Statement of Use and Limitations

This Report was prepared by the World Bank Group’s (Bank’s) Integrity Vice Presidency (INT). It provides the findings of an INT administrative inquiry (the investigation) into allegations of corrupt, fraudulent, collusive, and/or coercive practices, as defined by the Bank, regarding one or more Bank-supported activities.

The purpose of the investigation underlying this Report is to allow the Bank to determine if its own rules have been violated. This Report is being shared to ensure that its recipients are aware of the results of the INT investigation. However, in view of the specific and limited purpose of the investigation underlying this Report, this Report should not be used as the sole basis for initiating any administrative, criminal, or civil proceedings. Moreover, this Report should not be cited in the course of any investigation, in any investigation reports, or in any administrative, civil, or criminal proceedings.

This Report is provided without prejudice to the privileges and immunities conferred on the Bank and its officers and employees by its Articles of Agreement and other applicable sources of law. The Bank reserves the right to invoke its privileges and immunities, including at any time during the course of an investigation or a subsequent judicial or other proceeding pursued in connection with this matter.
Executive Summary

This Report (the Report) summarizes the findings of an administrative inquiry (the investigation) by the World Bank Group’s (the Bank’s) Integrity Vice Presidency (INT) into allegations that a consortium of companies submitted falsified documents to Moldovan authorities under the Bank-financed Additional Financing for Energy II Project (the Project).

INT found evidence indicating that this consortium submitted to the Republic of Moldova Energy Project’s Implementation Unit falsified Manufacturers Authorization Letters purportedly issued by foreign manufacturers of equipment in its bid for a contract under the Project, though the consortium did not ultimately win the contract.
Background

In November 2010, a consortium of companies (the Consortium) submitted a bid under the Additional Financing for Energy II Project to perform services on selected buildings of a public institution. Included in the bid were several Manufacturer’s Authorization Letters (MALs), purportedly issued by the authorized representatives of the respective manufacturing companies.

INT received evidence indicating that the Consortium had included MALs that were not issued by the purported manufacturers.

Methodology

During the investigation, representatives of the companies comprising the Consortium were interviewed. Additionally, INT communicated with the purported issuers of MALs and witnesses.

Findings

INT found evidence indicating that the MALs that the Consortium included in its bid were not issued by the purported manufacturers.

An official involved in the administering of the Energy II Project shared with INT several communications to the official from the companies in whose name the MALs were issued. The communications indicated the MALs purporting to be issued by the companies were not authentic. INT also interviewed a company’s representative and received further evidence indicating that the MALs included in the bid were not authentic.

A representative in the Consortium admitted to the forgery of several MALs and stated that others may have been falsified.

INT’s investigation did not uncover evidence indicating that another company of the Consortium played a role in applying for or obtaining the MALs.

Following a sanctions proceeding, the World Bank debarred the Consortium as well as the representative of the Consortium who admitted to the forgery.