

World Bank Group
Integrity Vice Presidency



Fraud and Corruption in Engineering Consultancy Contracts

A Guide for Investigators



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This report was authored by Elisabeth Wiramidjaja under the direction of Paul Haynes, Senior Investigator, and Stephen Zimmermann, Director of Operations of the Integrity Vice Presidency (INT). Thanks to current and former colleagues Heela Rasool, Mamta Kaushal, Merly Khouw and Michael Kramer for their thoughtful contributions. The team would like to acknowledge the leadership of Leonard McCarthy, Integrity Vice President, who has paved the way for this work.

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Contents

Foreword	V
I. Introduction	1
II. The Consultancy Marketplace	3
III. Pre-Proposal Stage	5
Selection of an Agent/Local Partner	5
IV. Proposal Stage	7
CV Fraud	8
Bid Rigging	9
V. Negotiation	11
VI. Contract Execution	13
Financial Responsibility of the Association	13
Mobilization	14
Producing the Invoice	14
Reimbursable Operational Expenses	14
Expenses Reimbursable to Individual Staff	17
Replacement of Key Staff with Cheaper Staff	17
Ghost Employees	18
Subcontracting to the Client	18
VII. Payments	19
VIII. Indicators Summary	21

Foreword

The Integrity Vice Presidency (INT) of the World Bank has been investigating allegations of fraud and corruption committed on World Bank financed contracts for more than ten years. Over that time INT has gathered a vast amount of information on various schemes used by a wide variety of companies in various sectors in many locations. Its investigators have also had the opportunity to speak to and learn from a great many industry hands—with years of experience in the field navigating a variety of business practices around the globe.

With increased information-sharing among investigative agencies, the advent of cross-debarment among the multilateral-development banks and the birth of the International Corruption Hunters Alliance (ICHA), INT has attempted to assemble some lessons learned for future investigators—a summary and analysis of this institutional knowledge of the fraud and corruption schemes that are employed in engineering consultancy contracts. In this way, INT hopes to raise awareness of what we have found and stimulate further debate and knowledge-sharing with its peers in the international investigative community.

In this particular publication, engineering consulting firms working on World Bank financed contracts are examined. INT's storehouse of information in this area is particularly rich. And while fraud and corruption in the consulting field may not have the same observable developmental effect as that found in goods or works

contracts—missing layers of asphalt, leaking hospital roofs or antiquated computers—the effects are profound. When corners are cut to save money to fund corrupt or fraudulent schemes, development suffers. Development projects can best be protected through effective supervision and professionals with integrity and intellectual capacity.

This paper was initially assembled to help INT's own investigators—and now investigators in other institutions—to understand the mechanics and indicators of fraud and corruption.

This is a study by investigators, for investigators. It focuses not on the big picture but on the small details. It follows a typical procurement process and details the corrupt negotiations and transactions that take place and that have been discovered during investigations. It reports on indicators at all stages that investigators should look for and act on.

The information that was analyzed for this report dates from several years before the founding of INT to the present day. Schemes change as perpetrators respond to our knowledge and ability to detect them. INT wishes this document to be not a snapshot in time, but an evolving piece of work that represents our ongoing findings. INT's investigators welcome and solicit comments, suggestions and additions from fellow investigators.



Introduction

The World Bank's Borrowers engage numerous consultants to provide required expertise on projects—specialists in such disparate areas as management, finance, engineering and medicine. Consultants are meant to work in conjunction with Client Project Management Units to guide and supervise projects to a successful completion. While the value of individual consulting contracts is relatively low compared to corresponding goods and works contracts (Figure 1), they are significant because of the special influence that consultants have on project outcomes.

This report attempts to identify and explain a variety of fraud and corruption schemes known to have been used by consultancy firms on Bank financed projects. The schemes will be described according to each step in the contract award and execution process. Indicators for each stage in the scheme should help guide investigators in determining appropriate investigative steps and interpreting findings.

It is often difficult or impossible to uncover these schemes through traditional supervision mechanisms. Thus, much of this information comes from consulting companies who have made disclosures of sanctionable activities to INT under a number of disclosure arrangements. By far the preponderance of disclosures has come from international engineering consulting firms or consultants working in or with such firms.

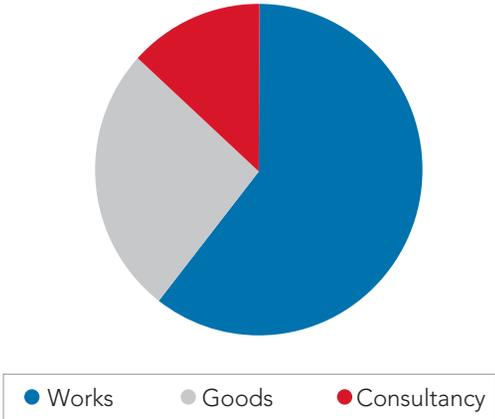
Some disclosures have also come from former government officials on the other side of the equation. Recently, though, INT has made inroads in acquiring disclosures from local firms in borrower countries, providing for the first time detailed information from this different perspective. This report also incorporates information on schemes uncovered by INT's regional investigative teams who have undertaken investigations of consultant contracts. These cases have resulted in sanctions. INT has also debriefed industry sources who have been privy to the processes of fraud and corruption on consultancy contracts by virtue of having participated in the schemes.

The information contained in this report reflects contracts carried out in a large number of countries; all regions are represented.

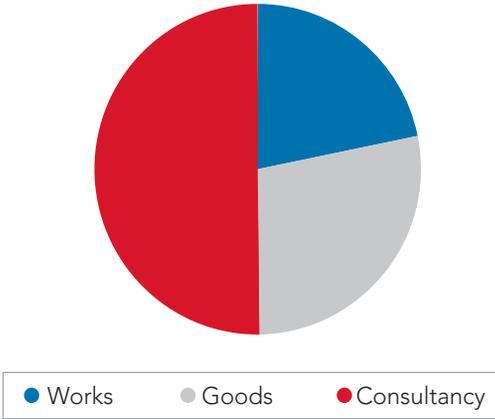
It should be emphasized that the information contained in this report is presented as a composite picture of the fraudulent schemes and arrangements revealed to INT. It does not imply that each scheme or arrangement exists in every circumstance and with every company. This report also makes no attempt to arrive at a conclusion about the overall prevalence of these corruption schemes in development projects, as INT's information is derived exclusively from admissions of wrongdoing and not based on overall business practices.

FIGURE 1

WB Contracts Awarded by Dollar Value



WB Contracts Awarded by Type



While the amount spent on consultants is small relative to the amount spent of civil works (13 percent of the value of all contracts versus 60 percent on civil works), the number of consultant contracts accounts for nearly half of all contracts awarded under Bank financing.



The Consultancy Marketplace

Large international firms that offer services in a wide variety of specialties and maintain networks of offices across the globe dominate the engineering consultancy landscape. The list of the consultancies that have been awarded a significant amount of Bank-financed contracts reflects firms from developed countries with long histories of diverse expertise crossing sectors and regions.

Consultants are in the business of selling intellectual expertise and experience. On World Bank-financed projects, that expertise and experience is needed for specific projects with defined durations, requiring the input of individual consultants for short, defined amounts of time. Because of this, most of the individual consultants who are proposed or employed by international firms are frequently not permanent employees of the company but freelancers. The cost to employ all of the individuals necessary to staff their potential pipeline of business would be prohibitive for most companies. The presence of a large number of non-employee consultants on a proposal may be of concern for other reasons, but is not generally a signal of bad business practice or other wrongdoing on a contract. However, as will be discussed below, it has become commonplace in some markets for substitutions of lower cost personnel and falsification of individual CVs to be used to generate funds for suspect payments.

One national engineering consulting company has explained to INT that in the past, consulting companies

were viewed by Clients' Project Directors as peers and colleagues (and indeed were often former colleagues in government service) and part of the management team, placing them off limits as a source of corrupt payment demands. While corrupt payments were routinely expected of construction firms who could recover their costs through the inflation of the line items in their contracts, the consultants were seen to be providing an intellectual service whose value could not be easily manipulated. Over time this amnesty has eroded and consultants have become fair game for bribe demands. While firms had been able to survive with profit margins of approximately 20–25%, demands from project officials for commitment fees of 10% or greater can damage the ability of these firms to remain profitable in the area of public works. "Commitment fees" (a common euphemism for corrupt arrangements) have become a fixture of the procurement of consultancy contracts.

One long-time engineering consultant described to INT the evolution of the consulting field from one largely populated by small, specialized professional partnerships to a landscape dominated by large international companies with outside investors. The requirement for profit from investors is seen as a driver for the participation in corrupt schemes necessary to guarantee revenues. Conversely, it may be the case that large multinational firms are more susceptible to the enforcement of anti-corruption laws because of their need to protect reputation and shareholder value against public inquiry and prosecution.

Several sources have reported to INT that often the decision to select a consultant (and likely any vendor of complex services and works) is not based entirely or even primarily on the size of the commitment fee negotiated. In fact, in some countries the percentages are relatively fixed and the other factors may be more significant. There are three key factors by which consultants are assessed by government officials seeking commitment fees:

1. **Influence.** Having the ability to influence principal decision-makers, either directly if the company has appropriate contacts or indirectly through an agent or local partner who will lobby on the firm's behalf. Much of this influence is derived through family, work, political and even school affiliations.
2. **Competence.** It is important that the consultant be able to execute the contract with some degree of competence in part so that the acceptance of the proposal and the execution of the contract does not draw undue negative attention to the Project Director and other officials.
3. **Payment.** The willingness and ability to pay the commitment fee, 10% being the usual amount for consultancy contracts. Firms who are willing to pay more may be seen more favorably, though it is equally if not more important to be able to pay efficiently, discreetly, and without undue disagreement. Firms with a good history in this regard ordinarily benefit and firms that resist payment quickly find it impossible to be shortlisted.



Pre-Proposal Stage

Request for Proposal – Expression of Interest – Short listing

As early as the loan phase, government officials, influential consulting firms and agents may be working to create the Terms of Reference in the Requests for Proposals that suit particular firms for consulting contracts. They also begin the initial discussions of commitments. Firms that are established in a particular country and sector and are making proposals on suitable projects can expect to win about 1 out of 6 tenders for which they have been shortlisted. This is referred to in the industry as the “Conversion Rate”, referring to the conversion of a proposal to a contract. Firms that are particularly aggressive, especially those new in a market or with a new country representative with strong business development abilities, may have a higher conversion rate, which may be a red flag for increased commitment fees or other aggressive lobbying efforts. The conversion rate calculation should also take into account not only World Bank financed projects but other donor financed projects controlled by the same ministry or project management unit.

INT has also learned that firms may sometimes have to pay for simply being shortlisted in a competition, sometimes referred to as a “short listing fee”. Consistent short listing is a valuable signal in the local market that a company is a reliable provider in a particular sector/ministry and the short listing fee may be paid as a way to initiate access to a market. It is not clear that short listing fees are always demanded. They may in fact be offered without prior solicitation from government officials. Larger, more established firms may find it unnecessary to pay short listing fee, relying on existing relationships and reputation to be considered for future business.

Selection of an agent/local partner

International consulting firms have reported employing a variety of methods to identify and pursue potential development business opportunities. The method used is greatly influenced by the country where a potential project will take place. Multiple methods are sometimes employed in order to maximize the Influence a company or consortium can bring to bear. The three primary sources of influence are:

- ◆ **Third party agent.** These agents take many forms, from well-connected individuals in the locale where the project is situated, to “specialist” businesses in other countries that broker relationships with relevant influencers. Local agents are often specialized to specific Ministries and may take the form of retired or even current government officials and their relatives. A company may elect to use an agent, who is paid a success fee (separate from the commitment fee) for winning contracts, not only to increase their chances of winning contracts but to act as a buffer against direct demands from the bribe recipients. INT has been told that agents frequently handle the delivery of cash payments, evidence of transactions fraught with danger and suspicion. Their presence and the close relationship they enjoy with the recipient can also temper additional requests for cash as the contract is carried out.

International consulting firms who do not have a dedicated country office may turn to firms who do “procurement consulting”, developing or activating existing persons of influence in particular countries

and ministries. The “procurement consulting” firms that have been disclosed to INT are typically small companies located in the West, often staffed with individuals who have personal experience in development funding and consulting. Such firms will often be paid a success fee of two to five percent. Their primary service is developing and maintaining a network of influencers in various local markets/sectors that can be called in to service for clients during specific tenders. Such firms often describe themselves as consultants on bid preparation, the procurement process or marketing and are paid an outsized amount for their work, usually based on the outcome of the award of contract. The “procurement consultants” often have no subject expertise (i.e. are not themselves engineers) and may continue to receive payments even after the award of contract.

In addition to negotiating and possibly delivering the actual bribes, the services offered by third party agents typically include identification of relevant bid evaluation committee members and providing advance notice of the evaluation criteria on which the proposals will be judged. There may be many agents involved in a tendering process, representing different contenders; all will seemingly be kept abreast of ongoing negotiations with other parties.

- ◆ **Local country manager.** Nearly all of the companies that have made disclosures to INT have had representative offices in the countries where their corrupt payments were made. In such an equation the responsibility of the representative office and the Country Manager is to identify business opportunities and to assemble the right mix of local partners or agents and to oversee the production of proposals. Many international firms will install a Country Manager from the company headquarters but also hire a local counterpart who has close relationships with government officials and are often retired ministry officials or their classmates.
- ◆ **Local sub-consultant.** International firms may try to identify a local partner or a group of partners that bring not only access to qualified local individual consultants and subject expertise but also have influence with relevant government officials. These local companies will often, if not exclusively, be awarded contracts under ministries to which they are connected. As is the case with agents, local partners may seek out international partners and offer their services even before the World Bank has actually approved the loan or project.

Indicators

- Conversion rate greater than 1:6 indicates that the company may be exerting influence outside the normal competitive process.
- Presence of “procurement consultants”, especially those that are compensated only on the award of contract or who lack subject expertise.
- Country Managers who are former classmates or colleagues with relevant Project officials.

IV

Proposal Stage

The procurement of consultancy services is significantly different than the procurement of goods and works and is governed by a unique set of Guidelines and tendering processes. While the procurement of goods and works is almost entirely driven by price, the evaluation of consultants is by its nature more subjective, reflected in the importance of the technical proposal. In the two primary procurement methods for consultants price is either not a factor (QBS)¹ or a minority portion of the grading formula (QCBS).² Because of this the manipulation of proposals and of the evaluation of technical proposals can ensure a desired outcome.

Prior to the proposal due date the client will often schedule a meeting for companies on the shortlist to ask questions or seek clarification of proposal requirements. Records of any such meeting should be kept, including the attendance by firm representatives.

During the proposal process, evaluation committee members who have been paid bribes, who anticipate kickbacks as a result of arrangements, or are directed by government officials who have been paid bribes, will skew the bid evaluation in favor of the paying firm or assist them in the bid preparation process to enable them to submit the most competitive bid. In an effort to help the paying firm submit the most competitive bid, the proposal evaluation committee will often provide

advance copies of project documents or advise the firms in preparing technical aspects of their proposals.

Under QCBS consultant proposals consist of two parts: technical and financial. Technical and financial proposals are typically due on the same day and time but opened on different days. Technical proposals are usually opened in a non-public opening and then evaluated by the committee for a period of time. An evaluation period extending beyond several weeks should be seen as a red flag of continued lobbying for scores. Financial proposals are opened publicly, often with company representatives present. At the time of opening the ranking of the evaluated firms (those who have not been eliminated for non-compliance in their technical proposals) will be known and the financial proposal will determine the winner. A protracted period of calculation following the opening of financial proposals is also a red flag of continued lobbying on the part of losing firms and their agents.

The term “dump price” has been mentioned to INT by several sources and describes a very low-price financial proposal designed to ensure that a company will win regardless of the quality or evaluation of their technical proposal. Firms that are “dark horses” in the competition because they are new to the market or sector, lack substantial experience or have weak proponents will

¹ Qualifications Based Selection: the price is not considered in the evaluation of providers of professional services. Fees for services are negotiated following selection and before contracting.

² Quality and Cost-Based Selection: uses a competitive process among short-listed firms that takes into account the quality of the proposal and the cost of the services in the selection of the successful firm. Cost as a factor of selection is used judiciously. The relative weight to be given to the quality and cost is determined for each case depending on the nature of the assignment.

often submit dump prices. While this may be a “loss-leader” designed to enter a new market, the firms and their “sponsors” make plans to recover the lost revenue with later, price-inflated contract amendments.

CV Fraud

There are two distinct parts to every technical proposal: the work plan and the proposed team members. The proposed work plan is usually put together by company staff, while the proposed team is often composed of independent consultants who agree to provide the company (or their local partners) their CVs for the proposal. Companies with access to pools of qualified individual consultants and their CVs are at a competitive advantage and large consulting companies maintain databases of individuals, their qualifications and CVs for proposal purposes.

A common form of fraud committed by consultants is submission of CVs containing intentional inaccuracies to meet evaluation criteria.

There are three schemes that may be employed by consulting firms looking to increase competitive advantage and cost savings through fraud in this area:

◆ **Inflated CVs**

Because the technical evaluation of the proposals awards points for key positions (Team Leader, Deputy Team Leader, etc.) based on the individual’s qualifications, with the consultants earning points for education and previous experience, firms may inflate or falsify that information to gain additional technical points. INT has identified many instances in which CVs contain misinformation regarding individual consultants’ educational qualification (either the educational institution granting the degree does not exist, is a “diploma mill,” or that institution will have no record of the person’s attendance.) Educational credentials in many countries are relatively easy to check, either through the university or through online sources.

The individual who has been proposed in such circumstances will usually cost much less than a

person who genuinely holds the stated qualifications and the cost savings achieved can be used to contribute to commitment fees or facilitation payments.

INT has also been told by many company sources that it is not standard industry practice to conduct due diligence on candidates, so that a CV containing inflated or false information may originate with the individual rather than the company.

◆ **Unauthorized CVs**

Sources in the industry have reported to INT that it is common practice with some consulting firms to submit the CVs of individuals with excellent qualifications without their authorization or knowledge. This is relatively simple to do as more and more firms save electronic versions of CVs or are able to obtain them from the Internet. Because there is often such a long lag time between proposal and contract award, the practice of substituting key staff citing non-availability or illness is common and expected by project managers. When the inevitable substitution is requested it is sometimes for a person with lower qualifications whose CV has been inflated to meet the contract requirements and is willing to work for a fraction of the proposed rate.

◆ **Substitution**

Substitution of personnel occurs in most contracts because of the long time between proposal and contract when the proposed individuals become unavailable due to scheduling conflicts. Firms may look at this as an opportunity to substitute an individual with lower qualification, despite the World Bank requirement that substitution can only take place with individuals of equal or greater qualification. Some firms have arrangements with government project managers to provide an undeserved evaluation of the new candidate; other firms have reported that project managers suggest individuals and their rates, negotiating a split of the savings with either the firm or the individual.

The CVs of individual freelance consultants can often be found in open source repositories (job search boards like Monster.com and Devex.com), professional

networking sites (e.g. Linked-In) and in the archives of the World Bank, other MDBs and development agencies. These versions can be checked by investigators for inconsistencies.

Bid Rigging

Cartel-driven bid rigging—collusion between competitors to arrange the winners and losers of a series of tenders and thereby drive up prices—has not been reported to INT by consulting firms.

Indicators

- Clarification meetings with only one firm or that exclude some firms.
- Long delay following either the opening of the technical and financial proposals indicates continued lobbying or other problems with the award of contract to the presumed winner.
- Firms who win are new to the sector/ministry and have offered by far the lowest price, often referred to as a “dump price” to overcome possible lack of experience or recognized expertise in the sector.
- Public opening of technical proposals, particularly when it results in the disqualification of an experienced firm for such minor things as incorrect labeling or packaging.



Negotiation

Following the announcement of the winner (and after the Bank's No Objection is given) the consultant and the client will often enter a negotiation to draft the contract. The negotiations for the amounts and distribution of corrupt payments will usually have taken place in advance of this meeting. Substantive negotiations that involve changes to the Terms of Reference or financial terms are an immediate red flag.

In some instances reported to INT the government officials actively work with the consultant firm's representatives to dissect the contract, looking for areas where funds can easily be extracted, for example suggesting cheaper replacement staff, identifying travel that is not crucial to project objectives, and operational budget that can be skimmed.

Contract negotiation may also be the time when the operational budget of the client, usually expressed as cost ceilings, are converted to "fixed rate" line items, though

the language of costs "actually and reasonably incurred" may remain in the contract. Treatment of operational budget line items as fixed rates relieves the consultant of having to submit (and possibly create or falsify) receipts for reimbursement and may allow for considerable savings by having a fixed rate higher than what will actually be incurred.

It is usually the firm's headquarters, or an employee of the headquarters (e.g. the Country Manager or Regional Manager) who signs the contract at the end of the negotiation. International consultant firms may establish a local subsidiary to conduct their business in a particular country. Industry hands have indicated to INT that international firms are increasingly looking to their foreign subsidiaries to deflect problems from law enforcement and regulators away from the parent company. This is especially the case when they are confronted with robust laws prohibiting foreign corrupt practices in the country where they are headquartered.

Indicators

- Substantive negotiations that involve changes to the ToR or financial terms are an immediate red flag.
- Contract negotiations that take place over an extended period of time or that involve substantive changes to the financial proposal.
- Negotiation meetings that include outside parties or take place in another city.
- No minutes kept of negotiation.
- The contract uses the "actual and reasonable" language but insert tables of specific expense categories that are "fixed rate."

VI

Contract Execution

Financial Responsibility of the Association

The consulting contracts that have been examined for this report typically involved an international firm in association with one or more local firms. These associations can take two forms: Joint Venture and Sub-consultancy.

In a Joint Venture (JV) arrangement each partner assumes complete responsibility for the completion of the contract and complete liability for problems that arise on the contract, regardless of which firm or individual may be the source of the liability. In a Joint Venture it is industry practice that a joint venture bank account will be established and all members or the consortium will have access. It is also a typical arrangement that all JV members will contribute to the account to pay for operational costs not covered by the mobilization payment or when the payment of invoices is delayed. Each member of the JV will likely have control over a portion of the operational expenses. Local consulting firms are often eager for the JV arrangement because it allows them to accrue the experience of leading a contract and also allows them to participate in the overall profit of the contract. In addition it allows them to have access to the “Reimbursable” portion of the contract that can be milked for the funds to make the required corrupt payments.

In a sub-consultancy arrangement, the local firms typically provide only man-month inputs and will not generally have involvement in the “reimbursable” portion

of the contract. In order to get paid by the lead firm they provide either a spreadsheet or invoice indicating the man-month inputs (days and rates) for each invoice period. There is often a management fee paid to the lead firm to cover their costs associated with preparing the invoice and covering the operational costs when invoices are not paid on time. A legitimate management fee is usually 3% or lower. It is very common, however, for there to be additional management fees or other non-descript fees of 10% deducted from each payment request made by a sub-consultant and often these are the contribution to the corrupt payment.

It is important to note that very few individuals within the project are given access to the contract the lead firm or JV signs with the government. The information in this document would allow local partners and individual consultants to know the mark-up the company is making on each line item and each employment contract, information that the company will want to tightly control. If the lead firm controls all of the operational expenses and the associated firms contribute only personnel, the local firms may not be involved in the generation of funds through the milking of operational expenses. Their contribution will come from their only source of profit: remuneration.

The most effective way to examine for possible irregularities is through a robust audit of the contract that includes as much access to the financial records of the firm as possible. An early and broad examination of the electronic records and correspondence of the project is also recommended if possible.

A rule of thumb that was supplied to INT by a source very familiar with this industry was, the more fractioned the contract (the more sub consultants), the more corrupt the contract. Individual firms may make commitments to get small pieces of the contract in an association dictated by client decision makers. Companies directly connected to or controlled by the client may appear in the contract but in fact do not actually work. This arrangement serves as a simple way to extract funds from the contract and deliver them directly to the necessary individual on the client side.

Mobilization

The largest corrupt payment is almost always due at the time the mobilization payment (or advance payment) is made. Any firm will hesitate to pay a large commitment fee up-front without a binding commitment from the Client that the funds from the contract are flowing. Because a project or JV bank account has not usually been established at the time of the mobilization payment, the money may go directly to a general account of the lead firm. When an investigation reveals real-time details of a corrupt scheme as it unfolds this may also be the best time to identify or interrupt the flow of illicit funds.

INT sources have reported that the payments made to government officials are often made from these accounts directly into the offshore accounts of government officials. This easy access to offshore accounts is in fact one of the reasons that some officials prefer working with international firms.

Producing the Invoice

Because the World Bank does not generally pay project consultants directly, it does not receive copies of invoices or supporting documents (receipts, timesheets, etc.) submitted by consulting firms. The usually lengthy documents are prepared for the project management unit of the client and approved for payment there. Copies of invoices can be requested and should be compared to copies and supporting material kept at the consultant's offices during an audit of the contract.

Most proposals and contracts reflect two or more currencies to cover both local and international expenses. This will often result in the production of two separate invoices, one for local currency and one for the foreign currency. Within these invoices there are two distinct sections for remuneration of the team members and for operational expenses. Each section of the invoice presents opportunities for fraud to extract the money required for corrupt payments.

Consulting firms make their profit on the mark-up of the consultant fees they charge for the individuals they provide to the project. They prefer not to pay bribes out of this portion of the contract, preferring to extract the required payments from the local currency portion of the contract. In many instances there has been a discussion between the Consultant and the Client regarding how funds will be extracted from the contract so the Client is aware of where the fraud is being committed. Clients have also suggested ways for Consultants to shave expenses so that there is additional money for corrupt payments.

Reimbursable Operational Expenses

One of the first things a Consultant will likely do upon signing a contract is draw up its own internal working budget for operational expenses, often showing the ceiling amounts reflected in the contract and then their own reduced operating budget (the real costs they will incur), reflecting a total savings to be used to fund commitment fees and other illicit payments.

The following represent the typical categories of reimbursable expenses:

1. Sub-professional staff
2. Administrative staff
3. Housing
4. Local travel
5. Per diems/DSA
6. Office rental
7. Transport
8. Communications
9. Reporting
10. Equipment
11. Stationery

Nearly all of INT's sources from international consulting firms stated that while contracts require that operational costs be reimbursed be "actually and reasonably incurred", they view the budget amounts in the contract as not ceilings or estimates but as fixed rates due to them regardless of actual expenses. Their rationale is that because the company commits to not exceed the amount of their proposed expenses and their proposed expenses are part of the financial evaluation of their proposal, they feel the client should also be committed to allowing them to bill this ceiling amount. This view has evolved over discussions with the Client over where funds can be best extracted from the contract and budgets are drawn up with inflated line items to allow overcharging.

The lead Consultant assumes the responsibility of preparing the invoice that is submitted to the Client and that will consist, in part, of receipts supporting the claimed operational expenses such as office rent, vehicle expenses, computer consumables and other office consumables. In order to claim the maximum amount allowed under the contract while actually spending far less, the local office staff (usually the office manager and other administrative staff) of the lead consultant will be responsible for creating the fraudulent paperwork necessary to claim the maximum amount. Schemes employed include:

- ◆ **Creating entirely fabricated sets of receipts in all expense categories.**

In this instance an entire set of books may exist reflecting actual expenses. Typically the project office manager—often working at the direction of the country office of the lead firm—creates a second set of documents that is submitted to the project management unit (PMU) in support of their invoice. This can be done through electronic manipulation of genuine receipts to show increased quantities, prices, or additional items or by creating entirely new receipts on a computer. While the value of each receipt is relatively insignificant, the cumulative value of the misrepresentations is substantial. The reason a consultant may choose this method is that it avoids the appearance of purchasing unreasonable quantities of some items or using too many vendors for simple items such as office consumables. However, the

individual prices on these items may be inflated and can be checked against market norms.

In many countries there are cottage industries built around the outsourced production of false receipts, though this has presumably decreased with the availability of computers to create realistic versions of receipts.

Vendors who are not complicit in the scheme are usually able to quite easily spot inconsistencies in fabricated receipts, including different fonts, graphics and layouts, incorrect names of employees, and incorrect numbering systems used.

In most cases described to INT the consultant association/joint venture is careful to keep accurate internal records regarding their true expenses in order to be able to have an accurate financial picture of the contract.

- ◆ **Creating partially fabricated sets of receipts in all expense categories.**

In this instance genuine receipts are replicated either through electronic manipulation or through the purchase of identical stamps and receipt books in order to imitate genuine receipts, or through the cooperation of vendors who supply blank or falsified receipts. The resulting invoice will contain an unusually large number of individual receipts (a mixture of genuine and fabricated) representing large quantities of items but at market prices reflected in the genuine receipts. Employing this method there will not typically be a second set of receipts, as the genuine receipts are submitted along with the fabricated ones in the invoice to the client.

The consultant may also elect to submit genuine receipts along with a large number of receipts that are impossible to trace or verify because they are written on blank generic receipt pads. This is particularly apparent to investigators when they are presented in categories that also include a large number of apparently genuine receipts from an identifiable vendor. For example, one set of invoices examined by INT included a large number of receipts from a local stationary shop that would appear to have sold the project all it needed in terms of paper and printer cartridges. Yet the consultant also included an even larger number of receipts for the same list of

items on dozens of receipts that lacked any vendor name or location information.

It is important to understand that in an invoice for which receipts are required to support the purchase of items from the operational budget, the invoice (usually contained in one or more binders because of the large number of pages) should contain a wide variety of paper types, fonts, colors, etc. from the receipt pads of various vendors. If the lead consultant elects to create most or all of the receipts submitted they will often be created on a computer and printed on plain copier paper. The invoice submitted for payment will contain copies of original receipts rather than original receipts. If asked, the Client will be unable to produce an invoice with the original supporting documents which have either been retained by the consultant for their internal recordkeeping purposes or been discarded.

- ◆ False and inflated receipts from vendors
Some firms have reported making arrangements with otherwise legitimate vendors to provide inflated receipts in exchange for a small fee. It is likely that the vendor will provide two receipts—one accurate and one inflated. Vendors who provide higher value items such as office equipment, electronics and furniture will likely have to keep accurate records for tax, warranty or their own accounting purposes and may be able to produce original documents to investigators.

In only a few instances companies reported that the vendors of supplies would issue only one receipt for the inflated amount and then provide the overcharged amount back to the company as a kick-back. A small fee is paid for this service and would presumably be able to cover any sales tax or other liability incurred by the vendor.

- ◆ Transportation
Gasoline receipts are another item that individually may not seem worth checking because of the low value of each one. But because they are unlikely to be questioned they are likely to be abused. Invoices may reflect gasoline purchases every day or every other day, despite a project requirement that is nothing more than

ferrying the Team Leader to and from work. Often the receipts for the gasoline purchases are handwritten rather than computer generated. If computer generated receipts are the norm in the project location, it raises the natural question of where the receipts are from and if they are genuine.

- ◆ Office Space
Very few consulting projects are operated out of the lead firm representative office but are instead run out of separate space provided under one or more line items in the operational budget. There is usually a budget for office rental and for renovation of office space. In many instances reported to INT the office space that is rented is not in pre-existing commercial space but in less expensive residential property. A common arrangement is for the residence chosen to belong to an official in the PMU, the Ministry or another important government official. Above market rents may be charged. A rental agreement is usually submitted as proof of payment for reimbursement. In cases reported to INT this document may be doctored (the original existing with the company country office) to remove names of true owners, inflate the amount paid or post-date the agreement.

Project sites are also frequently found housed in the government offices relevant to the project. In this case it raises the question of why the contract allowed for the purchase of furniture, copiers and office furniture. All such items should be accounted for and photographed, potentially to check against records at the relevant vendors of those products.

- ◆ Travel
Use of “pro forma” plane tickets was common with a large number of international consultant firms. The blank tickets sold by industry insiders and travel agents are filled out by Project office staff and are submitted for reimbursement for travel purported to have been undertaken by project staff but in reality never undertaken.

An alternative method is to electronically doctor genuine tickets or e-tickets to show higher prices than actually paid. An issuing travel agent who is not part of the scheme may be willing to confirm the validity of the tickets and prices. Tracking the transactions through payment records may be difficult as cash is still used in many countries, but an increasing number of transactions are conducted by wire transfer and could be tracked if project or representative office bank records are available.

Expenses Reimbursable to Individual Staff

In almost every contract that employs international experts who are temporarily relocating for the project, those individuals are paid a housing allowance in addition to their monthly remuneration. They will typically have to provide a rental agreement in order for the company to claim the expense on invoices. VDP participants have disclosed that their own internal investigations have uncovered instances in which employees have submitted inflated receipts or have entered into kickback deals with their landlords, usually for purposes of self-enrichment. There have been few instances reported in which this mechanism was used to generate funds to pay commitment fees.

Individual national (local) consultants may also be paid a housing allowance in addition to their monthly remuneration, particularly in projects implemented in remote or rural areas. The housing allowance paid to staff by local consulting firms is often stated in their employment contracts, copies of which would normally be submitted as supporting documents in an invoice. In some instances employees will also be required to sign a payment slip for the receipt of the housing allowance. Both of these may be fraudulent documents since many firms view this additional monthly payment as a source of revenue and require staff to kick back some or all of the allowance.

Similarly, staff who travel for project related tasks are entitled to Per Diem or DSA. INT has been informed that staff members are often required to kick back

some or all of their subsistence payments to the lead or local consultant firm. This may be to assist the firm in making its required contribution to the payment of commitment fees but also may go to the profits of the firm. Nonetheless, staff may be required to sign a payment slip stating that they have received the payments, creating a false document that is submitted as part of the invoice.

Replacement of key staff with cheaper staff

Because there are often long delays between proposal and contract inception the individuals who are part of the proposal are often unavailable when it is time to mobilize. INT has been informed that there are instances of highly qualified individuals who are proposed in bad faith: either they have been paid for their CV, they have been proposed without their consent or knowledge or knowing that they will not be available. The prior knowledge that the highly qualified individuals will be replaced allows the consultant and the client to collaborate on their replacements. Firms engaging in this scheme will collaborate with the PMU to ensure that the replacements meet the basic requirements but are willing to work for significantly lower rates. The CVs of these individuals are at high risk of having been manipulated or falsified to inflate their educational and professional credentials. Firms can be susceptible to pressure from the PMU to make specific staff changes and revenue splits because of the delays that can be caused by protracted negotiations. Firms feel that their professional reputation—particularly in the eyes of the Bank—suffer the longer it takes for them to recruit.

According to sources, the localization of consultancy services in some countries has deepened these practices as local firms are less able to resist the suggestions of the client and may face a greater array of personal pressures to comply with demands to employ specific individuals.

In some countries, because of stronger accounting/auditing practices, companies will actually pay the individual consultants higher rates, who would then have to make cash “gifts” back to the firm and Client.

Ghost employees

Several firms have reported the use of “ghost employees” who appear in timesheet records and are paid but in fact do not exist or do not work on the contract. Ghost employees tend to be lower-paid technicians and administrative staff who would not need to submit CVs for approval. In many instances the PMU officials either were aware of or helped arrange this scheme to generate funds for corrupt payments. The use of ghost employees will result in a long trail of false documents, including timesheets and possibly CVs, housing allowance chits, travel documents and attendance lists. Attendance lists for project events should be checked for both the presence and absence of suspected ghost employees.

Another related scheme that has been reported to INT is the use of offices that are “staged” for World Bank mission visits. Desks, chairs, meeting tables and large office equipment in the project offices can be checked

against the invoices for the purchase of these items that have been submitted for reimbursement.

Subcontracting to the Client

There have been numerous examples provided to INT of international consulting companies subcontracting a wide variety of local professional and logistical services (including housing, office space, vehicles, translators and drivers, etc.) to one local company that is controlled by the client’s project management unit. The services are typically provided to a satisfactory standard and the work completed per a contract between the local company and the international consultancy. The contract is not disclosed to the Bank. Open source due diligence on the company providing the local service may help identify connections to the client or lack of any other commercial presence.

Indicators

- No “original” version of invoice available from PMU or consultant.
- Large number of receipts with no identifying vendor information.
- Purchasing patterns that do not make sense: unusually large quantities or too-frequent purchases.
- Hand written receipts when computerized receipts are the norm.
- A site visit to vendors reveals a non-existent address or a shop that does not sell stated items.
- Visual inspection (including by vendors) noting different fonts, graphics and layouts, incorrect names of employees, incorrect numbering system used on receipts.
- Receipts from shops that are located an unreasonable distance from the project office, especially those that sell small or inexpensive items easily purchased elsewhere.
- Concentration of vendors located far from project office but near the home of the staff responsible for preparing invoices (or along their commuting route).
- Rented project office space and housing belonging to ministry or other government official.
- Claimed expenses in excess of the stated estimate or ceiling.
- Renting items that would be cheaper if purchased (e.g. computers, fax machines).
- Purchasing items that are represented in invoices as rented (e.g. vehicles, computers, furniture). Items are either kept by the company or given to the client at the end of the contract.
- Subcontracting a wide variety of work and logistics to the same local company.

VII

Payments

Corrupt payments are nearly always made in cash, in wire transfers to off-shore accounts or in kind to relevant officials.

Cash

From the information provided by all available sources it appears that cash is the preferred method of payment of government officials. For the commitment fee there is usually one payer and a very limited number of payees, often just one from the PMU or two including a key individual on the evaluation committee. The payee(s) will then be obliged under his or her own commitments to pay other officials up and down the hierarchy as required.

International firms have to balance the need to reduce their potential legal liability by distancing themselves as much as possible from the actual payment and the need to ensure that the payment is made as required without losing money in the transaction. A local partner, even one not a party to the contract at hand, may be pressed into service to deliver the funds, but there must be a close enough relationship between the parties that the international firm trusts that all the cash will be delivered.

Invoice payments are made to accounts belonging to the lead partner or the joint venture. An examination of the account activity may show how cash is removed. Funds that are transferred to company accounts are available to be used for corrupt payments. The office staff at the Representative Office may leave a trail of

false receipts (similar to those used to generate the funds in Project records) to account for the cash being removed from the company account. These receipts can also be checked for veracity. In one instance (below) three variations of receipts from a single supplier of office supplies was found in the cache of genuine receipts, falsified receipts submitted in the invoice, and company records of office expenses. The wire transfer instructions on the last set of receipts were later found to belong to a relative of a consultant staff who acted as a conduit for the illicit payments.

Wire Transfers

Several INT sources have reported that one of the attractive features of international consulting firms from the perspective of corrupt officials is their ability to easily make corrupt payments to offshore bank accounts. Firms have reportedly been involved in helping officials establish accounts in foreign jurisdictions. Seemingly random locations may be chosen and have been found to correspond to the location of relatives or close associates living in other countries. (For example, a European firm paid an official of an Asian country by making wire transfers to both his Hong Kong-registered company and to his relative living in Europe.)

One firm reported that shell companies were created for and controlled by several of their country office staff. Each of these companies was represented to be a vendor to the company and its projects. In fact the companies provided no goods or services but were paid through electronic transfer. The funds in

these accounts was then available to make corrupt payments.

International firms in countries with strong enforcement of anti-corruption laws will tend to prefer cash payments or to originate wire transfers from overseas offices.

In-kind

- ◆ This form of payment may be for ad-hoc demands from specific officials and may not be part of the more “formal” commitment fee arrangement. Examples include:
 - ◆ Leasing of project vehicles from government officials (involved with the project or not)
 - ◆ Leasing of office space or temporary housing from government officials (involved with the project or not). Property records are easily checked in most countries
 - ◆ Paying of school fees, hospital fees, wedding costs etc. as they come up and are demanded
 - ◆ Arrangement of study travel, particularly foreign travel, for government counterparts. The stated itinerary may be changed for tourist and shopping destinations
 - ◆ Payments may also be disguised as simple vendor payments to providers of non-descript management, security, consulting, research or survey services. The companies posing as vendors may be controlled by government officials or even company employees who are embezzling from their employer.

Indicators

- Cash withdrawals by low-level staff, usually many withdrawals in quick succession. These are often timed to coincide with approval or payment of an invoice or a contract amendment.
- Wire transfer payments to third parties, such as close family members. These may be disguised as payments to existing or fictitious vendors, with new wiring instructions inserted.
- Study travel.
- Payments to management, security, consulting, research or survey services that have no track record or no identifiable product.

VIII

Indicators Summary

Pre-Proposal

- ◆ Conversion rate greater than 1:6 indicates that the company is exerting influence outside the normal competitive process.
- ◆ Presence of “procurement consultants”, especially those that are compensated only on the award of contract or who lack subject expertise.
- ◆ Country Managers who are former classmates or colleagues with relevant Project officials.

Proposal

- ◆ Clarification meetings with only one firm or that exclude some firms.
- ◆ Long delay following either the opening of the technical and financial proposals indicates continued lobbying or other problem with the award of contract to the presumed winner.
- ◆ Firms who win are new to the sector/ministry and have offered by far the lowest price, often referred to as a “dump price” to overcome possible lack of experience or recognized expertise in the sector.
- ◆ Public opening of technical proposals, particularly when this results in the disqualification of an experienced firm for such minor things as incorrect labeling or packaging.
- ◆ Substantive negotiations that involve changes to the ToR or financial terms are an immediate red flag.
- ◆ Contract negotiations that take place over an extended period of time or that involve substantive changes to the financial proposal.

Negotiations

- ◆ Negotiation meetings that include outside parties or take place in another city.
- ◆ No minutes of negotiations kept of negotiations.
- ◆ The contract uses the “actual and reasonable” language but inserts tables of specific expense categories that are “fixed rate”.

Contract Execution

- ◆ No “original” version of invoice available from the PMU or consultant.
- ◆ Large number of receipts with no identifying vendor information.
- ◆ Purchasing patterns that do not make sense: unusually large quantities or too-frequent purchases.
- ◆ Hand written receipts when computerized receipts are the norm.
- ◆ A site visit to vendors reveals a non-existent address or a shop that does not sell the stated items.
- ◆ Visual inspection (including by vendors) noting different fonts, graphics and layouts, incorrect names of employees, incorrect numbering system used on receipts.
- ◆ Receipts from shops that are located an unreasonable distance from the project office, especially those that sell small or inexpensive items easily purchased elsewhere.
- ◆ Concentration of vendors located far from the project office but near the home of the staff responsible for preparing invoices (or along their commuting route).

- ◆ Rented project office space belonging to ministry or other government official.
- ◆ Claimed expenses in excess of the stated estimate or ceiling.
- ◆ The contract uses the “actual and reasonable” language but insert tables of specific expense categories that are “fixed rate”.
- ◆ No minutes of contract negotiations kept.
- ◆ timed to coincide with approval or payment of an invoice or a contract amendment.
- ◆ Wire transfer payments to third parties, such as close family members, in order to disguise the recipient of the funds. These may be disguised as payments to existing or fictitious vendors, with new wiring instructions inserted.
- ◆ Study travel.
- ◆ Payments to management, security, consulting, research or survey services that have no track record or no identifiable product.

Payments

- ◆ Cash withdrawals by low-level staff, usually many withdrawals in quick succession. These are often

FIGURE 2

No.	Item	Vol	CONTRACT	RATE JV	Requested	Approved	Profit / Loss
1	Salary Supporting Staff (January)						
	Office Manager	1	3,000,000	3,500,000	3,500,000	3,500,000	(500,000)
	Bilingual Secretary	1	3,000,000	2,000,000	2,000,000	2,000,000	1,000,000
	Computer Operator / Database	1	3,000,000	2,000,000	2,000,000	2,000,000	1,000,000
	Computer Operator / Typist	1	2,250,000	1,500,000	1,500,000	1,500,000	750,000
	Accountant / Book keeper	1	2,250,000	1,250,000	1,250,000	1,250,000	1,000,000
	Messenger	1	900,000	700,000	700,000	700,000	200,000
	Office Boy	1	900,000	800,000	800,000	800,000	100,000
							11,750,000
2	Communication	1	3,000,000	2,500,000	1,853,613	1,853,613	1,146,387
	Telephon			1,180,975			
				529,258			
				143,380			
	Telkom Speedy (Jan)	1	1,000,000	1,000,000	628,000	628,000	172,000
4	Reporting	1	250,000	250,000	250,000	250,000	-
6	Equipment						
6	Office & Computer/Printer Consumable						
	a. Computer/Printer Consumable	1	2,500,000	1,500,000	1,500,000	1,500,000	1,000,000
	b. Office Stationary	1	2,500,000	1,500,000	1,500,000	1,500,000	1,000,000
	c. Office Utilities	1	3,500,000	2,000,000	1,400,000	1,400,000	2,100,000
				350,000			
				50,000			
	- Other			1,000,000			
	d. Office Maintenance	1	1,000,000	500,000	500,000	500,000	500,000
	e. O&M for Fotocopy	1	2,000,000	1,500,000	500,000	500,000	1,500,000
							17,401,613
7	Transportation						
	a. Cars Rental (1 month - 22 days - 20/11 to 19/12 and 31/12)	2	12,000,000	7,000,000	6,070,000	6,070,000	5,930,000
	b. O&M	2	2,000,000	1,500,000	1,000,000	1,000,000	1,000,000
	c. Salary Driver	2	2,000,000	2,000,000	2,000,000	2,000,000	-
8	Duty Trip (attached)	9	21,250,000	18,300,000	18,300,000	18,300,000	2,950,000
			J00	64,553,613	47,451,613	47,451,613	20,346,387

Example of an internal working budget of an consulting engineering firm calculating the reduced amounts of operational line items offered to local partners, cost savings in each line item, and projected profit (or loss) from each. These items were to be billed as actually and reasonably incurred according to the contract.

FIGURE 3

No.A 3117779
452/191-19

E2]GERAI PANDANARAN SMG/kpt40220
Bukti Pembayaran Jasa Telekomunikasi
FAKTUR PAJAK SEDERHANA
PT Telekomunikasi Indonesia (Tbk) Divisi Regional IV Jawa Tengah dan DIY

NPW TELKOM	Bulan Tagihan	Nomor Tagihan	Loket	Tanggal Bayar
01.000.013.1-051.000	JUN, 2008	804-A-085199	2	10/06/2008

	NPWP	:	
	Segmentasi	:	Dep
	Nomor Pelanggan	:	1019951
	Nomor Jastel	:	0247624460

Abonemen	30.700	Percakapan Ponsel	117.852
Lokal	35.250	Jumlah Tagihan	380.063
SLJJ	196.261	PPN unsur kena pajak	38.006
Pulsa Bebas	0	Materai	0
Interlokal	0	Tagihan bulan ini	418.069
Jasnita	0	PEMBAYARAN TAGIHAN BULAN INI	**** 418.069
Non Jastel	0		
SLI-INDOSAT GROUP	0		
SLI-007	0		
Restitusi/Reduksi Lokal	0		

Terima kasih atas pembayarannya

* Pengaduan atas jml tagihan hanya dpt dilayani dlm masa bulan tagihan bertalian *

No.A 431289
540/282-32

[4E2]GERAI PANDANARAN SMG/kpt40220
Bukti Pembayaran Jasa Telekomunikasi
FAKTUR PAJAK SEDERHANA
PT Telekomunikasi Indonesia (Tbk) Divisi Regional IV Jawa Tengah dan DIY

NPWF TELKOM	Bulan Tagihan	Nomor Tagihan	Loket	Tanggal Bayar
01.000.013.1-051.000	Jun, 2008	869-A-124853	4212	10/06/2008

	NPWP	:	
	Segmentasi	:	Dep
	Nomor Pelanggan	:	1019951
	Nomor Jastel	:	0247624460

Abonemen	30.700	Percakapan Ponsel	921.372
Lokal	412.700	Jumlah Tagihan	2.046.022
SLJJ	681.250	PPN unsur kena pajak	204.602
Pulsa Bebas	0	Materai	0
Interlokal	0	Tagihan bulan ini	2.250.624
Jasnita	0	PEMBAYARAN TAGIHAN BULAN INI****	2.250.624
Non Jastel	0		
SLI-INDOSAT GROUP	0		
SLI-007	0		
Restitusi/Reduksi Lokal	0		

Terima kasih atas pembayarannya

* Pengaduan atas jml tagihan hanya dpt dilayani dlm masa bulan tagihan bertalian*

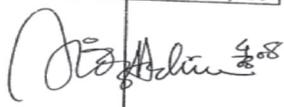
TOP: Actual telephone (Communications) bill received by Contractor for IDR 418,069.

BOTTOM: Doctored version for IDR 2,250,624 submitted to and paid by the client. Note the lack of vendor logo.

FIGURE 4

No. Faktur : /8/SGP/08

No.	Nama Barang	Unit	Qty	Harga	Jumlah
1.	HP C9363WA - Colour	pcs	2	275,000	550,000
2.	HP C6578DA - Colour	pcs	2	275,000	550,000
					1,100,000


 Penerima : 

Pembayaran tunai/via transfer ke BCA cab. Citra Garden
An. Evlyn Kusmery, Kok ac. 3991189155

Jakarta, 11 Mei 2008

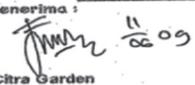
INVOICE

No. PO : 028/PO-BWRMVI/2008

No. Faktur: 080/06/SGP/09

No	Nama Barang	Unit	Qty	Harga	Jumlah
1	Clear holder A4	pak ✓	2	13,000	26,000
2	Kertas A4 70 gr BD	rim ✓	15	27,000	405,000
3	Business file A4	lem ✓	1	25,000	25,000
Total					456,000

Hormat kami : 

Penerima :  11/06/09

Pembayaran via transfer ke BCA cab. Citra Garden an.

TOP: Actual receipt (Office Consumables) received by contractor.

BOTTOM: Falsified receipt submitted for payment.

(continued on next page)

(continued)

FIGURE 4

No. Faktur : 188/11/SGP/08

No.	Nama Barang	Unit	Qty	Harga	Jumlah
1.	Kertas A4 70 Gram BD	rim	15	31,000	465,000
2.	Odner Bambi 50 mm-2124 M	pcs	2	32,000	64,000
3.	Box File (Plastik)-Bindex 1034	pcs	10	13,000	130,000
4.	Clear Holder A4	Pak	3	16,000	48,000
5.	Kertas A4 70 gr (hijau, biru, merah)	rim	3	31,000	93,000
6.	Bloknote Folio	pcs	4	9,000	36,000
					836,000

Penerima : 

An. Chusnijah ac.127.000532880.0

Falsified receipt found in the petty cash records of the consultant's Representative Office.

Note the difference in font from the genuine to the falsified versions, variations in letterhead and invoice number, and change in bank account transfer and account beneficiary information.

FIGURE 5

40120/12-08-07	
Kasir : ANTI	Meja : 35 / 12:33
Tamu : 30 Person (s)	
30	165,000
6	297,000
5	277,500
3	166,500
7	266,000
8	284,000
4	142,000
5	67,500
5	125,000
6	354,000
6	123,000
5	112,500
20	20,000
8	80,500
10	120,000
8	96,000
6	72,500
SUB TOTAL	3,201,300
DISCOUNT	0
TAX	355,700
** TOTAL **	3,557,000

A restaurant bill (meeting cost) that doesn't add up: note the mathematical error in the subtotal. This receipt appeared to be computer generated but was made by project staff

FIGURE 6


VIRTUOSO *A member of*
The Leading Hotels of the World

Sixteenth & H Streets, N.W. Washington, D.C. 20006 Telephone: 202-638-6600 |
 Fax: 202-638-2716

Make My Reservation
 Carbon Neutral

Carbon Calculator

Guest Name	CHECK IN DATE	CHECK OUT DATE		
Abuja- Nigeria	17/10/2010	07/11/2010		
DATE	DEDESCRIPTION	ITEM VAT EXCLUDED	AMOUNT \$	BALANCE \$
17/10/2010	Accommodation	Vat Incl.	200.00	200.00
18/10/2010	Accommodation	Vat Incl.	200.00	200.00
19/10/2010	Accommodation	Vat Incl.	200.00	200.00
20/10/2010	Accommodation	Vat Incl.	200.00	200.00
21/10/2010	Accommodation	Vat Incl.	200.00	200.00
22/10/2010	Accommodation	Vat Incl.	200.00	200.00
23/10/2010	Accommodation	Vat Incl.	200.00	200.00
24/10/2010	Accommodation	Vat Incl.	200.00	200.00
25/10/2010	Accommodation	Vat Incl.	200.00	200.00
26/10/2010	Accommodation	Vat Incl.	200.00	200.00
27/10/2010	Accommodation	Vat Incl.	200.00	200.00
28/10/2010	Accommodation	Vat Incl.	200.00	200.00
29/10/2010	Accommodation	Vat Incl.	200.00	200.00
30/10/2010	Accommodation	Vat Incl.	200.00	200.00
01/11/2010	Accommodation	Vat Incl.	200.00	200.00
02/11/2010	Accommodation	Vat Incl.	200.00	200.00
03/11/2010	Accommodation	Vat Incl.	200.00	200.00
04/11/2010	Accommodation	Vat Incl.	200.00	200.00
05/11/2010	Accommodation	Vat Incl.	200.00	200.00
06/11/2010	Accommodation	Vat Incl.	200.00	200.00
07/11/2010	Accommodation	Vat Incl.	200.00	200.00
17/10/2010- Deposit		-	\$4,200.00	
07/11/2010- Balance Paid		-	\$0.00	
Total=		-	\$4,200.00	

Amount in Word: Four thousand, two hundred Dollar

21 NIGHT-

CARD HOLDER/SIGNATURE

Note mistakes: 1) No hotel named; 2) cut & paste look of letter head; 3) European dating format used for an American hotel; 4) VAT charged instead of Sales Tax; 5) Incorrect English usage ("Amount in Word," "two hundred Dollar," "21 Night").



THE WORLD BANK

1818 H Street, N.W.
Washington, DC 20433