

Office of Anticorruption and Integrity  
Asian Development Bank

## SYNOPSIS OF CASES

6 JANUARY 2015

I-14-052

**A Firm and an Individual Accepted Sanctions for a  
Sanction Violation While Cross Debarred**

The World Bank sanctioned a firm from 26 September 2011 to 25 September 2014. ADB's effective sanction period for the firm, through cross debarment, is from 10 July 2013 to 25 September 2014.

OAI determined that the firm and its authorized representative committed a sanction violation when the firm submitted a bid for an ADB project, while the firm was still cross debarred.

The firm and individual admitted to OAI that the firm submitted a bid within the cross-debarment period. The firm explained to OAI that it did not receive a notice of cross debarment from ADB, and that it has undertaken steps to strengthen its internal controls to prevent violations from recurring. The individual accepted OAI's proposed sanction of 3 years. For the firm, OAI took into consideration the mitigating circumstances above and accepted a sanction for 1 year.

I-13-018

**A Firm and an Individual Accepted Sanctions  
for Fraudulent Practice**

OAI established a firm's 2008 audited financial statement, included in its bids for several ADB- financed contracts, inflated the firm's assets when compared to the 2008 audited financial statement which it had submitted for an earlier bid. The bid proposals were all signed by the firm's sole proprietor.

The firm and its owner fully cooperated with OAI's investigation. They both accepted OAI's proposed sanction of two years for the fraudulent practice.

**29 January 2015**

**I-14-038**

**Fraudulent and Obstructive Practices Lead to Sanction of a Firm and an Individual**

OAI received a complaint regarding potential fraud in the procurement of computer and office equipment, given that the three quotations received were significantly above market rates.

Upon investigation, OAI determined that the winning firm, a sole proprietorship, had engaged in fraudulent practice by fabricating the other two quotes. The proprietor also engaged in obstructive practice by provided OAI with false and misleading documentation relating to the fraudulent bid submission.

The IOC sanctioned the firm and its sole proprietor for 4 years.

**12 February 2015**

**I-14-002**

**Fraudulent and collusive practices and conflicts of interest  
lead to sanction of firms and individuals**

OAI investigated allegations of fraud, collusion and conflict of interests committed by firms and individuals to mislead the procurement decision in an ADB-financed project.

OAI established that the firms and individuals have systematically misrepresented information in the bid proposals and colluded in favor of one firm. The firms and individuals also failed to disclose conflicts of interest, which improperly influenced the procurement processes and contract awards.

The IOC debarred all four firms and seven individuals involved. Considering the systematic nature and seriousness of the integrity violations, the IOC determined that the sanctions imposed on one firm and one individual should be published.

**18 February 2015**

**I-14-069**

**Fraudulent Practice Leads to Sanction**

OAI received an allegation that a bidder submitted a fraudulent work experience certificate in its bid for a service contract financed under an ADB loan. OAI confirmed that the certificate was fabricated, and the bidder admitted to knowingly including the false certificate in its bid.

The firm accepted OAI's proposed sanction of debarment for 2 years, which took into account the firm's cooperation with OAI's inquiries.

**26 February 2015**

**I-13-025**

**Submission of false work certificates leads to sanction of firm and individual**

OAI independently confirmed that a firm had submitted false work certificates in its bids for ADB-financed contracts. When asked to clarify, the firm denied participating in the two bids and claimed that some other person might have used its credentials and corporate documents. OAI, however, found that the firm previously submitted similar false work certificates in bids it won in 2008 and 2010. When confronted with this information, the firm no longer denied and accepted responsibility.

The Integrity Oversight Committee (IOC) determined that the firm and its sole proprietor engaged in fraudulent practice by submitting false work certificates in four bids from 2008 to 2012, and debarred them for a period of 5 years. The IOC deemed as aggravating factors the duration and frequency of the integrity violation and the obstruction of investigation as the firm made false statements to OAI when it repeatedly denied participating in the 2012 bids.

**I-13-051**

**Submission of false bid security leads to sanction of firm and individual**

OAI independently confirmed that a firm bidding for an ADB-financed contract had submitted a fraudulent bid security. The firm, through its Director, admitted to the fraud and cooperated with OAI's investigation.

The IOC sanctioned the firm and its Director for 2.5 years, taking into account their cooperation with OAI's investigation.

**13 March 2015**

**I-14-077**

**Submission of CV without the individual's permission leads to sanctions**

OAI received information that a firm bidding for a TA may have submitted a consultant's CV without the consultant's permission. The bid was submitted via ADB's Consultant Management System.

The consultant confirmed to OAI that the CV was used without permission. Subsequently, the firm, through its principal officer, admitted that including the CV had been a mistake and that it had been submitted for illustrative purposes.

OAI found the actions of the firm and its principal officer to be reckless and referred the case to the Integrity Oversight Committee (IOC). The IOC determined that the firm and the principal officer had engaged in fraudulent practice and debarred them both for 2 years. To prevent circumvention of the debarment, a firm controlled by the principal officer was also debarred for 2 years.

**20 April 2015**

**I-14-051**

**Failure to disclose conflict of interest leads to sanctions**

Upon investigation, OAI found that one of the owners/director of a bidder, Firm A, was the Secretary to the Bid Evaluation Committee. Firm A's other owner/director had categorically declared, as the Authorized Representative in the bid, that Firm A had no conflict of interest. OAI found that Firm A and its directors/owners had engaged in fraudulent practice by failing to disclose the conflict.

All three parties accepted OAI's findings and proposed sanction of 1 year.

**7 May 2015**

**I-14-008**

**A Firm and An Individual Accepted Sanctions for  
Collusive and Fraudulent Practices**

In January 2014, an ADB staff reported concerns about possible bid manipulation to OAI. It was alleged that the winning bidder was able to insert a document into its bid after the bid submission date leading to misprocurement being declared. OAI's investigations established that the inserted document had been created after the bid submission date and therefore could not have been included in the original bid.

The firm and its president accepted OAI's proposed 3-year debarment for collusive and fraudulent practices.

NOTE: OAI commends the staff for their diligence and thanks the Resident Mission for its cooperation and support throughout the investigation of this case.

**20 MAY 2015**

**I-14-018**

**Submission of Falsified Technical Drawings Leads to Sanction**

In February 2014, OAI received information that a supplier of materials had copied technical drawings from another firm and presented them as its own in a bid for an ADB contract.

OAI received documentation from the EA, which had identified the similarities, to confirm the allegation.

The firm initially responded to an inquiry by OAI, but did not reply to OAI's subsequent request for a response to its findings of fraudulent practice. The Integrity Oversight Committee (IOC) sanctioned the firm for a period of 3 years.

**I-14-029**

**Submission of False Work Certificates Leads to Sanctions**

During bid evaluation, the EA identified red flags in a firm's bid and found that its work certificate was fraudulent. This was reported to the Resident Mission, which in turn brought it to OAI's attention.

OAI confirmed the findings that the work certificate was false, and presented the case to the IOC, which debarred the firm and its proprietor, as an individual, for 3 years.

**I-14-070**

**Submission of False Bank Guarantees Leads to Sanctions**

During bid evaluation, the project management unit determined that a bidder had submitted fraudulent bank guarantees and disqualified the bidding firm.

OAI independently verified that the bank guarantees were fraudulent. The firm and its sole proprietor did not respond to OAI's inquiries or failed to respond to the findings letter in spite of personally accepting delivery.

The IOC debarred both the firm and its proprietor, as an individual, for 3.5 years.

NOTE: OAI acknowledges the vigilance of the EAs and thanks the Resident Mission staff for their cooperation and support throughout the investigation of these three cases.

**10 June 2015**

**I-13-066**

**A Firm Accepted Sanction for Fraudulent Practice**

OAI received an allegation that a bidder submitted fraudulent end-user certificates in its bid for a service contract financed under an ADB loan. OAI confirmed that the certificates were fabricated. The bidder agreed to OAI's proposed sanction of 3 years.

**30 JUNE 2015**

**Case I-14-014**

**Due diligence by RM staff uncovers fraud**

During contract negotiations with an individual consultant, a resident mission staff, through their due diligence, established that the consultant had provided false information to justify a higher fee.

While the consultant did not admit fraud, the consultant apologized for submitting the false document and claimed that it had been submitted in error.

The IOC imposed a 2-year sanction.

**Case I-14-056**

**Staff vigilance identifies false attendance list**

In 2014, OAI received a complaint from ADB staff related to fraudulent practice during the implementation of a contract under an ADB-financed project.

OAI's investigation determined that the majority of the participants shown on the workshop attendance lists, submitted by the consulting firm delivering the training, had not attended or even heard of the workshops.

The IOC determined that the consulting firm and two of its key principals had defrauded ADB and imposed a 3-year debarment on the firm and the two individuals.

Note: OAI acknowledges the diligence of the ADB staff who identified and reported the fraudulent practices.