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Annan Vows to Remove Oil-For-Food Shadow Over UN

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Secretary General Annan said Friday he is determined to remove the shadow hanging over the United Nations, after investigators uncovered serious failures in administration of the oil-for-food program.

"We are as determined as everyone to get to the bottom of this," said Mr. Annan. "We don't want this shadow to hang over the U.N. So, we want to get to the bottom of it, get to the truth and take appropriate measures to deal with the gaps."

An interim report released a day earlier said misconduct by former oil-for-food program chief Benon Sevan had seriously undermined the integrity of the United Nations. Another official, Joseph Stephanides, was also singled out for harsh criticism.

But Mr. Sevan, a former undersecretary general, has effectively retired, and Mr. Stephanides is months away from retirement. Secretary General Annan says the two men will be disciplined, but admitted there are questions about how it can be done.

"My lawyers and others are working on that, and you will hear from us very shortly," he said.

The investigation by a three-member panel, led by former U.S. central bank chief Paul Volcker, suggested that Mr. Sevan may have taken kickbacks for helping a friend obtain valuable contracts to sell Iraqi oil. Mr. Sevan has denied the allegation, saying through a spokesman that he never took a penny.

Secretary General Annan described the findings as "hard knocks" on the world body's reputation, and said he and others were shocked by the Volcker commission's findings about Mr. Sevan.

"I'm not the only one who was shocked by what we read in the report. He's been here working with many of us for quite a time, and we had not expected anything of this sort," said Mr. Annan.

Mr. Annan said the United Nations is bracing for more revelations, as the Volcker panel publishes further reports later this year. Topics for review in the next Volcker report include allegations that Mr. Annan's son, Kojo Annan, received payments until last year from a key oil-for-food program contractor.

Mr. Volcker acknowledged Thursday that there is much more to be studied. As an example, he pointed to the actions of the U.N. Security Council, which authorized and monitored the \$64 billion program. He told reporters, "it's not the whole story by a long shot."

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A United Nations-appointed panel investigating the Iraq oil-for-food program says it found conclusive evidence of gross mismanagement and conflict of interest by a senior U.N. official. Oil-for-food inquiry commission chairman Paul Volcker says his panel's initial report does not make pleasant reading. Writing in the Wall Street Journal newspaper Thursday, Mr. Volcker says the panel found that procurement procedures used in the \$64 billion program were ...

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Two United Nations employees have been suspended after a commission investigating the Iraq oil-for-food program accused them of misconduct. Benon Sevan, an undersecretary general who headed the oil for food program, and Joseph Stephanides, currently head of Security Council affairs, have been suspended with full pay while Secretary-General Kofi Annan determines what action to take against them. The process could take several weeks. The commission Mr...

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Former U.N. Secretary-General Boutros Boutros-Ghali has come under fire for his role in the oil-for-food scandal. A 219-page interim report issued Wednesday by an independent commission raises doubts over Mr. Boutros-Ghali's selection of the bank that handled the money from the sale of Iraqi oil. Under U.N. rules, competitive bidding to the "lowest acceptable bidder" is required. The French bank BNP was selected but did not have the lowest offer among four banks...