

WIPO



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ASSEMBLIES OF THE MEMBER STATES OF WIPO

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BRIEF NOTE ON ALLEGATIONS AGAINST THE ORGANIZATION AND ITS DIRECTOR GENERAL

prepared by the Secretariat

1. The present note provides clarifications pertaining to a series of reported allegations and rumors concerning the Organization and its Director General. It is established at the request of a number of Member States.
2. Some are vesting relentless efforts in their attempts to destabilize this Organization and derail it from the substantive issues it is intended to pursue. This campaign started some three years ago. Since that time, WIPO has had to face one enquiry after another. At the beginning, the Director General was absolutely convinced and determined to carry out any investigation deemed necessary to set the record straight on allegations or rumors of fraud. He and the staff of the Organization have given unconditional support and unfailing cooperation in this regard.
3. In the framework of a judicial process initiated in February 2004 – as part of bankruptcy proceedings in which one of the companies involved in the renovation of the former WMO building – rumors of fraud in relation to this project were spread. During the investigation, a few WIPO staff members were requested to testify as witnesses. The Director General lifted their immunity to allow them to do so. No WIPO official was indicted.

4. As soon as his attention was drawn to these facts in February 2004, an internal enquiry was carried out by the Director General on this matter and no fraud or irregularity was observed.
5. As an additional measure, from December 2004 onwards, the Director General accelerated the work done to draw up an Internal Audit Charter. This Charter was approved by the Organization's General Assembly at its September 2005 session. In addition, at the beginning of 2005, the Director General set up a Committee comprising senior WIPO staff members and requested an evaluation of the procedures followed by the Secretariat in relation to the renovation project of the former WMO building. The Committee submitted its report, which comprised several recommendations placed to ensure that the practices of the WIPO Procurement Service were beyond reproach and as effective as possible. The Committee did not find that the rules of procedure had been infringed in any way. Since then, these rules have been further strengthened. Member States were made aware of this. The establishment of the Audit Committee in turn reinforced the existing oversight mechanism.
6. Furthermore, and in order to avoid any misunderstanding, the Director General requested that the WIPO Staff Regulations and Staff Rules in force be revised as regards external activities and interests. A decision was taken by the Member States in 2006 in this respect.
7. In spite of the above, in the course of 2004-2005, a campaign was launched referring to fraud in the Organization and reporting the remarks of persons who, all the while remaining anonymous, engaged in spreading rumors.
8. Although a recent report by the Organization's External Auditor on the construction in question made no reference to misappropriation of funds or fraud, a number of Member States requested, at the end of 2004, the intervention of the United Nations Joint Inspection Unit (JIU). The Organization cooperated immediately. The JIU report made no reference to fraud either.
9. Yet, all these inquiries did not seem to suffice. In July 2005, five Member States persuaded the Director General to allow the external auditor of WIPO (the Federal Auditor of the host country) to carry out – with the support of an external auditing firm – a further external and independent investigation on all allegations and other rumors. The external auditor who was in charge of the process selected the firm Ernst & Young. All available avenues for investigation were exhausted, including “whistle blowing”, and all rumors, lies, unfounded allegations and false information, were addressed. At that time, there were rumors circulating, including one about the Director General's non-existing swimming pool allegedly financed by WIPO; a mysterious story of an unnamed, corrupt staff member that the Director General is said to have protected; another perplexing one about an employee on WIPO's payroll at the private service of the Director General; and some others. The external investigation report of Ernst & Young categorically stated that it could not conclude that certain employees of WIPO and third parties concerned committed fraud or dishonest acts.
10. Nevertheless, the deliberate intention to harass the Organization and its Director General remained on the agenda of a few. This was conducted without distinction and even to the extent of attempting to associate the Organization with the United Nations “oil for food” question.

