

Investigation SG/OIG/INV/PR-15/08

On December 2, 2015, the OIG/INV received an allegation from a GS/OAS Department of General Services employee indicating that he was being harassed by a GS/OAS Department of Sustainable Development employee. The allegation detailed an incident that allegedly took place in the locker-room of the GSB building on November 25, 2015, indicating that workplace harassment had taken place. The complainant also informed the OIG/INV that the aforementioned incident was not the first such encounter with the alleged offender.

The OIG/INV interviewed the complainant and the alleged offender, as well as other individuals who might have been aware of the alleged incident/s to gauge whether the acts of alleged harassment may fall under a workplace harassment complaint or any other violation of the GS/OAS Rules and Regulations under the mandate of the OIG/INV. In addition, the OIG/INV reviewed several email communications related to the matter.

In light of the information obtained and according to the current GS/OAS Policy and Conflict Resolution System for Prevention and Elimination of All Forms of Workplace Harassment, which was approved by the Secretary General on October 15, 2015, the OIG/INV concluded that the complaint met the definition of workplace harassment and therefore was within the OIG/INV mandate. The OIG/INV also concluded that there were sufficient grounds to warrant a formal investigation. This investigation concluded with the issuance of a final report that included two recommendations on August 23, 2016.

Investigation SG/OIG/INV/PR-14/11

On November 14, 2014, an official with the Catalan Consumer Agency (**Agencia Catalana del Consumo** - ACC) emailed the OIG Hotline to alert and denounce that a Spain-based consultant working with GS/OAS had been arrested on fraud and corruption charges in 2012 in Spain but yet was profiting by conducting consumer-product safety seminars for the GS/OAS throughout the Americas.

The consultant, through his company, contracted with the GS/OAS in November 2013 to offer a workshop for the Inter-American Rapid Alerts Systems (SIAR), under the umbrella of OAS' *Red Consumo Seguro y Salud* (RCSS), or Consumer Safety and Health Network.

From preliminary inquiries, it appears that the consultant was associated with RCSS from at least 2010 to 2015. **This individual was indicted in March 2012 by a Spanish Criminal Court in Barcelona on charges of influence-peddling, bribery, contract rigging and other fraud-related crimes in a wide-ranging investigation by the Spanish customs agency and anti-fraud authorities in a high-profile case involving contracts unrelated to GS/OAS.**

Furthermore, the ACC official, in his November 2014 email to the OIG Hotline, reported that the news accounts and union complaints "called into question the true interest behind ACC and its current director in participating in the RCSS project," specifically the Memorandum of Understanding (MoU) signed by ACC's directors and the former SG on October 3, 2014. ACC, it should be noted, reportedly made several donations – in annual contributions of €20,000 between 2011 and 2014 that were ostensibly used to offer post-graduate consumer-safety courses to some 500 professionals from throughout the Americas. The consultant, his wife and others associated with the Universitat Pompeu Fabra (UPF) prepared and taught the seminars between 2011 and 2014 at GS/OAS headquarters.

In addition to the criminal indictment of the aforesaid consultant, the ACC director who signed the 2014 MoU himself was the subject of a June 2013 complaint by the ACC workers union,

filed with Cataluña's Anti-Fraud Agency. The complaint accused the ACC director of being involved in influence peddling and contract irregularities in relation to a €60,000 (USD 77,000) contract awarded by ACC to a Barcelona law firm in early 2013 that employed his lawyer son. **This now-former ACC director was indicted on criminal charges in October 2016.**

Given that the 2014 MoU with ACC has not expired, and as there is ample public information – in the form of news articles, workers' union complaints, court records and reports from Cataluña parliamentary anti-fraud and anti-corruption commission inquiries – there exists a strong potential for serious reputational risks to the OAS.

As the former GS/OAS staff members who coordinated and promoted the RCSS program and hired the GS/OAS consultant, his firm and by extension, his wife – as well as those GS/OAS staff members and officials who signed and/or administered the MoU with ACC – are no longer at OAS, the OIG deemed that the first phase of this matter should be closed.

However, based on the aforementioned derogatory information on the subjects whom the GS/OAS has contracted and partnered with, the OIG will address the issue of the existing MoU and its relevant ramifications in a new preliminary OIG review currently under way in 2017.

Investigation SG/OIG/INV/PR-13/14

On March 26, 2014, the former OAS Inspector General authorized a full investigation into a matters arising out of the OIG's Audit Unit (Audit No. SG/OIG/AUD-02/12), which uncovered two cases of "improper" tuition reimbursement in two GS/OAS departments.

However, those findings and the subsequent investigation at hand became the subject of a termination grievance filed by a former OIG auditor against the SG at the OAS/TRIBAD (Complaint No. 301). The former auditor, *inter alia*, alleged deceit, misrepresentation and retaliation for "unfavorable audits performed."

Documentary evidence presented at the TRIBAD revealed that neither of the two staff members – a DLS employee and a DFS technician who were the subjects of the previous audit and investigative inquiries – committed fraud or misconduct with regard to the receipt of tuition reimbursements. Instead, affidavits before the TRIBAD demonstrated that the sums – USD 1,000 and USD 1,475 – identified in the 2012 audit as an incorrectly reimbursed sum and an overpayment, essentially amounted to an "administrative oversight" and "administrative error," respectively.

Subsequently, the OAS/TRIBAD rendered a decision (Judgment No. 162) on December 29, 2014, that rejected the former OIG auditor's allegations and concluded that "all the principal and accessory issues in the present case are deemed to be settled with prejudice."

Accordingly, the OIG closed this matter on April 5, 2017, as no further action is required.

VI. Status of Audit Recommendations

The OIG appreciates the support and collaboration of the Chair of the CAAP for his efforts to improve the dialogue between the OIG and the CAAP with respect to the implementation process of OIG recommendations. Specifically, the OIG takes note of the proposal drafted by the Chair and his committee that will require the Inspector General to make presentations on the status of the