the U.N. Department of Economic and Social Affairs abused a \$2.6 million trust fund given by the government of Greece. The U.N. auditors recommended that the program repay Greece, but so far, the U.N. has ignored this recommendation.

The U.N. spends \$85 million annually for its Public Affairs Office, the sole purpose of which is to promote a positive image of the international body. Further, the \$1 billion U.N. Foundation is devoted, in part, to pro-U.N. advocacy efforts all over the world.

United Nations Peacekeeping Operations

U.N. Peacekeeping operations plagued by rape and sexual exploitation of refugees – In 1994, a draft U.N. report was leaked detailing how peacekeepers in Morocco, Pakistan, Uruguay, Tunis, South Africa and Nepal were involved in 68 cases of rape, prostitution and pedophilia. The report also stated that the investigation into these cases is being undermined by bribery and witness intimidation by U.N. personnel.³

In 2006, it was reported that peacekeepers in Haiti and Liberia were involved in sexual exploitation of refugees.⁴

In 2007, leaked reports indicate the U.N. has caught 200 peacekeepers for sex offenses in the past three years ranging from rape to assault on minors. In all of these cases, there is no known evidence of an offending U.N. peacekeeper being prosecuted.⁵

Just this month, Human Rights Watch reported that Congolese armed forces, supported by U.N. peacekeepers in the eastern Democratic Republic of Congo have brutally killed hundreds of civilians and committed widespread rape in the past three months in a military operation backed by the United Nations.

Most of the victims were women, children, and the elderly. Some were decapitated. Others were chopped to death by machete, beaten to death with clubs, or shot as they tried to flee.

The UN peacekeeping mission provides substantial operational and logistics support to the soldiers, including military firepower, transport, rations, and fuel.

The attacking Congolese soldiers made no distinction between combatants and civilians, shooting many at close range or chopping their victims to death with machetes. In one of the hamlets, Katanda, Congolese army soldiers decapitated four young men, cut off their arms, and then threw their heads and limbs 20 meters away from their bodies. The soldiers then raped 16 women and girls, including a 12-year-old girl, later killing four of them.⁶

The U.S. now pays 27% of all UN peacekeeping operations. Reducing our contribution to these wasteful efforts could help ensure that UN peacekeepers are not funding widespread rape and exploitation of refugees.

U.N. Wastes Millions in Funds for Critical Afghan Presidential Election⁷

The United Nations cannot account for tens of millions of dollars provided to the troubled Afghan election commission, according to two confidential U.N. audits and interviews with current and former senior diplomats.

The Afghan election commission, with tens of millions in U.N. funding and hundreds of millions in U.S. funding, facilitated mass election fraud and operated ghost polling places.

“Everybody kept sending money” to the elections commission, said Peter Galbraith, the former deputy chief of the U.N. mission in Afghanistan. “Nobody put the brakes on. U.S. taxpayers spent hundreds of millions of dollars on a fraudulent election.” **Galbraith, a deputy to the senior U.N. official in Afghanistan, was fired last month after protesting fraud in the elections.**

As of April 2009, the U.N. spent \$72.4 million supporting the electoral commission with \$56.7 million coming from the U.S. Agency for International Development. The Special Inspector General for Afghanistan Reconstruction states that the United States provided at least \$263 million in funding for the election.

In one instance, the United Nations Development Program paid \$6.8 million for transportation costs in areas where no U.N. officials were present. Overall the audits found that U.N. monitoring of U.S. taxpayer funds was “seriously inadequate.”

Oil for Food⁸

In 1996, the United Nations (UN) Security Council and Iraq began the Oil for Food program to address Iraq’s humanitarian situation after sanctions were imposed in 1990. More than \$67 billion in oil revenue was obtained through the program, with \$31 billion in humanitarian assistance delivered to Iraq.

The Oil for Food program had weaknesses in the four key internal control standards—risk assessment, control activities, information and communication, and monitoring—that facilitated **Iraq’s ability to obtain illicit revenues ranging from \$7.4 billion to \$12.8 billion.** In particular, the UN did not provide for timely assessments to address the risks posed by Iraq’s control over contracting and the program’s expansion from emergency assistance to other areas.

According to GAO, the Oil for Food program was flawed from the outset because it did not have sufficient controls to prevent the former Iraqi regime from manipulating the program.

GAO identified over 700 findings in these reports. Most reports focused on U.N. activities in northern Iraq, the operations of the U.N. Compensation Commission, and the implementation of U.N. inspection contracts. In the north, OIOS audits found problems with coordination, planning, procurement, asset management, and cash

management. For example, U.N. agencies had purchased diesel generators in an area where diesel fuel was not readily available and constructed a health facility subject to frequent flooding. An audit of U.N.-Habitat found \$1.6 million in excess construction material on hand after most projects were complete. OIOS audits of the U.N. Compensation Commission found poor internal controls and **recommended downward adjustments totaling more than \$500 million.**

UN Headquarters Renovation

In 2008, the United Nations began construction associated with its Capital Master Plan (CMP) to renovate its headquarters complex in New York City. As the UN's host country and largest contributor, the United States taxpayer has a vested interest in the way funds are spent in renovating these buildings.

The United Nations headquarters renovation, now estimated to cost \$2 billion from its original \$1.2 billion price tag, was found to be almost \$100 million over its budget before breaking ground on the project.⁹ Part of the cost increase is due to previously hidden "scope options" for "environment friendly" options like planting grass on the roof and electricity-producing wind turbines.

First, the U.N. failed to adequately maintain its complex after 50 years of deterioration and decay. The U.N. paid millions of dollars to an Italian design firm that had to be fired under intimations of corruption after never producing a single workable plan for the renovation project.

The UN renovation project is just another example of UN spending out of control. The UN's purported \$2 billion renovation budget includes over \$550 million for expected increased costs and other "contingencies."

U.S. Taxpayers are responsible for at least \$485 million in the renovation of the U.N. buildings. However, this figure is likely to rise as GAO has assessed that there exists a high risk that the project will cost much more than anticipated.¹⁰

Unfortunately, the U.N. renovation program is carried out by the same system responsible for the Oil-for-Food scandal. The U.N.'s own internal audits suggest that the entire procurement system is plagued by corruption.

The current cost of the UN renovation is as follows:

- \$890 million for construction
- \$350 million budgeted future escalation in costs
- \$200 million "contingencies"
- \$75 million for redundancies (extra generators, additional fiber optic lines, etc)
- \$40 million "sustainability" (wind turbines, grass on roof, etc)

UN European "Palace" Renovation¹¹

In addition to housing a massive bureaucracy in New York, the United Nations also keeps a European headquarters, in scenic Geneva, Switzerland. The similarity is striking, as this 70 year old building that used to house the League of Nations is reportedly in need of a billion dollars to fully renovate the '*Palais de Nations*', as the U.N. building is known, because of the building suffers from 70 year old wiring, fire hazards, rusty pipes, asbestos, and a roof caving in.

For cost comparison, \$1 billion could build 407,244 square meters of office space in Geneva. That's one and a half times the size of the Empire State Building, and **five times** the size of the main building at the Palais des Nations.

Keeping the Palais des Nations could cost more than double what it would take to build a new home from scratch.

That \$1 billion, relief groups said, is also larger than the entire humanitarian action appeal for all countries served by UNICEF, the United Nations Children's Fund, which requested \$850 million to address 39 humanitarian emergencies around the world in 2008.

\$1 billion could also go a long way to feed the hungry. Oxfam America reports on its Web site that "\$1,000 brings potable water to 22 families in the Rift Valley of Ethiopia," and that "\$20 buys enough maize to feed a family of four" there for six months — enough food and water to feed millions and flood the valley.

The Director General in Geneva renovated his office this year, though the U.N. would not say how much the changes cost and did not specify whether a member state paid for the work. A spokeswoman said that his office was often overheated by the sun, and he had an air conditioner installed to cool it.

As the United States is responsible for 22% of the U.N.'s budget, it is entirely reasonable to expect that the U.S. taxpayer would be responsible for at least \$220 million in the renovations of the U.N.'s Geneva offices.

Any major work on the *Palais de Nations* would likely come after the \$1.9 billion renovation of the U.N.'s New York headquarters is complete, which is at least 4 years away barring further delays. The director general's figure of one billion dollars isn't on the U.N. budget yet and is an estimate that would have to be evaluated by a team of architects.

Largest Money Grab in U.N. history while ignoring reforms

Despite these and the dozens of other examples of U.N. mismanagement and fraud and exhortation by the U.N.'s largest donor, the United States, the U.N. refuses to stop wasting U.S. taxpayer dollars. Instead, the U.N. is receiving even increasing amounts of new funding from the U.S. and other donors.

According to the State Department, the U.N. 2008/2009 biennial budget represents the largest increase for a funding request in the U.N.'s history.¹²

The 2008/2009 UN budget is in excess of \$5.2 billion. This represents a 25% jump from the 2006/2007 budget that was only \$4.17 billion and a 193% increase from the 1998/1999 budget.

The overwhelming majority of the U.N. budget goes to staff salaries and common staff costs including travel to resorts to discuss global warming – rather than direct humanitarian assistance or conflict prevention.

The U.N. has never identified offsets in existing funding in order to pay for new U.N. spending, a position that is supported by a U.N. General Assembly resolution.¹³

Following the U.N. Secretariat's poor example, the 3/4 of the U.N. not covered by the U.N. budget have experienced massive budget growth due to a complete inability to control spending. Peacekeeping is growing by 40%, the U.N. tribunals by 15% and numerous other Funds and Programs are no better off.¹⁴

The State Department is willfully ignoring the law in reporting transparency on U.S. contributions to the United Nations

The U.S. taxpayer should not give billions in funding to the United Nations and then be refused basic information about that contribution. The Office of Management and Budget and the State Department are willfully ignoring the law regarding congressional reporting requirements for U.N. contributions.

In the National Defense Authorization Act of 2007¹⁵ and the National Defense Authorization Act of 2010¹⁶, the Director of the Office of Management and Budget (OMB) is now required by law to report annually to Congress the total cash and in-kind contributions to the U.N. from the United States. OMB has passed this responsibility to the State Department, and unfortunately, our lead agency on U.N. matters ignored this law in 2007, and when it finally provided the required funding reports in 2008, it appears that the reports are missing over \$1 billion worth of funding information. The State Department has not submitted its report for 2008.

Ranking Member Ileana Ros-Lehtinen of House Foreign Affairs Committee comments on the U.N. lobbying for more contributions from the U.S.¹⁷

Last year, American taxpayers ponied up nearly \$5 billion for the UN system. The U.S. is by far the world's largest donor to the UN. The U.S. provides other assistance for peacekeeping operations. The U.S. responds to emergency appeals. We are always on deck.

"Yet, the head of the UN comes to Congress and scolds us for not doing enough? He demands yet more money from us while making little progress in cleaning up the badly-broken UN?

"The UN's ineffectiveness is not from a lack of cash, but the result of a corrupt system which wastes money and apologizes for dictatorships.

"The UN has been hijacked by a rogues' gallery that uses our funds to undermine peace and security. Dictatorships use the Human Rights Council and Durban 2 conference process to restrict universal freedoms and protect extremists. The UN Relief and Works Agency (UNRWA) aid violent Islamists and partners with money-laundering banks under U.S. sanctions or under U.S. investigation for financing Islamist militants. The UN Development Program (UNDP) pays the legal fees of its corrupt officials but refuses to protect whistleblowers.

"While Iran, Syria, and North Korea endanger the entire world, the UN is pre-occupied with condemning democratic states like the U.S. and Israel.

"The American people are facing serious economic challenges here at home. How can a morally-bankrupt UN ask our taxpayers to bail them out?"

¹ Report of the Office of Internal Oversight Services on the activities of the Procurement Task Force for the 18-month period ended 30 June 2007," U.N. Office of Internal Oversight Services, October 5, 2007.

² Russell, George, "U.N. Reports Show Scrutiny in Short Supply at World Body -- but Reasons for it Abound," October 29, 2008.

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- ⁴ "UN troops face child abuse claims," BBC News, 30 November 2006.
- ⁵ Elliot, Francis and Ruth Elkins, "UN shame over sex scandal," The Independent, 23 October 2007.
- ⁶ Human Rights Watch, "UN Peacekeeping Force Knowingly Supports Abusive Military Operations," November 2, 2009, <http://www.hrw.org/en/news/2009/11/02/eastern-dr-congo-surge-army-atrocities>.
- ⁷ Miller, T. Christian and Linzer, Dafna, "U.N. Can't Account for Millions Sent to Afghan Election Board," ProPublica, October 29, 2009.
- ⁸ GAO Report 05-346T, "United Nations – Oil for Food Program Audits," February 15, 2005. <http://www.gao.gov/new.items/d05346t.pdf>
- ⁹ GAO Report 09-870R, "United Nations – Renovation Still Scheduled for Completion in 2013, but Risks to Its Schedule and Cost Remain," Government Accountability Office, July 2009. <http://www.gao.gov/new.items/d09870r.pdf>
- ¹⁰ GAO Report 09-870R, "United Nations – Renovation Still Scheduled for Completion in 2013, but Risks to Its Schedule and Cost Remain," Government Accountability Office, July 2009.
- ¹¹ Abrams, Joseph, "Cost of Rebuilding U.N.'s Palace? A Billion Dollars," Fox News, November 24, 2008. <http://www.foxnews.com/story/0,2933,456824,00.html>
- ¹² "Presentation of Ambassador Mark Wallace on the 2008/2009 U.N. Budget," State Department, December 11 2007, <http://tinyurl.com/993mba>.
- ¹³ Resolution adopted by the General Assembly, 2005 World Summit Outcome, A/RES/60/1, October 24, 2005.
- ¹⁴ "Presentation of Ambassador Mark Wallace on the 2008/2009 U.N. Budget," State Department, December 11 2007, <http://tinyurl.com/993mba>.
- ¹⁵ PL 109-364, Section 1225.
- ¹⁶ PL 111-84 Section 1243.
- ¹⁷ Ros-Lehtinen, Ileana, "Ros-Lehtinen Criticizes UN Chief for Calling U.S. 'The Biggest Deadbeat' During Wednesday Meeting With House Members," Press Release, March 11, 2009