Federal Republic of Nigeria

Second National Urban Water Sector Reform Project

Redacted Report

February 2016
Statement of Use and Limitations

This Report was prepared by the World Bank Group (the WBG) 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 WBG for purposes of its own policies, rules and procedures (the WBG’s Framework regarding Anti-corruption), in relation to the WBG-supported activities. The purpose of the Investigation was to allow the WBG to determine if the WBG’s Framework regarding Anti-corruption has 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 or otherwise referred to 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 institutions comprising the WBG and their officers and employees by their respective constituent documents and any other applicable sources of law. The WBG reserves the right to invoke its privileges and immunities, including at any time during the course of an investigation or a subsequent judicial, administrative or other proceeding pursued in connection with this matter. The WBG’s privileges and immunities cannot be waived without the prior express written authorization of the WBG.
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 in connection with the Second National Urban Water Sector Reform Project (the Project) in the Federal Republic of Nigeria.

The Nigeria Federal Ministry of Agriculture and Water Resources issued an invitation for bids for a contract under the Project (the Contract). Company A submitted a bid for the Contract, which included two project completion certificates purportedly issued by Agency A and Agency B.

Evidence indicates that the certificates submitted by Company A in the bids for the Contract were false. Specifically, Agency A and Agency B confirmed to INT that they had not issued these certificates.

The World Bank imposed a sanction of debarment with conditional release on Company A. This ineligibility extends to any legal entity Company A directly or indirectly controls.
**Background**

The Second National Urban Water Sector Reform Project (the Project) in the Federal Republic of Nigeria is designed to: (i) improve the reliability of the water supply produced by the water treatment works in Lagos; (ii) increase access to piped water networks in four cities in Cross River State; and (iii) improve the commercial viability of the urban water utilities in Cross River and Lagos States. The Project is financed by the International Development Association (IDA).¹


The Contract bidding documents required that bidders include in their bids: (i) information relating to their experience in works of similar nature and size for each of the previous five years, and details of works underway or contractually committed; and (ii) the names of clients who may be contacted for further information on those contracts. To meet these requirements, Company A submitted two completion certificates in the bids for the Contract, purportedly issued by Agency A and Agency B.

**Allegations**

The World Bank Group Integrity Vice Presidency (INT) received an allegation that Company A may have submitted false past experience information in its bid for the Contract.

**Methodology**

INT contacted Agency A and Agency B to verify the authenticity of the certificates submitted by Company A. INT also reviewed relevant Project documents and correspondence between the National Project Coordinator and Agency A.

**Findings**

Evidence indicates that Company A falsified its prior experience in its bid for the Contract.

Evidence indicates that the National Project Coordinator contacted Agency A to request verification of the completion certificate submitted by Company A, and to seek Agency A’s comments on Company A’s ability to perform the Contract. Evidence further indicates that Agency A responded in writing that Company A had never been awarded a contract by Agency A. In addition, according to Agency A, the letterhead and signature of the completion certificate submitted by Company A were forged, and Agency A’s name, address, telephone number, and the title of the purported signatory were all incorrect.

¹ IDA is one of the five institutions comprising the World Bank Group. IDA and the International Bank for Reconstruction and Development (IBRD) constitute the World Bank. IDA and the World Bank are used interchangeably throughout this Report.
Upon receiving this information, INT wrote to Agency A, requesting that it verify the authenticity of the completion certificate submitted by Company A. Agency A informed INT that the completion certificate was fake.

INT also wrote to Agency B, requesting that it verify the authenticity of the completion certificate submitted by Company A. Agency B informed INT that the completion certificate was fake.

INT issued a letter to Company A, requesting its response to INT’s findings. Company A did not respond.

**Follow-Up Action by the World Bank**

The World Bank imposed a sanction of debarment with conditional release on Company A. This ineligibility extends to any legal entity Company A directly or indirectly controls.