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Republic of Sierra Leone

Youth Employment Support Project

Redacted Report

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Executive Summary

This report provides the findings of an administrative inquiry by the World Bank Group Integrity Vice Presidency (INT) into allegations of misconduct in connection with the Youth Employment Support Project (the Project) in Sierra Leone.

Part of the Project (Part I) was implemented by Agency A. At the time of INT's investigation, there were over 400 contracts under Part I. Those contracts were awarded to approximately 400 contractors.

Evidence indicates that government employees solicited and received kickback payments from contractors under Part I of the Project. Specifically, evidence indicates that government employees instructed contractors to pay 10 percent of the contract value in "commitment." Evidence indicates that contractors made these payments as instructed.

Evidence also indicates that contractors, with the knowledge and assistance of government employees, submitted documents with inflated expenditures to recover the kickback payments they had made.

INT elected not to seek the imposition of World Bank Group administrative sanctions due to witness confidentiality considerations.

Background

The Youth Employment Support Project (the Project) in Sierra Leone aimed to increase short-term employment opportunities and improve the employability and incomes of targeted youth. The Project was financed by the International Development Association (IDA).¹ The World Bank Group Integrity Vice Presidency's (INT's) investigation focused on a part of the Project (Part I), which was implemented by Agency A.

Allegations

INT received an allegation that government employees were taking kickbacks from contractors under the Project. It was further alleged that these employees encouraged contractors to falsify spreadsheets on sub-projects, submit false worker time sheets, and alter amounts for labor costs.

Methodology

At the time of INT's investigation, there were over 400 contracts under Part I. Those contracts were awarded to approximately 400 contractors, who were geographically spread throughout Sierra Leone in four regions. INT's investigation involved reviewing relevant documents and conducting interviews.

Findings

1. Evidence indicates that government employees solicited and received kickback payments from contractors.

Evidence indicates that: (i) immediately after signing contracts, contractors would be invited for briefing and training on the contract implementation procedures; (ii) at this time, contractors as a group would be instructed to pay 10 percent in "commitment" to government employees, in two tranches of five percent each; and (iii) contractors were told that although the "commitment" was not mandatory, they would not win another contract if they did not pay.

Evidence indicates that contractors delivered cash payments to several government employees. Evidence further indicates that the practice of "commitment" payment had existed throughout the life of the Project.

2. Evidence indicates that the Coordinators and contractors submitted documents with inflated expenditures.

Evidence indicates that contractors, with the knowledge and assistance of the government employees, submitted falsified timesheets when submitting Project Completion Reports. Evidence further indicates that, to recover the funds used for kickback payments, contractors: (i) reduced the number of project beneficiaries that they hired to perform their

¹ IDA is one of five institutions comprising the World Bank Group. The International Bank for Reconstruction and Development and IDA constitute the World Bank. IDA and the World Bank are used interchangeably throughout this Report.

contracts' works; and then (ii) used false names, signatures and fingerprints to "authenticate" false claims that they had hired their required total number of beneficiaries.

Evidence also indicates that, as another means of recovering kickback payments, contractors reduced the quantities of materials required to complete the contracts. Evidence indicates that, at times, contractors did not finish the works as per the specifications. Evidence further indicates that this heavily compromised the quality of the work. Evidence also indicates that the government employees were well aware of this and, at times, encouraged contractors to manipulate the Bills of Quantities to recover the lost 10 percent contractors had paid.

Evidence further indicates that the government employees altered Project Completion Reports submitted by contractors to make it appear that contractors had paid more in labor costs than planned. Some of these alterations were made by the government employees, while others were made by contractors at the government employees' direction. Evidence indicates that, in some instances, the government employees destroyed the original reports and receipts that contractors attached to the Project Completion Reports, and created new ones.

Follow Up Action by the World Bank

INT elected not to seek the imposition of World Bank Group administrative sanctions due to witness confidentiality considerations.