United Republic of Tanzania

The Republic of Uganda

Energy Development & Access Expansion Project
Power Sector Development Project

Redacted Report

October 2015
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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 that Company A may have engaged in misconduct under the World Bank-financed Energy Development & Access Expansion Project in Tanzania and the Power Sector Development Project in Uganda (collectively, the Projects).

Company A, acting through its Director, submitted bids for two contracts under the Projects (the Contracts) and ultimately was awarded the Contracts.

Evidence indicates that Company A submitted false financial documents with its bids for the Contracts. Specifically, evidence suggests that Company A submitted financial documents which belong to another company (Company B), which is operated by the mother of Company A’s Director. When questioned by INT as to why Company A submitted Company B’s financial information with its bid, Company A’s Director stated that this was done in order for Company A to meet the financial eligibility criteria for the Contracts.

The World Bank imposed a sanction of debarment with conditional release on Company A and Company A’s Director, which extends to any legal entity that Company A or Company A’s Director directly or indirectly controls.
Background

The Energy Development & Access Expansion Project in Tanzania aimed to improve the quality and efficiency of electricity service provision. The Power Sector Development Project in Uganda aimed to reduce short-term power shortages and financial imbalances, and facilitate orderly longer-run expansion of electricity service. These two projects are referred to as “the Projects” in this report.

Company A, acting through its Director, submitted bids for two contracts under the Projects (the Contracts), and ultimately was awarded the Contracts.

Allegations

During its investigation of another company (Company B) in relation to another World Bank-financed project, the World Bank Group Integrity Vice Presidency (INT) uncovered evidence indicating that Company A may have submitted financial information that belongs to Company B.

Methodology

INT’s investigation consisted of, among other things, a review of Project documents, as well as statements obtained from Company A’s Director.

Findings

Evidence indicates that Company A submitted false financial documents with its bids for the Contracts.

The bidding documents for the Contracts required bidders to furnish signed copies of audited financial reports for the previous five years, as well as balance sheets, profit and loss statements, and auditor’s reports. To comply with this requirement, Company A submitted relevant financial documents.

Evidence indicates that the above-mentioned financial documents submitted by Company A did not belong to Company A, but instead belong to Company B, which is operated by the mother of Company A’s Director.

In an interview with INT, Company A’s Director explained that Company B, for which s/he formerly worked, is a company that is managed and operated by her/his parents. During the interview and in correspondence with INT, Company A’s Director emphasized that Company A and Company B are distinct corporate entities which do not share any common ownership or financial interests, and that Company A is not associated in any way with Company B.

When questioned by INT as to why Company A submitted Company B’s financial information with its bids, Company A’s Director stated that this was done in order for Company A to meet the financial eligibility criteria for the Contracts.
Follow Up Action by the World Bank

The World Bank imposed a sanction of debarment with conditional release on Company A and Company A’s Director, which extends to any legal entity that Company A or Company A’s Director directly or indirectly controls.