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For people familiar with the Byzantium on the East River that is the United Nations, the Volcker report is unexpectedly disappointing. To its credit, the report does detail the failings of the Security Council in its management of the oil-for-food scandal, as well as Secretariat weaknesses, and indeed, two or three (only) cases of corruption. Where it is surprisingly off the mark is its near exclusive attribution of fault to the Secretariat and not to member countries, which were explicitly charged by successive Security Council decisions to ensure compliance by their own companies. When it comes to laying blame where it primarily belongs, on the five permanent member countries of the Security Council, the P-5, the report inexplicably pulls its punches. There is not a single recommendation directed to remedying Security Council failings.

The Volcker Report's authors seem to have assumed that the UN was an institution like others, run by an executive invested with powers permitting autonomous action. In fact, the UN is structured more like a club than a government or corporation and the members are very much in charge. The Secretary General is their servant not the other way around. Further, while the secretary general is "the chief administrative officer of the Organization" (Article 97 of the Charter), in fact he has precious little authority over personnel and management matters, unable even to move a position from a lower to a higher priority program without budget committee approval. Imagine if Treasury Board's approval had to be sought by deputies before re-assigning departmental personnel. It is not accidental. That Chapter 15 of the UN Charter, which describes the Secretary General's powers, puts the emphasis much more on "secretary" than on "general".
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As for the scandal itself, it was the Council, specifically its "661 committee" on Iraqi sanctions (named after the resolution creating it in 1990) that, as the Volcker Report acknowledges, "enacted rules for the review and approval of contracts, approved the price at which oil was sold, and reviewed the contracts." The Council, led by its P-5 members, was thus deeply and continuously engaged in very hands-on management of the program from its outset. The fact of smuggling and kickbacks was known to them, as the Volcker Report acknowledges. Nor was it much of a secret to anyone else who was paying attention. As early as 1998, the New York Times was reporting that Iraqi oil was being smuggled out through Syria, Jordan and Turkey. The Council turned a blind eye in part because these countries were bearing a disproportionate burden from implementing the sanctions against Iraq, their previously major trading partner. Volcker, also, details frequent instances in which information on illicit Iraqi activities with private companies was provided to the Council which, nevertheless, failed to act. And yet, the report faults Madame Fréchette for not passing on more formally allegations of kick-backs, about which the Council had demonstrated both ample awareness and consistent disregard, as if her doing so would have somehow changed the politics of the Council or the behaviour of the Hussein regime and the companies cooperating with it. (It is appropriate that I acknowledge that I have known Louise Fréchette for many years, including for three and a half years while I was Canada's ambassador at the UN. The criticism of her in the Volcker Report does not accord with my own experience.)

The enquiry itself bears few resemblances to a Canadian royal commission. Unlike Justice Gomery, neither Mr. Volcker nor his co-members actually attended most interviews of UN staff by the investigators. The meetings were not public, the Report does not provide records of them, and if there were any rules of evidence employed at them, or elsewhere, the 800 plus page report does not say what they were. The fact that Volcker presented three interim reports, undoubtedly to placate Washington critics, does not encourage confidence in the process. In fact, there is still a fourth report to come, this one on relations between companies and the Iraqi regime, which ought to re-establish proper perspective. So far, the blame for problems in the oil-for-food program has been put on the surveillance system, not on the perpetrators and the governments who stood idly by. Still, if the Volcker Committee will have advanced the reform negotiations under way in New York this week, that will be progress all can applaud.

Lest we forget, the oil-for-food program did work, as Volcker does acknowledge. The sanctions against the Hussein regime were maintained and the innocent were fed, saving many thousands of lives. Saddam Hussein was able to chisel the oil-for-food program out of $1.8 billion and to generate another $11 billion outside the program through smuggling, over about a decade. Saddam was not able to spend these funds on weapons of mass destruction, however, which was the first of many American rationales for an illegal and unnecessary war that thus far has killed a minimum of 25,000 Iraqis, recruited countless terrorists and cost $200 billion. Those costs do not include, by the way, the $9 billion of Iraqi money that the UN Oil-for-Food Program turned over to the US-led Coalition Provisional Authority in the early days of the latter's suzerainty over Iraq. That money has disappeared without a trace, as has the investigation into the matter that Congress had promised. That, too, is a scandal.