



Republic of Peru

Regional Transport Infrastructure Decentralization Project

Redacted Report

March 2018

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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 Regional Transport Infrastructure Decentralization Project (the Project) in the Republic of Peru.

The Regional Government of Amazonas (GRA) issued bidding documents for a contract financed under the Project (the Contract). Company A submitted a bid for the Contract, which was prepared and submitted by a Company A employee (Company A Employee), and signed by Company A's then-General Manager (Company A Manager). Subsequently, Company A was recommended for the award of the Contract.

Evidence indicates that Company A submitted forged documents regarding its prior experience in its bid for the Contract. Specifically, Company A claimed that it had implemented a certain contract, and submitted supporting documents purportedly exchanged between Company A and the municipality where the contract was performed (the Municipality). However, evidence indicates that the Municipality did not exchange those documents with Company A, and that Company A abandoned the works when less than nine percent of the project had been completed.

INT issued a letter to Company A requesting Company A's response to INT's findings. In its response to INT's findings, Company A admitted that its bid contained misrepresentations and forged documents.

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

Background

The Regional Transport Infrastructure Decentralization Project (the Project) in Peru aimed to improve the prioritization, efficiency and effectiveness of regional transport interventions and to contribute to regional development and poverty alleviation in Peru. The Project was financed by the International Bank for Reconstruction and Development (IBRD).¹ It became effective in April 2006 and closed in June 2014.

In 2011, the Regional Government of Amazonas (GRA) issued bidding documents for a contract financed under the Project (the Contract). Company A submitted a bid for the Contract. Evidence indicates that a Company A employee (Company A Employee) prepared and submitted Company A's bid. Evidence further indicates that Company A's then-General Manager (Company A Manager) signed Company A's bid prepared by Company A Employee. The Bid Evaluation Report subsequently recommended that Company A be awarded the Contract.

Allegations

Following the Bid Evaluation Report, the GRA received a complaint against Company A and sought to corroborate certain information contained in Company A's bid. The GRA concluded that Company A's bid contained misrepresentations. Consequently, the procurement for the Contract was cancelled and the GRA referred this matter to the World Bank Group Integrity Vice Presidency (INT).

Methodology

INT's investigation consisted of, among other things, a review of Project documents and relevant information provided to INT by the GRA, as well as statements obtained from Company A.

Findings

Evidence indicates that Company A submitted forged documents regarding its prior experience in its bid for the Contract.

The bidding documents for the Contract required bidders to have experience in the construction of at least two works of similar nature and complexity with the works described in the bidding documents.

In its bid for the Contract, Company A claimed that it had participated in a joint venture (the JV) for a road improvement contract in a certain municipality (the Municipality), and that the JV had completed over 82 percent of that contract. Company A also included a letter and an invoice that the JV had purportedly submitted to the Municipality (the Documents) and one letter purportedly issued by the Municipality to the JV (the Letter).

However, evidence indicates that the Municipality neither issued the Letter nor received the Documents and that the JV had breached the contract when less than nine percent of the project had been completed.

¹ The IBRD is one of the five institutions comprising the World Bank Group. The International Development Association (IDA) and the IBRD constitute the World Bank. The IBRD and the World Bank are used interchangeably throughout this Report.

INT issued a letter to Company A requesting Company A's response to INT's findings. In its response to INT's findings, Company A admitted that its bid contained misrepresentations and forged documents.

Follow Up Action by the World Bank

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