

LETTER OF RESIGNATION
of Michael vd. Schulenberg
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To Mr. Pino Arlacchi
Executive Director/Director-General UNODCCP-UNOV
Date: 4 December 2000

CONFIDENTIAL/PERSONAL

Mr. Arlacchi,

MANAGING CREDIBILITY

I am leaving UNDCP after merely 20 months as your Director for Operations and Analysis, making me the seventh D-2 officer holder to quit UNODCCP/UNOV in only three years. When, at your request, I accepted the offer to work for you, I had hoped to find in you an unorthodox but determined head of agency, one who had the vision and strength to transform UNDCP into a focused, results-oriented, transparent and internationally-respected UN organization. Today, I see an organization that has increased its international visibility while at the same time, is crumbling under the weight of promises that it is unable to meet under a management style that has demoralized, intimidated and paralyzed its staff.

I believe that the internal management problems have reached a level at which they will undermine the long-term credibility of UNDCP: the credibility of what we are promising, the credibility of what we are doing and the credibility of how we are working. But perhaps more important, most of our colleagues have lost trust in the fairness and internal management of this organization. It is with this in mind that I, as one of your senior directors, share my deep concerns about the future of this organization.

Keeping Promises

UNDCP, despite the substantial increase in programme delivery during 1999 remains one of the smallest UN programmes. Even during the exceptionally good last year our global programme expenditures reached only US\$58 million; if one deducts "programme"

expenditures for staff at headquarters and in field offices as well as government cost-sharing contributions from Brazil, resources available for UNDCP field activities amounted to about US\$ 38 million. Almost all these funds are earmarked and your discretionary authority over programme funding might not exceed three million dollars this year. Again the background of these financial limitations, the frequent and ad hoc promises for new programmes, international conferences and initiatives over the last few years are unlikely ever to be followed through.

The promises for new and at times huge new programmes have rarely been made with the concurrence, or even knowledge, of those who have to pay the bill - donors. It is therefore not surprising that UNDCP is unable to mobilize the necessary funding. As a result, most of these programmes are either initiated with very limited funding or are stretched over long periods without any chance of ever being fully implemented. Programmes that had once been announced with much fanfare quietly slip into oblivion. Other promised programmes simply never reach the stage of implementation.

The limited financial resources which we have to operate and the high degree of earmarking would logically dictate a careful planning of programmes, a strong focus on fewer thematic areas and a better integration of our operational activities with the normative and analytic mandate of UNDCP. Unfortunately our earlier understanding to focus our operational activities on four thematic areas with fewer programmes has remained largely an intention.

Similarly, our urge to play a political role has turned UNDCP into an organization that regularly proposes and prepares for international conferences and happenings. In this we are extremely ambitious, inviting none less than heads of state and government or at least senior ministers. As important and valuable as these conferences might be to raise international drug and crime issues, their utility in terms of concrete results are often questionable. Many conferences a much lower level of participants than originally envisaged; some have even had to be cancelled at short notice because of lack of high-level participation.

Unplanned new programmes and initiatives are produced as suddenly as you appear to lose interest in them. Too many initiatives are high priority for a short while, only to be forgotten at a later stage. There is not even an institutionalized register of all those promises and initiatives. Indeed, I have the impression that you make UNDCP race from one initiative to the next in part to escape any reminder of unfulfilled pledges. It tends to overburden the capacity of our organization to follow those through and to maintain a high standard of quality in what we are doing. Under these circumstances it is impossible to develop credible programmes and to orient UNDCP towards becoming a results-oriented organization. The lack of focus and follow-through leads to a waste of scarce financial and human resources.

There is never any in-house discussion as to whether these initiatives fit into an overall strategy for operational activities or if they are technically or financially sound. You also make no effort to convince the rest of the organization of your decision. I, your senior director responsible for operations, have learned of many of these initiatives from a junior

colleague who happened to accompany you, from in-house rumors or even from press releases or the media. Under these circumstances it is not possible to develop cooperative ownership for these initiatives. The consequence is a loss in the quality and sustainability of what we are doing.

With increasing concern over available financial resources and, in particular, with the squeeze in General Purpose funding, the true and complete financial situation is no longer discussed with your senior managers. Indeed, I have the impression that this information is deliberately kept hazy. One sees only some of the consequences in the form of programme funding limitations; restrictions of contract extensions and sudden reassignments of headquarter staff to project in the field. The process of financial adjustment does not follow any programme strategy and it lacks transparency.

Maintaining Programme Quality

UNDCP's credibility depends not only on keeping promises but also on the quality of our performance – on how well our programmes and projects are designed and executed. As UNDCP's income consists almost entirely of voluntary contributions, this is a crucial issue. It is therefore surprising how little is being done to ensure and develop our technical and substantive capacity.

At present there is no convincing mechanism in place for reviewing the financial and technical feasibility of new programmes and projects. Instead of making the Project Review Committee more efficient, you simply abolished it in 1996 without replacing it with a credible in-house mechanism for substantive internal programme review. The way the old Project Review Committee was handled may have had its drawbacks, but even worse than a flawed system is the absence of any proper review mechanism. This has only tended to magnify the very centralized and ad-hoc nature of decision making at UNDCP.

Programme evaluations remain a major concern. Although country offices conduct local evaluations of individual projects, this process remains fragmented and raises questions about their independence and objectivity. More importantly, there is no system in place to look at the wider context of our programmes. Programmes within the same thematic area are not evaluated together and hence little can be said about the impact of UNDCP interventions. There is virtually no institutionalized process of learning-from-experience or for developing best practices that a more thorough evaluation system could promote. Horizontal cross-fertilization among similar programmes in different regions hardly exists. There are also no clear vertical links between global, regional and local programmes that would allow for the flow of information, best practices and lessons learned from the specific to the general and vice-versa. Although delayed by one year, you finally approved my proposal for new evaluation guidelines two weeks ago.

However, these guidelines were part of a package that included the streamlining of PDAB, the integration of global programmes with field-based programmes and a better focus of our operational activities by thematic areas. Without those components put in place simultaneously, I fear that the new evaluation guidelines will be difficult to

implement. I suspect that your approval had more to do with calming potential criticism at the December meeting of Major Donors rather than indicating any change of heart with regard to the value of programme evaluations. The Policy Development and Analysis Branch, PDAB, the part of the organization that should be the organization's custodian for technical knowledge and analysis, is today in shatters. It no longer has the "critical mass" in staff or resources to fulfil any credible function. You have ignored the detailed proposals to better integrate PDAB into the work of UNDCP.

The departure of senior colleagues in PDAB and your recent decisions to further reduce staff of PDAB through reassignments will make things worse, appearing as they do as ad-hoc reactions to financial constraints without a vision for the future role of PDAB. In line with the collapse of PDAB, there are hardly any in-house discussions on technical or substantive matters. This is very surprising for an organization that is headed by a former academic. Efforts to organize ad-hoc in-house roundtables or external expert panels around specific issues have not found your support and have had to be abandoned accordingly. Efforts that had been made to hold regular technical meetings with donors and other interested countries on substantive and managerial issues were stopped after you insisted on clearing all contacts with missions yourself. Your aversion to outside consultants (which curiously does not appear to apply to consultants with whom you are personally linked) and international expert panels has made us an inward-looking organization. Drug policy discussions do not take place.

I fear that the lack of substantive discussions and the neglect of our technical know-how will have serious long-term consequences for the credibility of our work. For a specialized programme such as UNDCP the technical and analytical aspects of our work are very important. When we raise money for programmes we first of all "sell" our know-how, our knowledge of what works best and how to identify and tackle specific illicit drug problems. This is not reflected in the way we are organized and do business.

There are programme management concerns too, in particular, the issue of how we implement programmes and projects remains obscure. The revised budget document, just submitted to the CND, states an increase in UNDCP execution of programmes by a further 16% bringing UNDCP execution to about 40% of the total programme budget. This is a very dangerous development and I have personally warned you repeatedly about taking this road unless and until we develop appropriate internal implementation mechanisms to ensure full accountability.

Unlike many other UN organizations, UNDCP has no financial and administrative rules for project implementation and therefore cannot, in the strict sense of the word, implement its own programmes. UNDCP thus engages "proxies" such as UNOV and, increasingly, UNDP field offices to sign contracts and make payments on its behalf. In all these cases, no clear agreement exists as to who has the authority to take implementation decisions, who is responsible for ensuring the most cost-efficient use of our resources and who will have to be held accountable for those decisions. In particular, our relationship with UNDP field offices remains unclear. In this context, it is argued that UNDCP would make savings in agency support costs. This will probably not be confirmed when carefully analyzed. I am personally convinced that, for UNDCP, the additional costs for

developing a proper execution and implementation apparatus would far outstrip any savings in agency overheads. As we are a small agency we would not have the economies of scale enjoyed by large agencies that specialize in the procurement of goods and services.

At the same time, it is clear that UNDCP execution modality will accelerate the trend of keeping all decisions in one pair of hands without any checks and balances and to blur the transparency of what we are doing. This leads to consequences such as the nebulous payments to Captain Oren in Las Palmas through our Moscow office (although we do not have a project there), the fuzzy funding of our field offices using project budgets and the arbitrary assignment of field project posts to headquarters.

Managing an Organization

Problems in setting priorities, in managing difficult-to-predict donor contributions and in developing technical competencies are not unique to UNDCP among the UN family. But what distinguishes us from many other UN organizations is that we have no transparent mechanism to deal with them. The management style that you have brought to UNDCP is characterized by an extreme concentration of all control in the hands of one person, the non-existence of collective decision-making, disregards for organizational structures, lack of delegation of authority and the total absence of any transparent human resources policy.

You will recall that, one year ago, on 6 December 1999, UN Staff Council representatives took the unusual step of going on record – in a desk-to-desk circular to all staff – to reflect growing staff concerns about "the lack of transparency in decision-making, grey areas in the application of staff rules, and the intimidating effect which the apparent unfair treatment of few colleagues had on the rest of the staff". Until now, you have not acted on any of these concerns. If anything, the situation over the past year has gotten much worse.

Concentration of All Decisions

Indeed, to this day, you continue to make all decisions in complete isolation; staff are simply told, mostly through your front office, to implement them. Today, you not only decide on policies and programmes but even on such minor issues as project workshops, staff travel, recruitment of short-term consultants and even the placement of project-related UN volunteers and interns. And all these decisions are made without any consultation with line managers. Those directly responsible for the project consider themselves fortunate if they are informed by the front office, but often they learn of the decisions only indirectly. At times they might find themselves de-facto no longer in charge of the project, again without ever being properly told. Your senior directors are no exception to this kind of treatment.

Problems arise because you are poorly informed about the background of issues on which you make decisions. Or you simply do not take a decision on issues you consider no longer a priority. As no one else dares to decide, programmes and activities remain in

limbo. This problem is compounded by the fact that you are rarely in Vienna and act as a kind of "absentee"-manager. Should you be in Vienna, you turn into a "hidden"-manager who remains unapproachable for the large majority of your staff. You maintain no contacts with staff, are hardly ever seen. Many of your senior managers you have virtually never met. Hardly anyone among us, including your senior managers, knows when you are in Vienna or where you are travelling.

Because of fear of being criticized for any decision that has not been sanctioned by you, your staff tend to pilgrim to your front office for advice. But the front office does not dare take any decision on its own and must therefore try to reach you by mobile telephone whenever you are out of the office. The whole process can take grotesque forms and insecurity reigns.

With the only exception of one time this past summer, you have never designated an officer-in-charge. Day-to-day management is therefore based on contacts through the mobile phone. With the only exception of the retreat in Bratislava, you never held joint meetings with your directors to review policy issues. Senior staff meetings involving the chiefs of branches have been extremely infrequent and most of the time you have not attended. In the climate of blurred authority and unclear lines of reporting, the few senior manager meetings that took place were at best able to exchange basic information. No one dares take initiative any more or to prompt decisions.

The other side of concentrating all control in your hands is your insistence on absolute loyalty. The difficulty is that you want loyalty to you personally whereas most colleagues consider that their loyalty is to the United Nations and to the mandates of the organization. The difference in view on the meaning of loyalty might explain to a certain degree your abusive attitude towards staff members.

Organization and Delegation of Authority

At UNDCP, the meaning of "delegation of authority" is seemingly unknown. We are in the total dark in terms of what we are authorized to decide. This is the same for your directors as for the entire organization. According to the latest organizational chart, 14 departments and units report directly to you. To this should be added a number of senior advisers, speechwriter etc. It is almost a management principle that you pay no need to reporting lines: line managers are regularly faced with a situation in which junior staff, at times from different sections, are contacted directly to perform a task without their knowledge. In particular, when you feel even the slightest difference of opinion or assessment with one of your senior manager, you tend to "solve" this by bypassing him/her and/or by removing him/her from any information flow.

To balance the lack of delegation of authority you surround yourself with an ever-increasing front office. To hide its true size, your office includes staff officially assigned to other departments and even to the field. The front office maintains a monopoly on information. The dominance of your front office, the lack of information flow, the absence of a clear delegation of authority and disrespect for lines of communication have resulted in a collapse of meaningful organizational decision-making structures.

Similar to promises for new programmes, new field offices are created at whim. There is no internal discussion on whether these are necessary or justified by the extent of operational activities. As you director for operations, I was never informed when you took such decisions.

There is a huge turnover of senior staff, which undermines organizational continuity. Seven D-2 office holders have left since you took over as head of ODCCP/UNOV only three years ago. Other senior colleagues are leaving the organization, including an increasing number of those whom you had personally chosen to be on our team. I too had been asked by you to join UNDCP – you even went so far as to involve the Office of the Secretary-General to secure my transfer to UNDCP. During the past 20 months, you have changed your chief of front office as well as most of the staff four times. The heads of the critical units dealing with alternative development, law enforcement, money laundering, crop monitoring and demand reduction have all left. Senior managers that were nominated during your time remain mostly "officer-in-charge" without being confirmed in their position.

Instead of establishing clear objectives for our line managers and delegate authority accordingly, you exercise a "management by exclusion". Anyone who falls in disfavor is simply excluded from meetings, information, decisions. This happens to your directors as well as to other senior colleagues.

Human Resources

The most shocking aspect of your management style is your disregard, even contempt, for your own staff. I'm baffled by the harshness of your personal actions, especially considering your political background with a party that claimed to have workers rights as its top priority.

Today there is still no transparent human resources management in this organization. All decisions on even the most junior professional are taken by you directly without ever involving line managers. You decide even the future of staff you have never met. The general feeling is that your decisions are based on rumours, on hearsay, rather than on fact. A system for judging staff on facts and actual performances is no existent. Although PAS continue to be formally completed, I do not know of any case in which PAS ratings were used to take important personnel decisions including those regarding the non-extension of contracts, the reassignment or promotion of staff. Recommendations from those who immediate supervise respective staff members are never sought - in fact they are often blatantly ignored and ultimately contradicted; line managers are simply told of the decision and expected to implement them faithfully.

The result is fear, intimidation and a total lack of transparency. There is widespread alarm that anything that could be perceived as being "disloyal" could be reported and lead to one's subsequent downfall. At times, indeed, actions have been taken that smack of personal vendetta rather than objective or rational decision-making - even with regard to junior ranking staff.

- Staff members are told that their contracts will not be extended without ever being given a reason. In no case do I remember that these staff members had received any critical PAS ratings or any other prior warning. Although the decision had been entirely yours, you subsequently refused to see these colleagues face-to-face. You made no attempt to answer their letters to you. Many of the more junior colleagues who lost their jobs are in a state of disbelief as they had never seen or met you and were under the impression that you were altogether oblivious to their existence.
- In some cases the posts of those fired had been left vacant for long periods, making it even more difficult to understand your actions or motives.
- For unwanted colleagues with an on-going contract, the "penalty" is to be banned to the field, often at short notice. Nigeria appears to be a "preferred" destination for undesirables. Staff members confronted with this plight are given a choice between accepting the reassignment and resigning. In some cases, you have not even awaited the "agreement" of the banned colleagues but simply issued a circular announcing his/her move.
- There are no considerations for difficult family circumstances. A colleague who goes through the personal trauma of having just lost a close family member, a colleague whose wife has fallen seriously ill - they were all fired without a moment of hesitation.

You categorically refuse to meet those whose future you have just mercilessly changed for the worse. For your dealings with colleagues you simply use the services of your few "loyal" staff to convey the bad news.

More Personal Remarks

Of all UN organizations I have worked for, UNDCP is the easiest to organize - but it is also the worst managed. UNDCP has a clear mandate with virtually no real substantive overlap with other agencies. Moreover, under its mandate, UNDCP is solely responsible for the three basic aspects of UN activities: the normative, the analytical and operational. To have all these aspects under one roof is rare in an otherwise fragmented UN system.

Your personal experiences did not include managing a sizable organization - not to speak of an international organization with a global outreach and a multicultural staff. When you were nominated for the executive directorship, such experience was not expected of you. But isn't this fact one more reason to rely on your senior managers to assist you - especially in managerial and organisational aspects?

Despite your single-minded insistence to decide on all matters yourself, you received substantial offers of support from your senior directors to improve the situation. Two months after my arrival at UNDCP, I suggested to you a five-point programme to improve the Transparency, effectiveness and internal efficiency of this organization by:

1. Setting four priority themes for all operational activities of UNDCP: consolidating projects into fewer large-scale programmes and better integrating global with national programmes;
2. Introducing a modern Intranet-based programme and financial monitoring system (ProFi) for the organization and its 22 field offices that will provide comprehensive and immediate management information on all UNDCP global operations;
3. Introducing a more efficient monitoring and evaluation system for all UNDCP operations and programmes and develop an in-house capacity for learning-from-experience;
4. Introducing an improved and more integrated field office- headquarters reporting system, including substantive reporting on international, regional and local illicit drug issues; and,
5. Clarifying and streamlining a number of internal business processes and establishing unambiguous responsibilities and lines of authority within the organization for such issues as the terms of reference for PDAB, the definition of global programmes and programme implementation arrangements.

These proposals received a strong endorsement from donor and recipient country representatives and were later approved by the CND as part of the 2000-01 budget. At first, you embraced these proposals with keenness but suddenly withdrew your support after these proposals received a favourable reception at last years Major Donors meeting. You never discussed this change of mind with me or gave me any reasons for it. All that is left is a Half-developed ProFi that you deeply mistrusted and that you tried hard to derail - and an evaluation instruction that will be difficult to implement in isolation.

Parallel to these five proposals that dealt mainly with operational issues, Francis Maertens tried to establish a more rational system for managing and developing our human resources. These proposals also received the strong approval of Major Donors and the CND. But here again, after first giving your approval, you later withdrew - without any discussion - your support and even transferred this responsibility to your front office. The latest round of personnel actions make a mockery of any rational human resource management.

These suggestions were well-adapted to the specific needs of UNDCP, comprehensive and mutually reinforcing. I am convinced that you would have helped transform UNDCP into a more efficient and results-oriented organization. It would have given you the strong organization you needed to support your political aspirations. It was therefore not in your interest to bring these reforms to a halt. Why you did it, therefore, remains a puzzle.

There were other efforts to correct the internal management situation. When in response to our repeated appeals you finally agreed to the Bratislava meeting in January 2000, we hoped for anew beginning. Unfortunately, in retrospect, the event made things worse and

I doubt now that you ever seriously considered implementing what had been agreed between you and your senior managers. Quite the opposite, since Bratislava you have kept information even more to yourself and have become even more elusive from your staff. With the appointment of Ms. Valle you not only chose someone with virtually no knowledge of the UN system but also someone who commands little respect within the organization. The result is that the front office has increased your isolation within the organization and your senior managers are even less consulted than in the past.

Despite my personal disappointment, I still feel that you are a man with exceptional energies and political qualities. But you are also the worst manager I have come across. There is a saying that car races are won at the pit-stops. This, I feel, applies also to us. If you want to win races, you must have a well-managed organization, a motivated and qualified staff and managers on whom you can and are willing to rely. I have therefore never understood your disregard for the organization, your disrespect for your own colleagues or your attitude towards your senior managers. And I cannot understand the intensity of mistrust and suspicion that appears to dominate your behaviour and that lets you take what in my view are irrational decisions. One would probably have to search in your personality to find an answer.

Yours sincerely,

Michael v.d. Schulenburg
Director Division for Operations and Analysis

**Points to substantiate my Letter of 4 December 2000 to Mr. Pino Arlacchi,
Executive Director of UNODCCP**

Note: This list is meant to provide only some examples in support of the arguments made in the letter, it makes no claim to be complete. As I have had virtually no access to privileged information for more than six months, much of the list has been drawn from memory and hence might include some inaccuracies.

Keeping Promises

1. Seven D-2s Leave UNODCCP/UNOV

Name / Departure Date

Richard van der Graaf / December 1997
Bertrand de Fondaumiere / January 1999
Francesco Bastagli / March 1999
Christian Komevall / May 1999
Eduardo Vetere / June 1999
Denis Beissel (O-i-C, D2) / June 1999
Michael v.d. Schulenburg / December 2000

2. Unfulfilled Promises and Commitments

National and regional programmes

- **India:** During the GA Special Session in 1998, Mr. Arlacchi promised India's Minister for Social Justice, Ms. Maneka Gandhi, substantial contributions for demand reduction programmes. In 1999, he signed two projects for a total of US\$ 5million. Until today only US\$ 1 million has been allocated and that only after an angry letter, on 23 May 2000, from the Minister (Minister Ghandi: "I find it irresponsible and insensitive on the part of UNDCP to start a project on a large scale and then to withdraw support ... I am appalled at Mr. Arlacchi's refusal to reply to my letters. I have rarely encountered such rudeness and indifference by the head of an international organisation.") There is little chance that a significant portion of the additional funds can be raised.
- **Turkey:** Also during 1998, Mr. Arlacchi promised the Turkish Government to open a regional office in Ankara and provide US\$ 6 million in support of a project to assist in the establishment of a "Turkish International Academy against Drugs and Organized Crime" and other law enforcement activities. The budget for the establishment of the academy totals US\$ 2.2 million; the project was launched in July 2000 but only US\$ 300.000 has been allocated thus far. There is hardly any chance that much of the remaining balance can be mobilized. The issue of opening an office appears to have been forgotten.
- **Afghanistan:** During a first visit to Afghanistan in 1997, Mr. Arlacchi promised Taliban authorities US\$ 250 million for alternative development and job creation programmes and announced in New York that he had solved the Afghanistan drug problem. Non of these funds have been raised. In October 2000, Mr. Arlacchi announced to the media that he would close down all operational activities inside Afghanistan due to lack of funding; no one was informed of this announcement in advance - not even the UNDCP country representative. Our national Afghan colleagues, who have taken considerable personal risks to work for UNDCP inside Afghanistan, learned that they might be without a job when listening to the Pashton service of the BBC.
- **Pakistan:** During a meeting with Pakistan's then-Prime Minister Sharif in April 1999, Mr. Arlacchi promised, in addition to a recently approved border control project, to help establish 200 drug abuse treatment centres at a cost of \$2 million. To this day, not a single treatment centre has received UNDCP support. Recently, US\$ 600,000 from a Dutch contribution has been allocated; this may be sufficient for 10-20 treatment centres. During the same visit, Mr. Arlacchi promised a US\$ 5.2 million support programme to strengthen Pakistani controls along the border with Afghanistan: it was in this context that the procurement of two helicopters and a fixed-wing plane were discussed. Also during this visit, Mr Arlacchi

- promised that Dir District Development Project would be extended by no less than 10 years; so far, nothing has happened in this regard.
- Tajikistan: During a visit to Tajikistan in early 1999, Mr. Arlacchi promised the President to finance a Drug Control Agency and to pay national salaries for three years of all law enforcement officers. Later he added a commitment of US\$ 2 million for Russian border guards stationed along the Afghan-Tajik border. Three projects were signed for a total of US\$ 18 million. Initial funding was secured mostly from General Purpose funds. As General Purpose funds have been exhausted and sizable donor contributions are not forthcoming, these projects will face serious funding problems in future. The crucial recruitment of four international inspectors has been halted leaving the Drug Control Agency with virtually no international supervision.
 - Laos: In mid-1999, during a visit to Lao HDR, Mr. Arlacchi promised the Laotian President his support to raise US\$ 80 million to rid Lao PDR of poppy cultivation within six years. Until today, none of the promised activities have been launched and only US\$ 1.8 million has been mobilized. Proposals to enlist the support of major financial institutions such as the World Bank, the Asian Development Bank and IFAD, although initiated, have never been seriously followed up. The impression is that Mr. Arlacchi has lost interest after facing difficulty in securing funding.
 - Central Asia: The security belt around Afghanistan consists of a number of national and regional projects with a total cost of US\$ 87 million. Only the projects for Iran and Tajikistan have been approved. Projects for Pakistan, Turkmenistan and Uzbekistan have been prepared but have little chance to be implemented in full due to lack of donor support.
 - Middle East: During a trip to the Middle East in mid-1999, Mr. Arlacchi promised a US\$ 12 million dollar programme, an outline of which was presented to the Major Donors at their meeting in March 2000. With this programme, which was envisaged to bring Lebanon and Syria into this 'peace'-building operation, Mr. Arlacchi hoped to become a broker between Israel and Palestinian authorities. Until today only a small programme valuing US\$ 300,000 has been approved. Funding for the future is highly unlikely.
 - Iran: During a visit to Iran in June 2000, Mr. Arlacchi indicated that he would consider funding an Iranian initiative to implement an alternative development programme inside Afghanistan. It is very unlikely that the necessary funding will be secured.
 - Russia - CIS: During his mission to Russia, Mr. Arlacchi promised to consider a large-scale programme to improve border controls among CIS countries. The financial requirements had been estimated at US\$ 9 million. There was no follow up.

- **Bolivia:** During a recent visit to Bolivia, Mr. Arlacchi announced a UNDCP contribution of US\$ 50 million to support Bolivia's crop eradication programme. Later it was explained that this figure was meant to include all past UNDCP contributions.
- **Brazil:** Three years ago, when the large-scale cost-sharing programme between Brazil and UNDCP was discussed, UNDCP made a commitment to complement the funding it received from the government by US\$ 0.5 million annually from its own resources. Until today, UNDCP has not been able to provide any of its own funding although the Brazilian government has gone ahead with the programme under its loan obtained from the World Bank.

Global programmes and initiatives:

- **SCOPE:** In 1997, Mr. Arlacchi promoted the Strategy for Coca and Opium Poppy Elimination (SCOPE) to governments and international organizations worldwide, citing a ten-year budget of US\$5 billion. The programme quickly folded after the UN General Assembly Special Session, mainly because governments were aghast at the unrealistic size of the initiative. Today, less than 1% of the figure has been mobilized for crop elimination activities and even this has come in the form of region-specific business plans and the illicit crop monitoring programme - the term SCOPE has been erased from UNDCP's institutional memory.
- **Global Assessment Programme of Drug Abuse (GAP):** GAP had been planned in 1998 originally for US\$ 27 million as a follow up to UNGASS and given the highest priority. After being revised to more realistic levels at US\$ 9.5 million, Mr. Arlacchi lost interest. US\$ 1.5 million from Dutch funding that had been promised at first but was later reduced to US\$ 500,000. After having been initiated with the recruitment of two UN Volunteers, it now has an uncertain future.
- **Global Monitoring of Illicit Crop Cultivation:** The global illicit crop- monitoring programme was originally planned in 1998 for US\$ 40 million as a follow up to UNGASS and given highest priority. At the end of 1999, the programme was revised to concentrate on only two illicit crops: opium poppy and coca bush in six major producing countries; it was also downsized to US\$ 15 million. As a result Mr. Arlacchi lost interest. Despite persistent reminders, he never contacted the head of ESA, to discuss a joint fund raising approach; nor did he take up the issue during his meeting with Mr. Prodi to secure EU funding. Without any internal review or discussion, the programme was for all practical purposes abandoned recently with the reassignment of the programme coordinator.
- **Albania anti-crime programme:** In mid-1999, following the outbreak of civil and political unrest in Albania, Mr. Arlacchi launched preparations for a major initiative for Albania, complete with plans to establish a UN presence that would serve to mitigate illegal migration and criminal flows to Italy. Several high-level missions were undertaken, and it was envisaged that a \$200 million project, aimed

at employment creation in Albania, and funded out of Italian contributions, would form the financial basis for the initiative. Nothing has come of these plans.

International Conferences:

- **Conference on Drugs and Civilization:** During a meeting with the Iranian Foreign Minister in 1998, Mr. Arlacchi proposed an international conference in Teheran on Drugs and Civilization. He promised to ensure the participation of European Foreign Ministers including a high-level participation of the United States. Nothing has come of it.
- **Media and Politicians against Drugs, Venice:** For this workshop, planned in Venice for May 1999, important journalists and politicians were to sit down together discuss how to increase public support for the follow up of UNGASS. Invitations were, however, distributed sooner the time of the event that no notable personality or media representative was willing to attend. In particular, when Mr. Arlacchi failed to secure the participation of the Queen of Sweden or Mrs Hillary Clinton he cancelled the event on a short notice.
- **Regional Conference to discuss crime and drug issues:** A conference was planned in Bangkok for the end of 1999 and foreign ministers and other senior ministers were invited to attend. When it became clear that except for a minister from Bangladesh no other senior government ministers had announced his/her participation, the conference was postponed at short notice.
- **Afghanistan Technical Meeting:** At the request of the United States (on behalf of the Group 6+2), Mr. Arlacchi agreed to hold an international technical meeting in Vienna to discuss the drug threat from Afghanistan. The meeting was poorly organized and in particular European governments had not sufficiently been brought into the preparatory process. The result was a further list of projects and minimal funding from European countries.
- **High-level Mission to Central Asia:** Two high-level missions to Central Asia were planned for October 2000 with the participation of ambassadors accredited to the UN in Vienna. When a number of ambassadors cancelled their participation both missions were cancelled at short notice.
- **Tashkent Conference on Drugs Crime and Terrorism:** Originally planned to bring the presidents of Central Asians States together with high government officials from Western Europe, the participation from within and outside the regions turned out to be much lower. The idea to make the connection between drugs, crime and terrorism was criticized due the lack of definition of what constitutes "terrorism" in the regional context. The outcome of this meeting has been questioned repeatedly ever since.
- **St. Petersburg:** In 1999, during a visit to Russia, Mr. Arlacchi proposed to Mr. Putin to organized a big money-laundering event in St. Petersburg that would

attract high-level Western participation. The time was marked for the second half of this year. Recently, the event was postponed by UNDCP - or as insiders believe it, effectively abandoned.

- UN Gala: In early 2000, Mr. Arlacchi decided to organize a ball with celebrities and dignitaries in Vienna. He designated Gertrude Tauchhammer as UN Civic Ambassador, with the task of identifying a Vienna-based company that could organize the event. A private firm operated by Geog Kindel and Hans Reinisch was identified, but the contract for their work was not signed until 20 October 2000. The event was originally scheduled for 4 November but letters to celebrities and dignitaries were not sent until mid-September. Tickets were put on sale only 3 weeks before the event, with little publicity. The event was so poorly thought out and organized that it had to be postponed only 9 days before the event was to take place. It is now scheduled for 21 March 2001, though damage to the UN's image has already taken place.

Maintaining Programme Quality

3. Programme Quality

- PDAB: Over the last two years it has not been possible to reach an agreement with Mr. Arlacchi on streamlining PDAB along the three basic aspects of UNDCP's mandate: the normative, analytical and operational. Because of recent reassignments, non- extensions of contract and the cut in financial resources, PDAB no longer has the resources to provide meaningful technical support in the four thematic areas of UNDCP operations. With the reassignment of Ms Buddenberg and the pending reassignment of Ms. Korenblick, the unit supporting alternative development activities has all but ceased to exist. The reassignment of Mr. Bouan and the possible departure of his colleague will de facto bring the global monitoring programme to an end and with it the technical support given to local crop monitoring activities. With the departure of Mr. White, the unit providing technical support to law enforcement activities has for most of the past year been down to one professional staff member. Also the demand reduction section has just lost its chief of section and no CTA has been recruited for the global assessment programme as originally planned. This is seriously weakening the technical support to local drug abuse assessment activities.
- In-house round tables: Upon my arrival, I suggested to Mr. Arlacchi that UNDCP should organize in-house round tables to prompt discussion on specific issues. This would involve bringing together a cross-section of professional staff - from UNDCP and CICP - working on related issues. It was meant to provide Mr. Arlacchi the opportunity to meet with staff members and maintain a dialogue on substantive matters within the organization. Only one meeting was organized - to discuss ways to establish a Drug Control Agency in Tajikistan; this was a complex and difficult problem that required careful consideration. In the event, Mr. Arlacchi was deeply offended by any view that could be seen to question the

way he wanted to mount the Tajik Drug Control Agency. It was therefore the last such meeting he would allow to go forward.

- Panel of experts: The same fate befell the idea of bringing internationally renowned experts to Vienna to review and discuss with us specific drug issues. At Mr. Arlacchi's insistence the panel of experts under the global monitoring of illicit crops and the global drug abuse assessments programmes were deleted from the programme outlines (although they continued in some ways to exist). Also the proposal to have four panels of experts to evaluate programmes under the four thematic areas of UNDP operations were rejected. Today, technical meetings with outside experts almost never take place
- Dialogue with Permanent Missions: During 1999, we mounted a number of informal round-tables with permanent missions to the UN in order to discuss substantive as well as organizational issues. Subsequently, this was stopped when Mr. Arlacchi issued a circular in February 2000 that all such meetings would have to be approved by him personally.
- The problem with UNDCP execution is the lack of control, transparency and accountability of financial transactions:
 - In early 2000, Mr. Quaglia instructed Mr. Dato, UNDCP Representative in Moscow, to transfer through the UNDP office funds to the personal account of a Captain Oren for the purchase of one vehicle and office equipment. This was done although there was no particular project and although Captain Oren did not hold a UN letter of appointment. It is not clear how much was paid. If Captain Oren had indeed purchased a vehicle and office equipment, or to which account the payment was charged. There will also be unclear accountability for this transaction: UNDCP will claim that it was UNDP's responsibility to check if the payment was in conformity with UN rules and regulations whereas UNDP will respond that it only acted on behalf of UNDCP and that its responsibility ended with checking if the signature was that of an authorized UNDCP staff member.
 - A growing number of held posts are being utilized for head-quarters based work, thus diverting funds from their intended purposes. At present, four such posts are being used in this way.

Managing on Organization

- UN Staff Council Protest: ON 6 December 1999, the UN Staff Council at Vienna issued an unprecedented desk-to-desk circular that highlighted staff grievances "of a recurring and widespread nature" against Mr. Arlacchi. The circular informed staff of the outcome of a 22 November 1999 meeting between Staff Council representatives and Mr. Arlacchi; the main concern raised by the staff council at that meeting was that "staff were demoralized and distressed about the way they were treated but were afraid to complain openly". The following excerpts are taken from the 6 December Staff Council circular:

- "The staff committee could provide examples of lack of transparency in decision-making, grey areas in the application of staff rules, and the intimidating effect which the apparent unfair treatment of few colleagues had on the rest of the staff."
- "There was still confusion as to whether the restructuring of ODCCP was over and, due to the large number of reassignments and recruitments over the past half year, staff were unclear who had the delegated authority for doing what."
- "There was a general climate of fear and intimidation prevailing in the house, which was serious as it also affected the productivity of staff..."
- "Reports had been received that serving staff, including members of the Panel of Counsel, were reluctant to counsel and assist aggrieved colleagues bringing their cases, for fear of reprisal."
- "Unfortunately, the DG/ED chose to term staff concerns 'vague perceptions' and 'gossip', which he could not address. As far as he was aware, the situation in Vienna had improved over the past two years in terms of funding, productivity, quality of work and staff morale..."
- "We (UN Staff Council) want all staff to know that the same or similar concerns have repeatedly been brought to the DG/ED's attention over the past year (1999). On all those occasions, including in his latest address to the staff, on 25 November 1999, the DG/ED has expressed the view that matters have substantially improved since his arrival, particularly as far as funding was concerned, and that morale was high."
- "Staff representatives cannot agree that the overall climate and staff morale have improved, based on the reactions they keep receiving from many staff, nor can they accept that the very real problems and anxieties of those colleagues be labelled as 'gossip'."

4. Concentration of Decision-Making Authority

- Signature authority: Mr. Arlacchi has concentrated all signature authority in himself. This includes: staff contracts and contract extensions, consultant contracts, project documents, projects revisions, training seminars (even those in field-based projects) and travel of all senior staff. The same applies to all letters and communications to governments and missions. Signature authority for directors is almost non-existent.
- Units reporting directly to Mr. Arlacchi: 1. Office of the Executive Director, 2. Division for Operations and Analysis, 3. Division for Treaty Affairs, 4. Global Programme against Money Laundering, 5. Terrorism Prevention Branch, 6.

External Relations Unit, 7. Fund Raising Unit, 8. Programme Support Service, 9. Management Advisory Unit, 10. CICP, 11. UNOV, 12. UNICRI, 13. Outer Space Affairs, 14. UNIC

- Individuals reporting de-facto directly to Mr. Arlacchi: Gale Day, speech writer. M.R. Amirkhizi, policy adviser. S. Tucci, spokesperson, B. Znamensky, protocol issues, G. Quaglia, Chief Operations, T. Pietschmann, responsible for the World Drug Report, Roberto Arbitrio, responsible for the Tajik operations, Ms. De Ledda, Representative in Tashkent, V. Fenopetov, responsible for Afghanistan/Central Asia.
- Illicit Market Study: In late 1998, Mr. Arlacchi instructed the Research Section to carry out a study on illegal drug markets. A full-scale project was developed, approved by his office, and signed by Mr. Arlacchi, funded, and launched. However, soon thereafter, in early 1999, even though staff members of the Research Section had devoted several months full-time to developing the project, and had planned to focus on the initiative throughout 1999, he abruptly and inexplicably had the project "transferred" to UNICRf (Rome), headed by his friend Alberto Bradanini. The UNICRf expert subsequently assigned to lead the project in Rome had no substantive background in drug control issues.
- Study on Terrorism in the Balkans: In early 1999, Mr. Arlacchi instructed DOA to provide US\$ 500,000 in General Purpose funds to the newly established Terrorism Unit for a study on terrorism and organized crime in Albania. The study was officially entitled "Drugs and Crime in Albania" in order to allow for the diversion of funds from drug control purposes. The study results were given to Mr. Arlacchi but never shared; DOA never received any information that would have justified the project funding.
- Programme and Financial Monitoring System (ProFi): On 30 November 1999, Mr. Arlacchi approved a new financial system (subsequently referred to as ProFi), approving \$1.6 million for its establishment. However, after the contract for the job had been agreed and signed with an external firm, Mr. Arlacchi on 18 April 2000 issued an instruction temporarily freezing the total cost of the exercise at \$700,000 bringing the project to virtual stop. This action was taken without any prior consultations with me or the staff members responsible for ProFi. In fact, although I was responsible for the implementation of ProFi, I learned of this very important decision through a copy of a memorandum sent by Mr. Arlacchi to Mr. Khalon, PSS. OED requested a technical review by a junior staff member in NY, who was not from the technical offices of the Secretariat (ITSD) to investigate whether the project could be stopped on technical grounds, but the assessment was instead positive. Thereafter, Mr. Arlacchi hired a lawyer to investigate whether I had over-stepped my authority in signing the contract with UNOPS on behalf UNDCP. The investigation concluded that both technically and legally all procedures had been properly followed. After two memoranda from me drawing his attention to the serious consequence of halting such an important contract, Mr.

Arlacchi on 11 May 2000 issued another instruction to continue the exercise as initially foreseen.

This action was in part prompted by Mr. Arlacchi's contempt for any form of transparent management tool. However, I suspect that his action was also intended to silence me after having discussed with him the so-called boat project. While in New York with Mr. Arlacchi in March 2000, I had warned him that the boat project might turn out to be a great embarrassment for him and the organization and I suggested that he abandon his plans. When he replied that this was his responsibility and none of my business, I notified him that I felt that I could not sign for such a project. Apparently he did not take this as genuine advice but as a sign of disloyalty. Since then all information about the boat project has been kept away from me, Mr. Quaglia handled all ship matters without keeping me informed.

- **Responsibility for Human Resources:** On human resource matters, Mr. Maertens had a similar experience as I had with ProFi. Without any prior notice he discovered together with all staff of ODCCP a single-sentence memorandum - dated 8 June - informing that he would no longer have responsibility for human resources, that thereafter the unit dealing with such issues would report to Mr. Arlacchi (The entire memorandum reads: "Please be informed that, with immediate effect, the Management Advisory Unit will be reporting directly to me"). Until then, Mr. Maertens had made great efforts to make more transparent human resources management, to entrench a stronger commitment to staff career development and to mount a comprehensive staff training programme. At the same time, Mr. Arlacchi decided to recruit a staff member outside of UNDCP to take over the Management Advisory Unit. As there was no post, the P-5 post for the Brussels' office was assigned to headquarters. All this happened without any Information given to those staff members concerned.
- **Field Representative Seminar:** This year's field representative seminar was prepared without the involvement of the three directors. I was informed only one week prior to the event. It had been prepared by Ms. Valle together with Mr. Quaglia, who was officially supposed to report to me.
- **The Organization of Events:** In late October 2000, Mr. Arlacchi discovered that his front office (OED) had not informed him about a meeting that was taking place with representatives of drug control administrations and UNDCP field office, organized in Vienna. In response, on 3 November 2000, Mr. Arlacchi issued an instruction to all staff in which he stated categorically that "Effective immediately, the organization of workshops, seminars and expert groups meetings must receive prior clearance from my office... at least three months in advance." Mr. Arlacchi now approves, for each and every meeting organized by UNDCP , "the purpose and objectives, duration, list of participants and source of funding".
- **Front Office Expansion:** The front office now consists of a total of some 20 staff members (professional and general service).

- The Afghanistan Programme: Responsibility for our activities in Afghanistan was de-facto taken away from me in April 2000. I was never informed but – as in so many other situations – was suddenly excluded from information. Without ever discussing the issues with me, Mr. Arlacchi asked Mr. Fenopetov to travel to New York for the 6+2 meeting. Mr. Arlacchi tried to justify Fenopetov's travel with the argument that he wanted also to give other staff members the opportunity to travel to New York. My warnings that the Afghanistan working group meeting was insufficiently prepared and that we should try to attract more attention from the Western European nations, as they would have to pay the bill, was ignored. The results of the meeting are a further wish list of projects and less funding from European donors to deal with the Afghanistan problem.
- The Tajikistan Programme: the Tajikistan projects were from the very beginning shrouded in secrecy. Although I had accompanied Mr. Arlacchi, along with Mr. Znamensky, to Tajikistan in April 1999. I was not involved in the important meetings. To this meeting with the Tajik president he took only Mr. Znamensky. It was at this meeting that Mr. Arlacchi agreed to finance not only a traditional technical assistance project but also to pay for the salaries of approximately 300 Tajik law enforcement officers.

Upon his return to Vienna, Mr. Arlacchi assigned Mr. Arbitrio, the son of a personal friend in Rome, to the Tajik project. He neither consulted with Mr. van Dijk, who was Mr. Arbitrio's direct supervisor, nor with me, even though I was responsible for operational activities. Mr. Arlacchi has had Mr. Arbitrio report only to him, thus preventing all line managers from knowing what the status or the problems at this very unusual project are. Nobody knows why Mr. Arlacchi has recently relocated Mr. Arbitrio out of Tajikistan and nobody knows why Mr. Arlacchi has decided to cancel all international investigator posts under the Tajik Drug Control Agency, leaving the project with practically no International supervision.

For the same reason nobody understands why Mr. Arbitrio's high- profile report - which stated that more than 100 heroin laboratories operate inside Northern Afghanistan - is no longer being promoted. The information contained therein, which included Russian satellite photographs, was highly touted - much was made of the fact that UNDCP had been given access to it. One reason for the sudden silence on the report may be that the information was inaccurate. In August 2000, another UNDCP mission was sent through the Northern areas and Badaghshan - this mission reported that according to reliable local contacts, there are only three heroin laboratories and even these have discontinued production because of unfavourable price developments. A detailed and credible production cost estimate accompanied this assessment. When I approached Mr. Arlacchi with this information, he dismissed it without any discussion. However, what had before been marketed as a key revelation is no longer mentioned.

Similarly, on 12 September 2000, Mr. Arlacchi issued a press release announcing that opiate seizures in Tajikistan had increased "by 400%" to a total of "almost 600 kilograms" (1320 pounds). In the press release. Mr. Arlacchi went so far as to claim that

"The assistance provided by the United Nations to Tajikistan and to the Russian border guards in the field of drug control gave immediate and excellent results". However, just ten days later, in the third week of September 2000, I met Mr. Nazarov in Wiesbaden at a meeting organized by the Bundeskriminalamt and wanted to congratulate him on this success; he was surprised. Not only was he unaware of the press release, but neither could he confirm the claim of such increases in opiate seizures. In fact, he gave me a copy of his statistics on seizures, which does not in any way support the information given in the press release. Most recently, on 19 November, in a high profile interview with the NY Times Mr. Arlacchi gave a seizure figure of no less than "1.3 tons of heroin" – or 2912 pounds – more than double the corresponding figure he had given in the press release only eight weeks earlier.

Whatever the truth, the problem is that such important information is never discussed in-house or drawn from an objective, disinterested assessment. Since becoming Executive Director, Mr. Arlacchi has insisted on an organization-wide effort to paint a picture of the global drug problem that is as positive and encouraging as possible, with the goal of attracting maximum donor and political support. Many both within and beyond UNDCP are deeply troubled by this approach – putting political goals ahead of objectivity – and the apparent extent to which our statistics are being consistently manipulated. Unfortunately, because the drug issue is inherently opaque, the doctoring of statistics and quantitative information for political purpose can be undertaken with virtually no risk of being "exposed". Particularly troubling is the fact that the UN's credibility in global information-gathering is being not only harmed but actively exploited.

- World Drug Report: Mr. Arlacchi approved the outline of the WDR in June 1998. Preparing the report took place during the next 2.5 years and should be completed in December 2000. Despite having approved the substantive outline two years earlier, Mr. Arlacchi in mid-2000 rejected several chapters from the final WDR draft at a key stage of report preparation. Mr. Arlacchi also decided that a Philip Robbins, whom he had met at a United Kingdom conference, should do the introduction of the WDR: an \$8,000 grant was "awarded" to this individual. After the resignation of Francisco Thoumi, he informally designated as de facto project coordinator, Thomas Pietschmann, who had no management experience. The staff member's immediate supervisor was never consulted on this decision. This brought the number of project coordinators for this exercise to three: Sandeep Chawla (1988- 1999), Francisco Thoumi (fall 1999-August 2000), and Thomas Pietschmann (September 2000-present).

5. Human Resources Management

- Internal Assessment and clearance of important personnel actions: With the only exemptions of the recruitment for the Laos, India and Law enforcement posts no other personnel action, recruitment, reassignment or termination of contract, has been discussed with me since December 1999. This includes posts that were under my supervision. In most cases I was not even informed. => Performance Appraisal system (PAS): The PAS is one of the most important UN-wide tools to assess the performance of and establish the work objectives for individual staff

members. It is meant to introduce transparency and fairness in the relationship between staff and managers. Unfortunately, the PAS inside UNDCP is not properly applied and has hence not won the trust of the staff. They are generally completed a year late, mainly to comply at least formally with UN rules governing human resource management. Consequently, they are not used for personnel decisions. UNDCP has never developed common criteria for performance ratings in PAS to ensure organisation-wide coherence. The Management Review Committee has never met. This is important as the PAS ratings vary widely within the organisation and differ significantly from the rest of the UN system. For these reasons I have refused to countersign the 1999 PAS unless there are joint criteria and proper management review of the process.

- Core Post allocation: The P-4 post for the Project Manager of the World Drug Report was approved as part of the UNDCP biennial budget for 2000-2001. The vacancy, however, has to this day never been made public, even though Regular Budget funding has been approved and allocated from NY. The available funding for the post is currently being used to fill a shortfall for the salary of a L-4 staff member, in the Research Section, who has been assigned to duties not directly related to the World Drug Report (Thibault Le Pichon). As early as this summer, a decision had been made by Mr. Arlacchi to award the UNK/P-4 post to this staff member, who has overseen the preparation of the highly politicized UNDCP statistical publication, Global Illicit Drug trends, prior to any formal recruitment process being initiated. It was made clear that Melissa Tullis, the staff member who has carried out the work envisaged for the World Drug Report post, should not apply so as to facilitate the selection process as decided by Mr. Arlacchi. Efforts are presently underway to re-orient the job description so that Mr. Arlacchi's preferred candidate can be selected.
- Consultants/Staff Members with personal ties to Mr. Arlacchi:

Donato Masciandaro – The expert was virtually imposed on the Global Programme on Money Laundering to fill an L-5 position for research coordinator (see vacancy announcement 99-VI-09); as one of this three references on his P-11, he lists Pino Arlacchi. >From November 1998-March 1999, he served as a consultant for the Global Programme on Money Laundering. He prepared a submission for what was supposed to be the WDR money- laundering chapter but much of it turned out to be plagiarized from a previous publication (Journal of Money Laundering Control, vol 2, No.1 P49). Payment was withheld because of this. After the WDR incident, it was not possible to proceed with his recruitment for the L-5 post.

Lucy Hrbkova, a young Czech national, with no substantive background in drugs or relevant works experience, was mysteriously recruited late last year as a consultant after Mr. Arlacchi met her on mission. She was to head the Bratislava office despite her lack of any relevant credentials. After problems arose in placing her in the Bratislava office, she was placed in Vienna, and for much of the past year, she has occupied a post in the NY liaison office, where she has earned not

only a salary but a Daily Subsistence Allowance as well. Ms. Hrbkova is presently being considered for a regular budget P-3 UNK post at the NY office.

Mr. Salvi a friend of Mr. Arlacchi was recruited to prepare the Tajikistan DCA project.

Mr. Panza is a friend of Mr. Arlacchi sent on a secret mission to Tajikistan to collect Russian information on heroin laboratories in Northern Afghanistan.

Mr. Bontempi, a friend of Mr. Arlacchi received a consultant contract to facilitate UNDCP contacts with the European Commission.

Captain Oren a personal sailing contact of Mr. Arlacchi received a five-week contract (end November - December) to write in Las Palmas an unusual project document to advocate anti-drug messages through sailing around the world. Mr. Oren never produced a project document, the document was written instead by Operations Branch. At the beginning of his contract, Captain Oren was invited to Vienna with his wife and accompanied Mr. Arlacchi back to Las Palmas. Mr. Arlacchi had his sailing boat in Las Palmas at the same time. Mr. Oren's contract coincided with Mr. Arlacchi sailing from Las Palmas across the Atlantic.

Mr. Sinha Basmayake, a lawyer, was recruited in order to try to solve the legal problems related to the ship project. This was necessary, as it turned out Captain Oren had made false statement about the ownership of the ship with which he wanted sail around the world. It also turned out that he had legal problems back home.

Mr. Bradanini, a friend of Mr. Arlacchi, was selected by Mr. Arlacchi to head UNICRI in 1997. Mr. Bradanini has recently received his second promotion since 1997, this time, to the D2/L7 level.

Ms. Simona Talani, a young Italian with personal/family ties to Mr. Arlacchi has recently begun work (November 2000) as a JPO for the UNDCP office in Cairo. Communications/correspondence on her recruitment and placement were handled directly by Mr. Arlacchi's office - even the Operations Branch was left out of the decision-making process.

Ms. De Ledda, formerly a research assistant for Mr. Arlacchi during his senatorial work in Italy, was initially brought to UNDCP as a consultant and is now UNODCCP representative in Tashkent, Uzbekistan.

W. Raith is a German journalist living in Italy. He has translated one of Mr. Arlacchi's books into German. He was repeatedly recruited and sent to Germany to help prepare Mr. Arlacchi's visit (which never took place).

- Cases of staff whose contracts were not extended:

Frank Albert Bogdan Lisovich, Tony White, Pieter Delcour, Jens Hannibal, Walter Guibinat

- Staff forced to accept reassignment:

Christian Kornvall (to Bangkok, later resigned), Bertrand de Fondaumiere (left UNDCP for the UN secretariat rather than accept reassignment), Pieter Delcour (instead of accepting Nigeria he left the UNDCP for a job in Geneva), Dagmar Thomas (although she had not accepted to be reassigned to Sophia, Mr. Arlacchi went ahead and announced her reassignment by memo.), Anja Korenbik (has not yet accepted), Xavier Bouan, Andres Finguerut (formally one of the OICs of the OED, reassigned within the house), Alexei Kouvochirnikov (has not accepted to go to Nigeria and expects that his contract will expire this month without an extension), Bernard Frahi.

- Senior Staff that have left or are leaving:

Christina Oguz (one year leave), Francisco Thoumi, Jean-François Thony, Jom Kristensen, Peter Storr, Ron Ranochak, Tony White, Flavia Pansieri, Lars Pedersen, Douglas Keh, Vanessa MacMahon, Lois East.

- Officers-in-charge (as of November 2000):

Jan van Dijk, Francis Maertens, Anders Norsker (since spring 1996. Functions were officially reclassified and performed at P-4 level since February 1997) Ron Ranochak, Alex Schmid, Chris Van der Burgh, Ian Munro, Narumi Yamada
Previously: Chawla (PDAB), Finguerut (OED), Lucas (OED). None of these were confirmed.