Uzbekistan

Syrdarya Water Supply Project
Bukhara Samarkand Sewerage Project

Redacted Report

March 2020
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 into allegations that Company A, as the leader of a joint venture (the “JV”), may have engaged in misconduct in connection with the World Bank-financed Syrdarya Water Supply Project (“SWSP”) and Bukhara Samarkand Sewerage Project (“BSSP”) in Uzbekistan.

Company A, as lead member of several JVs, submitted bids for SWSP and BSSP contracts (collectively, the “Contracts”).

Evidence indicates that, when bidding for SWSP and BSSP Contracts, Company A submitted multiple falsified bank documents in the JV’s bids. The purported issuer of the bank documents stated that it had not issued those documents for the JV.

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

Syrdarya Water Supply Project

In September 2011, the International Development Association (“IDA”) and the Republic of Uzbekistan signed a Financing Agreement for the Syrdarya Water Supply Project (“SWSP”). SWSP aims to improve the availability, quality, and sustainability of public water supply services in selected districts of the Syrdarya region.

Bukhara Samarkand Sewerage Project

In November 2009, IDA and the Republic of Uzbekistan signed a Financing Agreement for the Bukhara and Samarkand Sewerage Project (“BSSP”). BSSP aims to mitigate the environmental impact from wastewater pollution and improve the efficiency and sustainability of wastewater management in Bukhara and Samarkand.

A joint venture led by Company A (the “JV”) submitted bids for two SWSP tenders and two BSSP tenders. These four tenders are referred to, collectively, as “the Contracts” in this report.

Allegations

The World Bank Group Integrity Vice Presidency (“INT”) received a complaint alleging that the JV may have submitted false past work information and falsified bank documents in its bids for the Contracts.

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 purported issuer of the bank documents submitted by Company A.

Findings

Evidence indicates that Company A submitted falsified bank documents in the JVs’ bids for the Contracts.

As JV leader, Company A submitted the JVs’ bids for the Contracts. As part of those bids, Company A submitted 11 bank documents, including bid securities, extended bid securities, performance securities, and letters for opening credit lines, all purportedly issued by a bank (the “Commercial Bank”). INT contacted the Commercial Bank to verify the authenticity of these bank documents. The Commercial Bank confirmed to INT that all the documents submitted by the JV were falsified.

Further, evidence indicates that the bid securities submitted with one of the JV’s SWSP bids were inaccurately falsified. These bid securities used the Commercial Bank’s former name and were signed by an individual who was no longer the director of the claimed branch when the bid securities were purportedly issued.
INT subsequently sent letters to the companies comprising the JVs, requesting their responses to INT’s findings. The first company responded that Company A provided the bid securities. The second company did not respond to INT. The third, Company A, responded and admitted to the misconduct.

**Corrective Action**

The World Bank imposed the sanction of debarment with conditional release on Company A, extending to any legal entity that Company A directly or indirectly controls.