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 World Bank-financed Syrdarya Water Supply Project (the Project) in Uzbekistan.

Evidence indicates that Company A’s Expression of Interest (EOI) and Technical Proposal for a contract under the Project included false claims of its past experience. Specifically, INT contacted the relevant authorities to verify Company A’s claims of past experience involving four projects. All four relevant authorities informed INT that Company A had not been involved in the projects Company A claimed to have past experience in.

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

The International Development Association (IDA)¹ and the Republic of Uzbekistan signed a Financing Agreement for the Syrdarya Water Supply Project (the Project). The Project aims to improve the availability, quality, and sustainability of public water supply services in selected districts of the Syrdarya region. The Project implementing agency is Uzkmommushkizmat (the Uzbek Communal Services Agency).

As part of the Project, Uzkmommushkizmat published the Terms of Reference for a contract under the Project (the Contract). Company A submitted an Expression of Interest (EOI), and subsequently shortlisted. Company A’s Technical Proposal, signed by Company A’s purported Manager (the Manager), contained a power of attorney purportedly signed by Company A’s General Manager, authorizing the Manager to submit the proposal. Following the opening of the proposal, Company A was disqualified from the tender because its Technical Proposal scored below the minimum required score.

Allegations

The World Bank Group Integrity Vice Presidency (INT) received a complaint alleging that the EOI and Technical Proposal of Company A contained false information.

Methodology

INT’s investigation consisted of, among other things, a review of the relevant Project documents, as well as statements and documents obtained from Company A and the relevant authorities of the four projects which Company A claimed to have executed.

Findings

Evidence indicates that Company A’s EOI and Technical Proposal included false claims of past experience.

INT reviewed both Company A’s EOI and Technical Proposal and found numerous discrepancies between the information contained in the EOI and the information contained in the Technical Proposal. INT contacted the relevant authorities to verify Company A’s claims of past experience in connection with four projects identified in the EOI and Technical Proposal. All four relevant authorities informed INT that Company A had not been involved in the projects Company A claimed to have past experience in.

INT issued a letter to Company A, requesting its response to INT’s findings. In response, Company A denied authorizing any agent or employee to act on its behalf in relation to the Project, and claimed that some unidentified persons had submitted a bid for the Project and fabricated relevant past experience. However, Company A acknowledged that it had loopholes or weak points in its overseas projects’ management, including its control of agents.

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.
Follow Up Action by the World Bank

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