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## Dollars for dictators

March 13, 2007

First there was oil-for-food, the scandal-infested United Nations program that propped up Saddam Hussein's regime with hundreds of millions in kickbacks. Now there's a new scandal brewing with another UN aid program and another notorious dictator, North Korea's Kim Jong Il. Different countries, different UN programs. But remarkably the same result--millions funneled, no questions asked or answered, to the world's most notorious regimes.

Here's how the United Nations Development Programme office in Pyongyang operated, as described in compelling detail by Tribune Washington bureau reporter Bay Fang:

A North Korean official would come to the door of the UNDP office in Pyongyang every business day. He would grab a manila envelope stuffed with cash--a large slice of the UN's disbursements for aid projects in the country--and leave. He never provided receipts. Nor did any of the UN's international staff know where the money went.

And those staffers couldn't easily find out: Those UN workers were not allowed to leave the compound without a government escort. They were not allowed to go travel outside Pyongyang without special permission from the military--permission they had to obtain at least a week in advance. They were not allowed to set foot in a bank. And under no circumstances were they allowed to make unrestricted visits to the projects they were supposed to be funding.

Even under preposterous conditions like these, the money flowed into Kim Jong Il's coffers. This didn't happen once or twice. It went on for years, with up to \$150 million in hard foreign currency changing hands. "At the end, we were being used completely as an ATM machine for the regime," said one UN official with extensive knowledge of the program. "We were completely a cash cow, the only cash cow in town. The money was going to the regime whenever they wanted it."

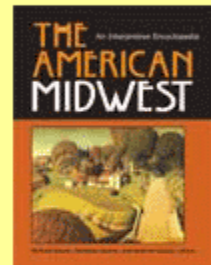
What a disgrace.

And what was the North Korean regime doing with the money? Well, the cash was flowing in at the same time that the North Koreans were building nuclear weapons and, later, testing one. It flowed while the same United Nations--via the Security Council--was slapping sanctions on North Korea, trying to find ways to stop its nuclear program. It flowed while the U.S. worked feverishly to deny Kim Jong Il the hard currency he craved for his luxury lifestyle and to keep the fat cats happy. It flowed while the government watched, indifferently, as its own citizens starved by the thousands.

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While the UN huffed and puffed, Kim Jong Il took the UN's money and laughed all the way to the bank.

Finally, earlier this month, the development program was quietly suspended. Why? After years of doling out the cash and asking nothing in return, did UN officials suddenly grow a spine? Nah. U.S. pressure persuaded the new UN secretary general, Ban Ki Moon, to launch a new audit of the program. By shutting the program preemptively, UN officials may hope to head off some embarrassment.

We hope that doesn't happen.

Earlier this year, Mark Wallace, U.S. ambassador to the UN for management and reform, wrote that at least since 1998 the program has been "systematically perverted for the benefit of the Kim Jong Il regime."

Now the UN promises a full audit, which is expected to be made public. Our guess: The embarrassment's only starting.

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