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 sanctionable 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 to in the course of any investigation, in any investigation reports, or in any administrative, civil, or criminal proceedings.

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Executive Summary

This Report provides the findings of an administrative inquiry (the investigation) by the World Bank Group’s Integrity Vice Presidency (INT) into allegations of fraudulent practices in the procurement of five road construction contracts (the Contracts) under the World Bank-financed Uganda Roads Development Program phases I through III (the Projects). In the investigation, INT found evidence suggesting that Company A engaged in misconduct while prequalifying, bidding for, and implementing contracts under the Projects, including the submission of false certificates of past work experience. Company A has been debarred by the World Bank for two years and six months.
Background

The International Development Association, IDA or the World Bank, financed the Uganda Roads Development Program phases I through III (the Projects). Phase I (US$91 million) became effective in February 2000 and closed in June 2008; Phase II (US$97 million) became effective in April 2002 and closed in June 2008; and Phase III (US$133 million) became effective on June 2005 and closed on October 2011 (collectively, the Projects). The development objective of the respective Projects was to improve access to rural areas and economically productive areas and to enhance the Borrower’s road sector planning and management capacity.

Allegations and Methodology

On September 2010, the World Bank Group’s (Bank’s) Integrity Vice Presidency (INT) received allegations of possible corruption in the Projects involving Project officials and unnamed government officials. In the process of the investigation INT also detected indications of misconduct, including the apparent submission of false certificates of past work experience. INT’s investigation consisted of a detailed review of relevant procurement and contract documents and interviews of all relevant parties.

Findings

INT’s investigation found evidence suggesting the following:

**False documentation was submitted on behalf of Company A while the company was prequalifying, bidding for, and implementing contracts under the Projects**

In response to an invitation to prequalify (the Invitation) for road construction under the Projects, Company A submitted an application for prequalification dated August 2004. Company A later submitted bids for five different contracts financed under the Projects, for which they were prequalified. It was awarded three of the contracts.

Company A submitted several documents with its application for prequalification and the five bids mentioned above. The documents included Certificates of Completion of Works (Certificates) to prove past experience as required by the Prequalification Criteria of the Invitation and the bidding documents. Evidence indicates that false Certificates were submitted on behalf of Company A.

During an interview with INT, the Director of Company A acknowledged that the Certificates were false. The Director stated that the company had submitted the false Certificates because it had experienced difficulties getting contracts.

**INT Action**

The World Bank Group has debarred Company A and its affiliates for a period of two years and six months.