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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 in connection with the Lom Pangar HydroPower Project (the Project) in Cameroon.

Evidence indicates that Company A may have submitted false past experience certificates with its prequalification application for a contract financed under the Project. During INT’s investigation, the purported issuers of these certificates informed INT that they had not issued the certificates to Company A, and that Company A had not participated in the projects that were identified in the certificates. Evidence further suggests that Company A may have pressured a government official of the agency which had issued one of the certificates to recant his statement to INT that Company A’s certificate was not authentic.

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

The Lom Pangar HydroPower Project (the Project) in Cameroon aims to increase hydropower generation capacity and reduce seasonal variability of water flow in the Sanaga River and to increase access to electricity. The Project is financed by the International Development Association (IDA) and other co-financiers. The Project Implementing Unit is the Electricity Development Corporation (EDC), a state-owned entity.

The EDC issued the Prequalification Document for a construction contract (the Contract) financed under the Project. Company A was prequalified and ultimately was awarded the Contract.

Allegations

The World Bank Group Integrity Vice Presidency (INT) was informed that the Cameroon Anti-Corruption Commission (CONAC) had identified integrity issues relating to the Project. CONAC cited Company A’s deviations from the technical requirements during its execution of the Contract. In response, INT opened an investigation into the matter.

Methodology

INT’s investigation consisted of, among other things, a review of Project documents, as well as documents and statements obtained from Company A, and from the issuers of the project completion certificates submitted by Company A.

Findings

1. Evidence indicates that Company A may have submitted false past experience certificates with its prequalification application for the Contract.

The Prequalification Document for the Contract provided that, in order to be prequalified, a bidder must prove that it had undertaken contracts in the previous 12 years involving at least three roller-compacted concrete dams or conventional concrete dams. In its prequalification application for the Contract, Company A claimed prior experience with respect to 11 dam construction contracts signed in the previous 12 years. The EDC found that four of the 11 dam construction contracts met the prequalification requirements. Of these four dam construction contracts, one was for Project A and another was for Project B. In its prequalification application for the Contract, Company A claimed, among other things, that it was the sole contractor for these two projects. However, evidence suggests that Company A was not involved in either of these two projects in any capacity.

With respect to the Project A, in its prequalification application, Company A submitted a project completion certificate (the Project A Certificate) purportedly issued by the Project A Office, a local government agency. However, INT’s review of this project’s documents

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1 IDA is one of the five institutions comprising the World Bank Group. The International Bank for Reconstruction and Development (IBRD) and IDA constitute the World Bank. IDA and the World Bank are used interchangeably throughout this Report.
revealed that, contrary to Company A’s claim that it was the sole contractor for this project, Project A was not contracted to one single company. Rather, it was procured through separate contract packages that were awarded to multiple companies. INT reviewed these contract packages and found evidence indicating that Company A did not take part in any of these contracts. Moreover, the company which was responsible for carrying out the procurement for Project A informed INT that it had never signed a contract with Company A relating to Project A. Finally, during INT’s investigation, the Project A Office informed INT that it had not issued the Project A Certificate for Company A.

With respect to Project B, in its prequalification application, Company A submitted a completion certificate (the Project B Certificate) purportedly issued by the Project B Office, a local government agency. However, during INT’s investigation, the Project B Office informed INT that Company A was not among the contractors for Project B, and that the Project B Office had not issued the Project B Certificate for Company A.

INT sent a letter to Company A, setting out INT’s findings and providing Company A with an opportunity to respond. Company A acknowledged that it neither signed nor implemented contracts under Project A or Project B. However, Company A asserted that it was authorized by an old ministry policy that allowed it, when bidding for contracts overseas, to claim as its experience contracts signed and performed by other, similar companies working under that ministry. Company A contended that its incorrect claims of prior experience were caused by a misunderstanding of that purported policy. However, despite INT’s requests, Company A was unable to provide any evidence showing the existence of the purported policy.

2. Evidence indicates that Company A may have pressured a government employee of the Project A Office to recant his statements against Company A.

INT wrote to the Project A Office to verify the authenticity of the Project A Certificate. An employee from the Project A Office (the Project A Employee) responded to INT’s inquiry, confirming that the certificate was not authentic.

INT also sent a letter to Company A, providing Company A with the evidence indicating that the Project A Certificate was not authentic. Company A responded to INT that Company A had taken up the matter directly with the Project A Office, which, according to Company A, had undertaken to investigate its prior statements to INT regarding the Project A Certificate.

Subsequently, Company A sent INT a written statement from the Project A Employee acknowledging that Company A had shown him a certificate which represented that Company A was responsible for Project A. When questioned further about the authenticity of the Project A Certificate, and whether it existed in the Project A Office’s records or archive, Company A told INT that “the Project A Certificate was not issued as a government document” and “therefore it was not filed in the Project A Office’s archive.”

However, in subsequent interviews with INT, the Project A Employee actually reiterated his earlier statement to INT that the Project A Certificate was not authentic, and informed INT that he wrote the abovementioned contrary statement due to pressure put on him by a visit of two Company A representatives. According to the Project A Employee, the
Company A representatives, accompanied by two other Project A Office employees, pressured him to write the statement. Notwithstanding the above, the Project A Employee reaffirmed to INT that the Project A Certificate was not authentic.

**Follow Up Action by the World Bank**

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