



UNITED NATIONS DISPUTE TRIBUNAL

Case No.: UNDT/NBI/2023/022

Judgment No.: UNDT/2023/099

Date: 12 September 2023

Original: English

Before: Judge Sean Wallace
Registry: Nairobi
Registrar: Eric Muli, Officer-in-Charge

AFAZALI

v.

SECRETARY-GENERAL
OF THE UNITED NATIONS

JUDGMENT

Counsel for the Applicant:

Julia Kyung Min Lee, OSLA
Ana Giulia Stella, OSLA

Counsel for the Respondent:

Andrea Ernst, DAS/ALD/OHR, UN Secretariat
Jacob van de Velden, DAS/ALD/OHR, UN Secretariat

Introduction

1. The Applicant is a former Field Security Guard, at the G-3 level, working with the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (“MONUSCO”), based in the Kalemie duty station.¹

2. On 2 March 2023, he challenged a decision dated 22 August 2022 by the Under-Secretary-General, Department of Management Strategy, Policy and Compliance (“USG/DMSPC”), to delay the issuance of his Personnel/Payroll Clearance Action Form (“P.35”) and the release of his Separation Notification Form (“PF.4”) until the conclusion of investigations against him for possible fraud by the Office of Internal Oversight Services (“OIOS”).

3. The Respondent filed his reply on 11 April 2023 and requests the Tribunal to reject the application.

Factual and procedural background

4. The Applicant joined the Organization on 4 October 2004 working with MONUSCO. His duty station was Kalemie.²

5. On 11 April 2022, the Applicant was notified that his appointment would not be renewed beyond 30 June 2022 due to the closure of the Kalemie office.

6. In early June 2022, the Applicant was notified by OIOS that he had been identified as a subject of a possible unsatisfactory conduct involving medical insurance fraud.

7. On 17 June 2022, the Applicant was interviewed by the OIOS as a subject of possible unsatisfactory conduct.³

¹ Application, annex 1.

² *Ibid.*

³ Application, para. 6.

8. On 30 June 2022, the Applicant separated from the Organization. His final entitlements, including his salary for the month of June 2022, were withheld by the Administration.

9. On 13 July 2022, Mr. Ebow Idun, the Chief, Human Resources, MONUSCO, wrote to DMSPC seeking advice on whether to release or withhold the final salary and entitlements to the staff members who separated from the Kalemie office, considering that there could be fraud cases against them.⁴ This inquiry concerned the Applicant and other staff members who had separated from the Kalemie office on 30 June 2022. Ten cases are pending before this Tribunal on this issue.

10. DMSPC responded on the same day stating, “we will review and revert shortly”.⁵

11. On 18 July 2022, Mr. Idun sent a follow up email to DMSPC. He stated:

Please note that the SRSG [Special Representative of the Secretary-General] promised the separating staff that they would receive their final payments at the end of July 2022. All processes have been completed and payment is ready to be released. Grateful if you could urgently confirm the status so that we can revert to RSCE [Regional Service Centre Entebbe] to release the payments.

12. On 19 August 2022, Mr. Jacob Mogen, the Head of Kalemie Field Office wrote to Mr. Ebrima Ceesay, the Director of Mission Support (“DMS”) of MONUSCO about the pending payments. He wrote:

As we just discussed over phone, about the 20 former staff members had a meeting with me yesterday (18 August 2022) regarding their pending payments because of ongoing investigations. They plan to stage a demonstration, but I urged them to remain patient because investigations take time. Clearly, these staff members are desperate as they cannot pay their rents, pay school fees and buy food. As we discussed, please try to reach out to the investigation team to hasten the investigations. Alternatively, given the desperation of the affected staff

⁴ *Ibid.*, annex 2, p. 6.

⁵ *Ibid.*, p.5.

members, consider a compromise of making partial payments as the investigation continues.

13. On 21 July 2022, OIOS transmitted a report of possible fraud to the Special Representative of the Secretary-General (“SRSG”) to MONUSCO. This report was copied to other senior management officers of the United Nations.⁶ In this report, OIOS recommended that consideration be given to withholding the separation entitlements of the named staff members (including the Applicant), should the Organization wish to recover sums disbursed to the same persons through fraudulent medical claim submissions.⁷

14. Based on the OIOS report, on 22 August 2022, the USG/DMSPC took the contested decision. In communicating the decision to the Applicant, it was stated that the USG/DMSPC has decided to:

(a) Withhold your final entitlements up to USD13,017.79 until the investigation has been concluded and the findings support the imposition of financial recovery pursuant to staff rule 10.1 (b), in accordance with section 9.6 of ST/AI/2017/1 (“Unsatisfactory conduct, investigations, and the disciplinary process”); and

(b) Delay the issuance of your personnel payroll clearance action form (“P.35”) until the investigation has been concluded, and all indebtedness to the United Nations, including the possible financial loss of the Organization resulting from the alleged unsatisfactory conduct has been satisfactorily settled, pursuant to paragraphs 11 and 12 of ST/AI/155/Rev.2 (“Personnel Payroll Clearance Action”).⁸

15. On 21 September 2022, the Applicant filed a management evaluation request of the contested decision.⁹ Further, on 29 September 2022, he filed an application for suspension of action (“SOA”) of the contested decision.¹⁰

16. By Order No. 142 (NBI/2022) issued on 5 October 2022, the Tribunal granted

⁶ Reply, annex 1.

⁷ *Ibid.*

⁸ Application, annex 3.

⁹ *Ibid.*, annex 4.

¹⁰ *Ibid.*, annex 5; application para. 15.

the Applicant's SOA and suspended the contested decision.

17. On 6 October 2022, the Respondent appealed Order No. 142 (NBI/2022), on the ground that the UNDT had exceeded its competence.¹¹

18. On 10 October 2022, OIOS informed the Office of Human Resources ("OHR") of a revised estimate of the potential financial loss caused by the Applicant in the amount of USD1,858.00 instead of USD13,017.79 as initially estimated.¹² The following day on 11 October 2022, OHR instructed MONUSCO to release the Applicant's P.35 and PF.4 forms.¹³

19. On 13 October 2022, OHR recommended to the USG/DMSPC to release the Applicant's final entitlements. The following day on 14 October 2022, the USG/DMSPC instructed MONUSCO to release the Applicant's final entitlements exceeding the revised estimated loss.¹⁴

20. On 17 October 2022, the Applicant filed a motion for execution of Order No. 142 (NBI/2022).

21. On 18 October 2022, the Applicant was informed that OIOS had revised the estimation of the possible maximum loss and the new estimated amount was only USD124.0013 instead of USD14,458.70.¹⁵

22. On 19 October 2022, the Respondent filed a reply challenging the motion for execution of Order No. 142 (NBI/2022) on the ground that the matter was moot because instructions to process the Applicant's P.35 and PF.4 forms had been given on 11 October 2022.¹⁶

23. On 24 October 2022, the United Nations Joint Staff Pension Fund ("UNJSPF")

¹¹ *Ibid.*, annex 6.

¹² *Ibid.*, annex 7.

¹³ *Ibid.*, annex 8.

¹⁴ Reply, annex 7.

¹⁵ Application, para. 18; Reply, para. 14.

¹⁶ *Ibid.*, annex 9.

received the Applicant's PF.4 notification.

24. On 25 October 2022, the UNDT issued Order No. 154 (NBI/2022) dismissing the motion for execution of Order No. 142 (NBI/2022) as being moot as there was no longer any aspect of the SOA to be enforced.

25. On 26 October 2022, the Applicant received his final entitlements in the amount of USD5,200.00

26. On 1 December 2022, the Management Evaluation Unit ('MEU') upheld the contested decision.¹⁷

Issues for determination

27. The Tribunal will determine:

- a. whether the Organization's decision to delay the issuance of the Applicant's P.35 form was lawful; and
- b. whether financial compensation and moral damages should be awarded to the Applicant to compensate for harm caused by the decision to delay the issuance of his separation information to the Pension Fund in a timely manner

Issue I: Whether the Organization's decision to delay the issuance of the Applicant's P.35 form was lawful.

Submissions

Applicant's submissions

28. The Applicant submits that since separating from MONUSCO until the payment of his pension benefits, he and his family faced immense financial distress and struggled to survive. For over four months, the Applicant was unable to provide the basic essential needs such as food and housing for his family. Consequently, he had

¹⁷ *Ibid.*, annex 12.

to resort to borrowing USD9,000.00 at 3% of monthly compounded interest which resulted in a financial loss of USD1,433.45 as payment of interest on this loan.

29. The Applicant, thus, avers that his inability to provide these basic essential needs for his family harmed their physical and mental health, as well as his. Without any medical insurance and money to pay for treatments, the Applicant and his family were also deprived of receiving proper medical care to address their physical and psychological distress resulting from the unlawful withholding of his duly earned pension benefits.

30. From a legal point of view, the Applicant contends that the contested decision was unlawful. He maintains that he was never indebted to the Organization in the amount of USD13,017.79, as claimed in the USG/DMSPC's letter of 22 August 2022. To date, neither OIOS nor the Respondent provided any explanation as to how they arrived at this speculated amount to be the "estimated possible maximum financial loss" that the Organization should recover from him. Therefore, there was never any basis to justify withholding his P.35 and PF.4 forms, which prevented him from receiving his duly earned pension benefits.

31. The Applicant further submits that pursuant to staff rule 3.5, pensionable remuneration is among the allowances that United Nations staff members are entitled to receive and the entitlement to receive a pension benefit vests in a participant on the day succeeding the last day of contributory service. Sections 5 and 10 of ST/AI/155/Rev.2 (Personnel payroll clearance action) require the Administration, among others, to provide a staff member preparing to separate with a copy of ST/AI/155/Rev.2, completing form P.35 normally one month in advance of the last regular working of the staff member, preparing the Pension Fund separation notification (PF/4) and sending it to the secretariat of UNJSPF within three days of completion of the action.

32. The Applicant elaborates that he was not notified of any indebtedness to the Organization or called upon to settle any debt pursuant to ST/AI/155/Rev.2 prior to his

separation from service. The Administration was fully aware that the Applicant would be separated from service on 30 June 2022 due to the closure of the Kalemie office, which had been planned since it was first announced in 2020. The Applicant was only notified that he was under investigation by OIOS on 1 June 2022, along with the rest of the separating national staff members of the Kalemie office and was only interviewed as a subject 11 days before his separation date. The OIOS investigation was not concluded at the time of his separation from the Organization and to his knowledge, the investigation is still on-going. Therefore, no factual finding was ever made to establish that the Applicant currently is or was ever indebted to the Organization.

33. The Applicant avers that the Respondent has failed to establish that the Applicant was indebted to the Organization at the time of his separation from service that would justify the withholding of his P.35 form pursuant to sections 11 to 13 of ST/AI/155/Rev.2.

34. Furthermore, as tendered in evidence, the decision to withhold the Applicant's final entitlements and the delay in the issuance of the P.35 form did not have the required authorization of the USG/DMSPC until 22 August 2022, almost two months after the Applicant's separation from service. Therefore, the Administration arbitrarily withheld the Applicant's final entitlements and pension benefits for no valid reason for over four months. Denying the Applicant his pension benefits for a prolonged period based on unfounded assumptions of indebtedness is in violation of ST/AI/155/Rev.2 and staff rule 3.5.

35. In view of the foregoing and relying on *Azar*¹⁸, the Applicant submits that he should be paid interest at US Prime Rate for the late payment of his pension benefits, i.e., from the date of his separation until the date UNJSPF received his P.35 and PF.4 forms.

¹⁸ *Azar* UNDT/2021/125 (not appealed).

(ii) *Issue II: Whether financial compensation and moral damages should be awarded to the Applicant.*

36. Relying on the jurisprudence of this Tribunal¹⁹, the Applicant argues that he should be given financial compensation and moral damages. He contends that it is undisputed that he was never indebted to the Organization as claimed in the contested decision. Therefore, his pension benefits should never have been withheld from him. Since separating from MONUSCO, the Applicant and his family have faced immense financial distress and struggled to survive due to the unlawful retention of his pension benefits caused by the contested decision. The despair faced by the Applicant is witnessed and corroborated by MONUSCO's own senior management.²⁰

37. The Applicant's inability to provide the basic essential needs for his family harmed their physical and mental health, as well as his. The delay in paying his pension entitlements caused him severe financial hardship, stress, embarrassment and loss of self-esteem. Without any medical insurance and money to pay for treatments, the Applicant and his family were also deprived of receiving proper medical care to address their physical and psychological distress resulting from the unlawful withholding of his duly earned pension benefits.

38. The Applicant asserts that the claim for moral damages is appropriate in this case even in the absence of additional medical documentation. In *Civic*²¹, the United Nations Appeals Tribunal ("UNAT") ruled that the testimony of staff members themselves are sufficient in attesting the impact of Administration's illegal decision that led to disappointment, demoralization and anxiety, and negatively impact staff member's physical health to constitute compensable non-pecuniary damage. It is

¹⁹ *Kings* UNDT/2017/043, para 45; *Massi* UNDT/2016/100, para. 69; and *Chacon Gomez* UNDT/2017/096.

²⁰ Application, para. 49; application, annex 2, pages 3-4.

²¹ *Civic* 2020-UNAT-1069.

further affirmed that there is no need for medical expertise to conclude that continuous anxiety can be harmful for one's health.

39. By way of remedies, the Applicant requests:

- a. Interest on the one-time pension withdrawal settlement at the US Prime Rate from the date of his separation until the date UNJSPF received his P.35 and PF.4 forms;
- b. USD1,433.45 for the financial loss that he incurred due to the delay in the payment of his pension benefits occasioned by the contested decision; and
- c. USD5,000 in compensation for moral damages for the pain and suffering caused by the contested decision.

Respondent's submissions

On whether the Organization's decision to delay the issuance of the Applicant's P.35 form was lawful.

40. The Respondent contends that the contested decision was reasonable. The Applicant had already been interviewed by OIOS before he separated from the Organization on 30 June 2022. He was well aware of the serious fraud allegations against him. Therefore, the contested decision was also reasonable pending the OIOS investigation. The Organization must be able to rely on the OIOS Memorandum and OIOS' assessment of the financial loss as it secures its financial interests from fraud. The OIOS is an independent investigating entity, and it only initiates an investigation following a preliminary assessment indicating that such is warranted. In this regard, it should be noted that when OIOS issued its memorandum and financial loss estimate, OIOS had already interviewed the Applicant. In addition, OIOS had a reasoned report on the Applicant's claims from the Fraud Investigation Unit ("FIU") of Cigna, the administrator of the medical insurance, concluding that the Applicant had been unduly reimbursed.

41. The available information indicated that the Applicant submitted false claims to Cigna for a total staggering amount of USD155,538.69. These claims involved 148 hospital admissions of the Applicant and his insured dependents. On at least 13 occasions, Cigna received invoices for overlapping or connecting admissions (i.e., admissions where the patient is simultaneously admitted in two hospitals or is hospitalized immediately after or shortly upon being discharged from another hospital). During 10 purported hospitalizations, the Applicant was at work according to his own UMOJA records, which are certified as true and accurate. These records established with a high probability the Applicant's misconduct.

42. Cigna prevented a major part of the financial loss to the Organization by not reimbursing the full amount of USD155,538.69. Nevertheless, as noted, OIOS estimated the financial loss to the Organization at USD13,017.79 which exceeded the Applicant's final entitlements of USD7,076.81. It would be inappropriate to second-guess OIOS' assessment now, with the benefit of hindsight, knowing that OIOS later revised its initial estimate of the financial loss to USD1,858.00 following its further review of the matter as the investigation progressed. This fact was unknown at the time of the contested decision and should not be held against the Organization; what matters is that the Organization acted immediately when this new information became available to the Organization. Besides, the evidence still indicates fraud by Applicant and a high probability of financial loss, even with the adjusted estimate of the size of that financial loss.

43. In support of his case, the Respondent seeks to rely on *Aliko*, UNAT held,

the delay in issuing the [P.35 form to the staff member] was consistent with the purpose of ST/AI/155/Rev.2²² as “[i]t is easy to understand the difficulties of the payment and of the recovery after the staff member's separation.”²³

²² *Aliko* 2015-UNAT-539, para. 40.

²³ *Aliko* 2015-UNAT-539, para. 40.

44. In *Azar*²⁴, UNDT noted that there should be:

a sufficient level of probability of the indebtedness, the value of it estimated and the notice given to the separating staff member, in order to enable him/her to take an informed decision whether to offer a kind of surety in exchange of the release of the documents while the determination is being made.

45. In view of the above cited jurisprudence, the Respondent maintains that the set conditions were met in the present case before the contested decision was taken. The indebtedness of the Applicant had a high level of probability in light of the information available to the Organization. The value of the indebtedness was estimated by OIOS, the competent investigating entity. The Applicant was also on notice, considering that he was informed of the investigation and interviewed prior to his separation on 30 June 2022.

46. Furthermore, the contested decision was necessary, as indicated. The Applicant's final entitlements of USD7,076.81 were insufficient to cover his estimated indebtedness to the Organization of USD13,017.79. In those circumstances, it was for the Applicant to decide whether to offer surety in exchange of the release of his P.35 form while the investigation was ongoing. He did not do so.

47. Had the Organization released the Applicant's P.35 form and sent the associated PF.4 notification to UNJSPF, the Organization would have irreversibly lost any surety to ensure full recovery of the then estimated financial loss.

48. The Respondent further emphasizes that there was no inordinate delay in the present case. In *Nchimbi*²⁵, UNAT held that a delay of 3.5 months in processing a staff member's check-out and submitting the separation forms to UNJSPF is not unreasonable in view of the Organization's obligation "*to ensure proper governance within the Organization and accountability for its property.*" (Emphasis added).

²⁴ *Azar*, *op.cit.*, para. 22.

²⁵ *Nchimbi* 2018-UNAT-815, paras. 27-28.

49. Furthermore, the rules do not specify an exact date at which a former staff member's pension entitlements have to be disbursed. UNJSPF does not and cannot process pension entitlement claims on the date of a staff member's separation. The PF.4 notification informing UNJSPF about the separation of the former staff member only takes place after the check-out process at the mission is completed and the P.35 form is processed. This all naturally takes time.

50. In line with *Nchimbi* and considering the circumstances and the context of the present case, the total time used to protect the financial interest of the Organization of less than 4.5 months is not unreasonable and does not warrant compensation. The General Assembly has repeatedly "emphasized that the full recovery of the financial loss amount should be pursued and encourages the Secretary-General to strengthen his efforts to improve the quantification and the rate of recovery losses".²⁶

51. This mandate guided the Organization's efforts to ensure financial accountability of the separating staff members in the Kalemie office and at the same time to complete all administrative processes in a reasonable time frame. Throughout the decision-making processes and discussions with the Applicant, the Administration demonstrated commitment and good faith in handling the matter. The Administration took prompt action as soon as it received relevant information from OIOS that impacted the assessment of the financial interests of the Organization underlying the contested decision. In particular, the Administration gave instructions for the release of the P.35 form and associated PF.4 notification within a day of learning from OIOS about the revised amounts regarding the estimated financial loss caused by the possible misconduct of the Applicant.

52. Finally, the Respondent contends that, in view of the foregoing, the contested decision was reasonable and supported by an adequate legal basis.

²⁶ General Assembly resolution 77/278, adopted on 18 April 2023, item 143 Human resources management, para. 75; *see also* Report of the Advisory Committee on Administrative and Budgetary Questions, A/77/730, dated 21 February 2023, para. 11.

Whether financial compensation and moral damages should be awarded to the Applicant.

53. The Respondent argues that according to *Fosse*²⁷ and *Rehman*²⁸, there can be no remedy granted, without any evident legal wrong or any causal link between a wrong (an unlawful decision) and the alleged harm. Further, there can be “compensation for harm only if such harm is ‘supported’ by evidence. It is, therefore, incumbent on the claimant to submit specific evidence. These requirements are not met in the present case. There is no legal wrong. The contested decision is reasonable and supported by an adequate legal basis. Further, the Applicant has failed to provide the specific evidence capable of sustaining an award of damages.

54. Regarding the Applicant’s claim for interest on the one-time pension withdrawal settlement at the US prime rate from the date of his separation, the Respondent states that any interest payment could only accrue from the time that the Applicant would have normally received his pension benefits without any undue delay caused by the contested decision. As noted, the Organization’s rules do not specify an exact timeline within which a former staff member’s check-out process needs to be completed, final entitlements have to be paid, and the PF.4 notification has to be received by the pension fund. The completion of the P.35 form involves multiple steps and liaising with different offices and units within the Organization to ensure that all outstanding claims and obligations are settled. Therefore, UNJSPF does not receive notification to process a separating staff member’s pension entitlement claims on the date of a staff member’s separation.

55. A comparison with other former staff members who separated from the same duty station on 30 June 2022 shows that their PF.4 notifications were sent to UNJSPF in the months of August and September 2022. The Applicant’s PF.4 notification was

²⁷ *Fosse* 2022-UNAT-1305, para. 52.

²⁸ *Rehman* 2018-UNAT-882, para. 17-18.

received by UNJSPF on 24 October 2022. The contested decision thus caused the processing of the P.35 form to take at most one to two months longer in comparison with the processing time for separating staff members not accused of fraud.

56. On whether the Applicant is entitled to interest payment for the loan he took, the Respondent submits that the Applicant failed to disclose this loan previously, in his SOA application on 29 September 2022.²⁹ Instead, he dramatically asserted that he was at that time “*unable to provide the basic essential needs such as food and housing for his family.*” He repeated this in his motion for execution on 17 October 2022: “*The Applicant and their families [sic] continue to face immense financial distress and are struggling to survive.*” In his current application, he claims to have paid during this time every month USD633.20 to USD773.70 for food³⁰ as part of his total expenses of USD8,456.80. In this situation, only one of two things can be true: either the Applicant lied in his SOA application that he had no money for food and housing, or he is now lying about his purported loan. Either way, the credibility of the Applicant undermines his claim for damages.

57. The Respondent further argues that there is no nexus with the contested decision, which did not cause the Applicant to take the purported loan. The contested decision was only made on 22 August 2022, whereas the purported loan was taken out on 20 June 2022, two months before the contested decision. Accordingly, by the time of the contested decision, the Applicant had already entered into binding obligations to repay the loan with the interest of USD1,433.45.62 The contested decision did not cause the Applicant to enter into this loan agreement.

58. Along the same lines, the Applicant’s PF.4 notification was received by UNJSPF on 24 October 2022, but the Applicant claims reimbursement of interest payments made on his loan until 20 November 2022.³¹ The contested decision had no effect during the last month of the Applicant’s loan. The Applicant has no right to

²⁹ Application, annex 5 (SOA application).

³⁰ *Ibid.*, annex 13.

³¹ *Ibid.*, annex 13.

compensation for interest allegedly paid by him after the contested decision did not have any further effect.

59. In addition, the interest rate of this purported loan is exceptionally high, effectively 42.58% per year. According to his payroll records, the Applicant has an account with both the United Nations Federal Credit Union (“UNFCU”) as well as the Trust Merchant Bank SARL. The Applicant thus had access to the formal banking sector, which offers loans at usual market rates. By entering into the purported loan agreement at an extortionist rate, the Applicant violated his duty to mitigate his loss.

60. Regardless of the above, the very premise of this claim is not credible. The Applicant’s alleged monthly living expenses of USD1,900, which he avers to substantiate the need to take out a loan of USD9,000, contain several irregularities and generally appear to be inflated. It is also not plausible that the Applicant would not have any savings from his almost 20 years of service with the Organization.³² In fact, his Statement of Earnings and Deductions indicates that from his monthly salary he had USD1,340.06 deposited to his Congolese bank account for his living expenses, while USD 700 was deposited every month to his UNFCU account.³³ These submissions further undermine the Applicant’s credibility.

61. On the moral damages prong, the Respondent opines that the Applicant has failed to provide any evidence of actual moral harm. The Applicant’s mere averment of such purported harm is not sufficient. Relying on *Kabede*³⁴, the Respondent emphasizes that specific evidence in support of his claim for moral damages is required,³⁵ which he failed to provide. The Applicant’s reference to *Civic*³⁶ is misplaced and misrepresents the UNAT’s jurisprudence. Also, in *Civic*, the UNAT held that “*corroborating evidence, other than the staff member’s testimony, is needed*

³² Application, annex 1.

³³ Reply, annex 12.

³⁴ *Kabede* 2018-UNAT-874, para. 22

³⁵ *Ibid.*, para. 22.

³⁶ Application, para. 50.

to support the claim”³⁷ of moral damages. In the absence of any evidence and reasonable factual basis for moral harm, the Applicant’s claim for moral damages must fail.

62. The Respondent contends that there are multiple indications of forgery of evidence in this case. Citing *Maruschak*³⁸, the Respondent stresses that forgeries perpetrated by the Applicant may deprive him of remedies even if it is established that the contested decision was wrong.

63. Finally, the Respondent requests the Tribunal to reject the application.

Considerations

Issue I: Whether the Organization’s decision to delay the issuance of the Applicant’s P.35 form was lawful.

64. As noted above, this is one of 10 similar cases pending before the Tribunal arising from the Organization’s decision to withhold final entitlements and the processing of pension paperwork for national staff whose appointments were not renewed due to the closure of the Kalemie duty station of MONUSCO in 2022. The contested decision was made on 22 August 2022.³⁹

65. The issue of fraud arose as a result of an exercise by the Organization’s medical insurance provider, Cigna. According to the record,

As part of an overall DRC approach for the UN MIP medical plan, Cigna’s Fraud Investigation Unit (FIU) has initiated a targeted exercise to flag and monitor individual files, where possible collusion and abuse of the medical plan is suspected. The individual files were identified on the basis of certain parameters ...⁴⁰

³⁷ *Civic* 2020-UNAT-1069, para. 77.

³⁸ *Maruschak* 2022-UNAT-1282, para. 22.

³⁹ Application, annex 3.

⁴⁰ Reply, annex 1j, p.2.

66. The specific parameters used to flag files were redacted from the exhibit, so the Tribunal has no evidence about how files were identified as being cases “where possible collusion and abuse ... is suspected.” *Id* (emphasis added).

67. By at least January 2021, Cigna reported these “allegations of possible medical insurance provider (“MIP”) fraud” to the Investigations Division of OIOS. As a result, OIOS began investigations into these allegations.⁴¹

68. Under the Cigna exercise, the Applicant’s file was flagged on 10 December 2018 and “systematically monitored since being flagged.” *Id*. It is unclear in the record as to what that systematic monitoring consisted of for the three years before Applicant’s separation, but a summary chart for the Applicant listed the following:

Amount at Risk USD155,538.69

Amount Contradicting Sick Leave Registrations USD12,730.75

Total Amount to Be Recovered USD6,581.42⁴²

69. Interestingly, the chart also showed that the “number of admissions: 148 (!!!!) admissions for 8 insured - feedback UN on sick leave request revealed that the staff member was on duty during all of his 14 alleged admissions.”⁴³ These numbers contradict the Cigna FIU report that said “Mr. Afazali was on duty during 10 of his alleged admissions”⁴⁴ and an Excel spreadsheet that lists 11 admissions when the Applicant was on duty.⁴⁵

70. Similarly, the amounts at issue are inconsistent, or at least evolving. As noted above, the Cigna chart showed that the amount at risk was USD155,538.69, while the amount contradicting sick leave registration was USD12,730.75, and the total amount to be recovered was USD6,581.42 (about 4.2% of the total amount alleged to be “at risk”).⁴⁶ Yet another amount appears in an email referencing “the response from OIOS”

⁴¹ *Ibid.*, annex 1, para. 1.

⁴² *Ibid.*, annex 10j.

⁴³ *Ibid.*

⁴⁴ *Ibid.*, annex 3j.

⁴⁵ Respondent’s annex R-3.

⁴⁶ *Ibid.*, annex 10j.

and describing the Applicant's "possible maximum USD liability" as USD13,017.79.⁴⁷

71. That email is also revealing in that it contains this quotation:

The list below in our email is incorrect and shows XXXXXXXXXX is part of my large CIGNA investigation; this person does not appear in my case spreadsheet or within GoCase (that I could find).⁴⁸

72. Although both the source and the subject of this confusion is unclear in the record, it appears that the OIOS investigation was riddled with problems.

73. Indeed, the record in this case is devoid of details about the investigation at all. Even today, we do not know what was investigated, whether the investigation was ever completed, and if so, what it found about the "possible fraud". This absence of evidence is astounding given over four years of systematic monitoring, the passage of two and a half years since OIOS was first notified of the allegations of possible fraud and began to investigate, and more than a year after the disputed decision to withhold the Applicant's separation entitlements and pension paperwork "until the investigation has been concluded and the findings support the imposition of financial recovery ..."⁴⁹ Despite the OIOS promise giving rise to the decision that "[a]s per normal practice, OIOS will issue reports for each staff member at the completion of its investigations, with an indication of the quantified MIP fraud should this be established,"⁵⁰ no report has been presented to the Tribunal.

74. By 14 October 2022, the Respondent's Counsel was reporting that "[w]e have received updated amounts of the possible maximum liability of these 17 former staff members which are lower than the amounts to be withheld communicated in the memo of 22 August 2022." That email set the "Possible maximum liability in USD" as USD1,858.00.⁵¹

⁴⁷ *Ibid.*, annex 4.

⁴⁸ *Ibid.*

⁴⁹ Application, annex 3.

⁵⁰ Reply, annex 1, para. 6.

⁵¹ Reply, annex. 9.

75. In sum, the record in this case shows that nearly five years ago, Cigna “initiated a targeted exercise to flag and monitor individual files, where possible collusion and abuse of the medical plan was suspected. This exercise used parameters which are not disclosed to the Tribunal.

76. Cigna reported the allegations to OIOS in January 2021, which began an investigation. Although the closure of the Kalemie office had been planned since 2020, OIOS claims that it only learned of the closure weeks before the Applicant’s separation on 20 June 2022. OIOS interviewed the Applicant about the possible fraud allegations days before his separation, but the record contains no evidence about that interview - what he was told about the allegations, the status of the investigation to that point, and his response.

77. On 21 July 2022, OIOS recommended withholding the Applicant’s separation entitlements and delaying issuance of his pension paperwork “should the Organization wish to recover sums from the Applicant.” And on 22 August 2022, the Organization adopted this recommendation in the disputed decision.

78. The record in this case lacks any evidence whatsoever of the nature of the alleged fraud, how the Organization suffered any financial loss, and how any alleged financial loss was calculated. The case consists of a series of black boxes.

79. The first black box is the Cigna exercise. The Tribunal has not been told what parameters were used in identifying cases to be examined, nor what the exercise and systematic monitoring disclosed.

80. The second black box is what information was transmitted from Cigna to OIOS. The Respondent claims that “OIOS had a reasoned report” from Cigna’s FIU, but “[s]ince the investigation is ongoing and for reasons of confidentiality, only the fact of this report can be shared at this moment”. (Reply, para.18 and note 21). Of course, the midst of litigation is the moment when all relevant evidence must be shared if it is to be considered by the Tribunal. Thus, the Respondent’s claim that there was a “reasoned

report” amounts to no more than “trust me, judge” and certainly does not count as evidence.

81. The third black box is the OIOS investigation. Again, the Tribunal was not told what evidence OIOS uncovered over the course of its year and a half investigation. Indeed, the few crumbs of “evidence” that were produced in this case were contradictory and unreliable.

82. The Respondent argues that the Organization is entitled to rely on the OIOS Memorandum and assessment of the financial loss (referencing *Loto* 2022-UNAT-1292, para 80). However, the memorandum in this case consists of a single conclusory statement “(OIOS) received allegations of possible medical insurance provider (MIP) fraud ...”⁵² And the assessment of financial loss is merely another conclusory statement that “Possible maximum USD liability for the Applicant” was USD1,858.00.”⁵³

83. In essence, the USG/DMSPC was presented with the same paucity of evidence that was given to this Tribunal.

84. This is in marked contrast to the evidence provided to the Organization in *Loto*. There, UNAT observed that the OIOS memorandum and the Code Cable “provided a detailed description of the unsatisfactory conduct, the names of the implicated staff member(s), and specifics as to where and when the unsatisfactory conduct occurred ... These documents, supported by the information obtained by OIOS during the investigation, including Mr. Lotto’s interview with OIOS, led the Administration to conclude that it was more likely than not (preponderance of evidence) that Mr. Lotto had engaged in the above-described misconduct.” (*Loto* 2022-UNAT-1292, para 80-81.) Of course, here the Administration was given no evidence whatsoever, and certainly not the detailed description in *Loto*.

85. Moreover, the decision to delay issuance of the P.35 form was expressly taken pursuant to ST/AI/155/Rev.2. which authorizes the USG/DMSPC to refuse to issue the

⁵² *Ibid.*, annex 1.

⁵³ *Ibid.*, annex 4.

said form until a staff member has settled all indebtedness to the United Nations. (See application para.12). In examining this authority, the Dispute Tribunal has held that this power relates to “a stated indebtedness ... a financial obligation, the extent of which is defined, albeit may be disputed.” *Azar*, UNDT/2021/125, para.20 (not appealed). ST/AI/155/Rev.2 may not be used “to secure a merely possible [obligation], akin to a bail.” *Id.*, para.21. At the very least, “there must be a sufficient level of probability of the indebtedness, the value of it estimated and the notice given to the separating staff member, in order to enable him/her to take an informed decision whether to offer a kind of surety in exchange of the release of the documents while the determination is being made. Obviously, moreover, the Administration must act swiftly.” *Id.*

86. In this case there is no evidence in the record to show the probability of the indebtedness, nor the basis for estimating its value. Moreover, the record shows no specific notice given to the Applicant.

87. The Respondent says that since the Applicant had been interviewed (days before his separation), he “was well aware of the serious fraud allegations against him.”⁵⁴ Again, the Respondent did not present any evidence to the Tribunal or to the USG/DMSPC regarding what was told to the Applicant when he was interviewed. Thus, there is no indication that he was given sufficient notice to make an informed decision about whether to offer a kind of surety.

88. Finally, the Administration certainly did not act swiftly in this case. OIOS was notified of the allegations a year and a half before the Applicant was separated when his duty station closed. It interviewed the Applicant days prior to his separation and then waited three more weeks before recommending that the pension paperwork be delayed. The USG/DMSPC, in turn waited another month before making the decision. And, of course, a final investigation report has yet to be completed in the subsequent year. This is hardly the swift action by the Administration that *Azar* said should be

⁵⁴ Reply, para. 17.

obvious.

89. In conclusion, in the absence of any evidence to support the Administration's decision, the Tribunal must find that the decision was arbitrary, capricious, and unlawful.

Issue II: Whether financial compensation and moral damages should be awarded to the Applicant.

90. The Applicant claimed that he should be given financial compensation and moral damages as a result of the wrongful decision to delay issuance of his pension paperwork until 24 October 2022. Specifically, he requests that the Tribunal order Respondent to pay:

- a. Interest on the one-time pension withdrawal settlement at the US Prime Rate from the date of his separation until the date UNJSPF received his P.35 and PF.4 forms;
- b. USD1,433,45 for the financial loss he incurred due to the delay in the payment of his pension benefits occasioned by the contested decision; and
- c. USD5,000 in compensation for moral damages for the pain and suffering caused by the contested decision.

91. ST/AI/155/Rev.2 sets out a precise and orderly process for personnel payroll clearance actions upon the separation of a staff member. It expressly provides that "Executive or administrative officers will be responsible for ... (b) completing form P.35, normally one month in advance of the last regular working day" See, ST/AI/155/Rev.2, p. 2, para.5 (b). The effective date is to be the date of separation. *Id.*

92. Then the Office of Programme Planning; Budget and Finance will be responsible for preparing and sending the Pension Fund separation notification (PF/4) to the Secretariat of the UNJSPF within three days of the completion of the P.35. *Id.* at p.4, para 10(d).

93. In this case, the Applicant's date of separation was 30 June 2022. However, the pension paperwork was not received at UNJSPF until almost four months later, 24 October 2022.

94. To be sure, ST/AI/155/Rev.2 does authorize the USG/DMSPC to delay issuance of the pension paperwork under certain circumstances. However, as explained above, those circumstances were not present in this case and the delay was improper.

95. Both this Tribunal and UNAT have consistently determined that appropriate remedy for delays in paying monetary entitlements is the award of damages. *Azar* UNDT/2021/125 para. 31, *Kings* UNDT/2017/043, para.49., *Johnson* UNDT/2011/144, para 40.b., *Massi* UNDT/2016/100, para. 79, *Warren* 2010-UNAT-059, *Ianelli* 2010-UNAT-093. That interest has been calculated at the US prime rate from the date on which the entitlement was due until the date of payment. *Id.*

96. Since the record does not show either the due date or the payment date, the reasonable dates to use in this case are the date the pensions paperwork was due to UNJSPF and the date it was received.

97. The Respondent accurately points out that “the Organization’s rules do not specify an exact timeline within which a former staff member’s check-out process needs to be completed ... and the PF.4 notification has to be received by the pension fund.”⁵⁵ From that he argues that the date the pension paperwork would normally be received by UNJSPF should include “the acceptable administrative processing time-frame of around 3.5 months” *Id.*

98. The only evidence cited for an acceptable processing time-frame is a MEU recommendation to grant two months of interest to other Kalemie staff members whose pension paperwork was improperly delayed. According to the MEU, two months:

represents the approximate period of delay vis-à-vis other former staff members who separated from the same duty station on 30 June 2022,

⁵⁵ Reply, para. 34.

and whose PF.4 forms were released throughout the months of August and September 2022.⁵⁶

99. However, this vague statement does not give any real insight into an acceptable processing time. It is unclear, for example, if all but a few forms were released on 1 August and the stragglers in September. Nor is it clear if there were particular processing problems for any of these other staff members. What is clear, however, is that MEU's approximation is nearly half the 3.5 months that the Respondent now claims to be acceptable.

100. We also know that ST/AI/155/Rev.2 contemplates a much speedier process. It directs executive and administrative officers to complete form P.35 "normally one month in advance of the last regular working day ...", which implies that one month is normally how long the process should take. "Normally" recognizes that some unique situations may require the process to begin earlier or later, but no evidence was presented of such unique circumstances in this case.

101. Accordingly, it is reasonable to conclude that the pension paperwork should be sent to UNJSPF around the date of the staff member's separation. Indeed, it would be unfair for the Organization to benefit (at the expense of the staff member) for any institutional inefficiencies, whether for this particular duty station or in general.

102. The four-month delay in submitting the pension paperwork to UNJSPF necessarily resulted in a four-month delay in the Applicant's receipt of his pension entitlements, during which he lost the use of that money. As a result, he is awarded four months of interest on that money at the US prime rate.

103. The Applicant also claims that he "incurred additional loss of USD1,433.45, which he paid in interest on the USD9,000.00 loan that he had to take out to survive". To support this, he submits a hand-written acknowledgment of debt/promissory note which includes a table calculating the interest at 3 percent monthly and a confirmation

⁵⁶ Application, annex 12. P. 2.

that the loan and interest were paid back on 2 November 2022.⁵⁷ However, the Tribunal does not give these documents any credibility.

104. Firstly, the loan was taken out on 20 June 2022, which was prior to both the Applicant's separation and the Organization's decision to delay his entitlements. Thus, the loan cannot be the result of the contested decision.

105. In addition, the loan agreement carries a notary seal indicating that the agreement was signed on 8 December 2022, which is almost six months after the loan was allegedly taken out and two weeks after the loan was repaid with interest. There would be no purpose to notarizing the agreement at that time. These dates make the document suspect.

106. The Tribunal also notes that it is awarding interest at the US prime rate for the delay. Thus, the Applicant is not entitled to additional interest on this suspicious loan.

107. In addition, the Applicant seeks moral damages alleging that

the Applicant and his family have faced immense financial distress and struggled to survive due to the unlawful retention of his pension benefits caused by the contested decision ... The Applicant's inability to provide these basic essential needs for his family harms their physical and mental health, as well as his. It has caused him severe stress, embarrassment and loss of self-esteem. Without any medical insurance and money to pay for treatments, the Applicant and his family were also deprived of receiving proper medical care to address their physical and psychological distress resulting from the unlawful withholding of his duly earned pension benefits.⁵⁸

108. The Statute of this Tribunal expressly authorizes the award of "compensation for harm, supported by evidence ..." (Article 10, section 5 (b)). The Applicant bears "the burden to adduce sufficient evidence proving beyond a balance of probabilities the existence of factors causing harm to the victim's personality rights or dignity ..." *Kallon* 2017 UNAT-742, para.60. See also *Civic* 2020-UNAT-1069, para. 77. That

⁵⁷ Application Annex 13.

⁵⁸ Application, para. 49.

evidence may take many different forms. *Id.*

109. The only evidence that the Applicant presented, beyond the allegation in his application quoted above, is a chart summarizing his expenses, with supporting documents (lease, school transportation agreement, school receipts, and utility bills)⁵⁹ and an email from the MONUSCO Director of Mission Support.⁶⁰

110. The lease and transportation agreements have similar notary issues as discussed above regarding the loan agreement. In addition, the utility bills are for addresses other than that of the leased property, and the electric bill is not in the name of either the Applicant or his purported landlord. Again, the Tribunal does not give any weight to these suspect documents.

111. The email mentions that the author had met with “about 20 former staff members...regarding their pending final payments ... Clearly, these staff members are desperate as they cannot pay their rents, pay school fees or buy food.” *Id.* This evidence is insufficient to award moral damages.

112. First, it is not even clear that the Applicant was one of the former staff members the author met with and was referring to as “desperate”. Moreover, even if he was one of the people under discussion, there is no evidence that the Applicant was unable to pay rent, pay school fees or buy food. In fact, the allegations of the Applicant (which are not evidence, of course) do not refer to any of these specific financial difficulties. His documentation indicates that he did pay school tuition and school transportation.

113. Moreover, there is no evidence to support the claim that he and his family suffered “physical and mental health” harm or were “deprived of receiving proper medical care”. Awarding moral damages on that basis would require evidence about what the physical and mental health harms were, how they were related to the delayed processing of his pension, what treatments were needed, and how the lack of treatment

⁵⁹ Application, annex 13.

⁶⁰ *Ibid*, annex 2.

caused harm to the Applicant.

114. No such evidence was presented by the Applicant and thus he failed to sustain his burden of both production and proof. As a result, the request for moral damages is denied.

Conclusion

115. In light of the Tribunal's findings, the application succeeds in part.

116. The decision to delay issuance of pension paperwork is found to be unlawful.

117. The Respondent shall pay to the Applicant four months of interest on the money that was due to him, calculated at the US prime rate.

118. The Applicant's claim for other financial and moral damages is denied.

119. All other Applicant's claims are denied.

(Signed)

Judge Sean Wallace

Dated this 12th day of September 2023

Entered in the Register on this 12th day of September 2023

(Signed)

Eric Muli, Officer-in-Charge, Nairobi