



# Integrity and Anti-Corruption Progress Report 2009-2010



African Development Bank Group  
Integrity and Anti-Corruption  
Department **IACD**



© AFP, Johanna Leguerre

# Integrity and Anti-Corruption

## Progress Report 2009-2010





# Table of Contents

<b>5</b>	<b>African Development Bank Group</b>
<b>7</b>	<b>Foreword</b>
<b>9</b>	<b>Introduction</b>
9	From Division to Department
9	IACD Mandate
10	Standard Operating Procedures
11	Resources
<b>13</b>	<b>Investigation and Prevention</b>
13	The Investigative Process
14	Case Statistics 2007-2010
17	Cooperation
17	Prevention
18	Conferences and Training
<b>21</b>	<b>The Way Forward</b>
21	Communication
21	Integration
21	Sanction
21	Information Sharing
22	Technology
<b>25</b>	<b>Synopsis of Selected Cases</b>
25	Corruption and Conflict of Interest
25	Submission of Forged Guarantees
25	Protecting Whistleblowers
26	Resume Fraud
26	Collusion Between Bank Staff and Project Consultants





© AFP, Barbara Sax

Please visit the African Development Bank website at  
[www.afdb.org](http://www.afdb.org)

## African Development Bank Group

The African Development Bank (AfDB) is the premier development financial institution in Africa. Established in 1964 as the regional multilateral development bank for the continent, the AfDB is owned by 53 African countries (referred to as Regional Member Countries or RMCs) and 24 non-African countries from the Americas, Asia, and Europe. The AfDB's purpose is to contribute to the sustainable economic development and social progress of African member countries individually and jointly.

The AfDB Group operations support both the public and the private sectors in RMCs. In addition to the African Development Bank, the AfDB Group includes the African Development Fund (ADF) and the Nigeria Trust Fund (NTF). The ADF—which was created in 1972 and began operations in 1974—provides concessional funding for projects and programs, as well as technical assistance for studies and capacity-building activities, to 38 low-income RMCs. The NTF is a special AfDB fund created in 1976 by agreement between the Bank and the Federal Republic of Nigeria to assist in the development efforts of low-income RMCs whose economic and social conditions and prospects require financing on concessional terms.

Between 1967 and 2009, the AfDB approved 3,417 loans and grants totaling 52.26 billion units of account (UA) (US\$82.2 billion<sup>1</sup>). Following record activities in 2009 in the wake of the financial crisis, the AfDB approved UA 4.09 billion of new financing, debt relief and guarantees in 2010—about 16% more than the level achieved in 2008. The AfDB operates over 25 field and country offices across the continent.

Please visit the African Development Bank website at [www.afdb.org](http://www.afdb.org).

<sup>1</sup> Using the exchange rate as of February 28th, 2011.



AFP, John Macdougall

“The African Development Bank is determined to root out misconduct, fraud and corruption within its own ranks as well as in the implementation of the projects it finances.”



## Foreword

A significant part of Africa's GDP is estimated to be lost to corruption every year. Besides stunting economic growth, corruption carries devastating indirect costs: children drop out of primary school five times more in countries where high corruption is prevalent than in those with low levels of graft; infant mortality rates are twice as high. While corruption affects everyone, it hurts the poorest most by crippling the public services they so badly need.

Tackling corruption is therefore an integral part of the economic and social development the African Development Bank seeks to promote.

Over the past few years, Multilateral Development Banks have made great progress in confronting what had been treated as a taboo for far too long.

As the premier financial development institution in Africa, the AfDB is determined to root out misconduct, fraud and corruption within its own ranks as well as in the implementation of the projects it finances. In order to do so, the Bank created an anti-corruption and fraud investigation division in November 2005 as its sole investigative body. The unit became operational in June 2006 and commenced investigations in January 2007.

As its sovereign and non-sovereign operations expand fast, so must the Bank's ability to prevent and root out wrongdoing. Much has been accomplished over the two years covered in this report, reflecting the Bank's desire to keep strengthening its integrity function. The AfDB has already become a leader in the fight against corruption and fraud on the continent. Yet much remains to be done. The Bank must keep drawing lessons not only from its own experience, but also from that of sister organizations. The global nature of corruption also requires enhanced cooperation across borders and organizations.

The AfDB is committed to constantly improve its strategy and operations to become a global center of excellence in the promotion of integrity. It is also ready to join hands with anyone fighting the scourge of corruption.



Donald Kaberuka  
President  
African Development Bank





## Introduction

The Integrity and Anti Corruption Department (IACD) has gone through significant changes over the last two years. The unit, which now employs over twice as many professionals as in 2008, has been upgraded from a division to a department that reports directly to the AfDB President and Board. This has not only heightened its visibility and weight within the organization, but also reinforced its independence. In addition, standard procedures for the conduct of investigations have been introduced and IT forensics capabilities significantly improved.

Cooperation with other MDBs took a major leap forward with the signature of the cross-debarment agreement in April 2010. By considerably widening the net of sanctions, the cross-debarment agreement should provide a powerful deterrent against fraud and corruption.

IACD intends to keep intensifying its impact to ensure that the highest standards of integrity are applied both within the AfDB and the implementation of its projects.

### From Division to Department

The unit was originally created as a division within the Auditor General's Office. In April 2010, however, the audit and investigative functions of the Auditor General's Office were separated, and the Integrity and Anti-Corruption Division was upgraded to a Department that reports directly to the AfDB President and to the Board of Executive Directors.

The decision reflects a desire to strengthen the Bank's anti-corruption function and its independence, in anticipation of the continued fast expansion of sovereign and non-sovereign operations; it is also consistent with sister institutions' best practice.

### IACD Mandate

IACD's overriding mandate is to undertake unhindered investigations into allegations of fraud, corruption and misconduct within the Bank and Bank-financed activities. IACD's role is both reactive and proactive: the investigative function responds to allegations of corruption; but IACD also seeks to prevent corruption and fraud. The IACD is empowered to:

- Manage and operate procedures and mechanisms for ensuring confidentiality of the hotline facility, protection of whistleblowers and anonymous reporting of corruption and fraud within the Bank and in activities financed by the Bank in RMCs;
- Receive, screen and investigate allegations from whistleblowing on fraud, corruption and malpractices or suspicions thereof, in the Bank and in activities financed by the Bank;
- Employ surveillance measures deemed necessary and reasonable for the furtherance of investigations;
- Gain unrestricted access to all persons under investigation; Bank records, docu-

ments, properties, registers, systems and assets in custody or under the control of the Bank, authority, institution, undertaking or person who is a beneficiary of the operations of the Bank Group;

- Monitor implementation of investigation recommendations;
- Report regularly to the President on the allegations received and screened as well as their investigation status and the implementation of recommendations;
- Undertake risk assessments on fraud and corruption for the purposes of determining if controls need to be implemented or strengthened to reduce vulnerability and to design tests to help disclose the existence of fraud, corruption or abuse; and
- Conduct fraud and corruption awareness and publicity in RMCs and relevant training of Bank employees and external partners.

### Standard Operating Procedures

IACD introduced an Investigative Handbook in 2009. The Handbook seeks to promote independence, procedural fairness and integrity during all phases of the investigative process, while observing confidentiality and safeguarding the rights of suspects.

Adhering to international norms and best practices, the Handbook provides a professional methodology for conducting thorough

and expeditious investigations, for recording, securing and storing investigative evidence and for ensuring that findings and conclusions are adequately corroborated and documented. Suspects are presumed innocent until proven otherwise and have rights to be notified of charges, present exculpatory evidence and receive extracts of findings of the investigation. They may also appeal findings and sanctions. At the same time, the identities of whistleblowers are protected from unauthorized disclosure.

The Handbook is based on the Uniform Framework for Preventing and Combating Fraud and Corruption, a set of harmonized key principles adopted in September 2006 by the heads of the AfDB, the Asian Development Bank, the European Investment Bank, the European Bank for Reconstruction & Development, the Inter-American Development Bank, the International Monetary Fund and the World Bank.

### Resources

The Department significantly enhanced its forensic technology capabilities with the introduction of a specialized group that became operational in 2010. During its first three months of operations, the forensic group processed over 2 terabytes of electronically stored information and recovered deleted documents and emails from computer systems across Africa. The advanced computer forensic methodologies used by IACD's internationally accredited specialists have be-



come integral to the Department's investigative strategy.

IACD now relies on ten professionals—a substantial increase from its staff of four in 2008. Human resources include experts in procurement, law, forensic accounting, forensic auditing, fraud examination, computer forensics as well as hotline management. IACD benefits from its professionals' wide range of expe-

rience, which includes national law enforcement and defense as well as the public and private sectors. The Department plans to increase its staff from 10 to 15 professionals in 2011, and further hiring will likely take place in 2012. In addition, IACD will propose to the Board of Directors a re-organization of the department to separate investigation functions on the one hand and prevention and outreach activities on the other.



© AFP, Issouf Sanogo

“IACD activities must result in decreasing opportunities for corruption, while increasing the risk and costs of engaging in corrupt or fraudulent activities.”

## Investigation and Prevention

**R**ooting out wrongdoing requires both prevention and investigation. During its first few years of existence, IACD focused on investigations to send a strong signal that fraud and corruption would no longer go unpunished. Over the next few years, however, the Department is planning to expand its prevention and training activities. IACD strives to draw lessons from its own experience as well as those of sister institutions.

### The Investigative Process

The Department investigates allegations of fraud, corruption, coercion and collusion in Bank operations. Since 2010, simple staff misconduct with no such elements has been referred to the Bank's Human Resources Department, the Ethics Office or the Ombudsman.

Complaints—which can be anonymous—are currently received through a secured hotline (email, phone or fax) or in person, and handled internally. In 2011, IACD is planning to outsource the handling of complaints to an independent service provider. Besides ensuring further independence, this process will allow a number of countries on the continent to report complaints through a confidential, toll-free hotline available 24 hours a day, 365 days a year. Complaints will be received by multilingual interview experts, which should not only improve the quality and accuracy of the process but also encourage and facilitate the reporting of wrongdoing. In addition, the

Department's secure website will be upgraded to enhance data-privacy capabilities.

Complaints are then screened and evaluated:

- patently false or frivolous complaints are discarded;
- complaints that fall outside IACD's mandate are referred to other Bank units;
- a preliminary inquiry (PI) is conducted when allegations require additional screening; or
- an investigation is opened if the evidence provided is sufficient.

#### **Fraud, Corruption, Collusion and Coercion**

The definitions of fraudulent, corrupt, collusive and coercive practices have been harmonized with other Multilateral Development Banks:

- A corrupt practice is the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party.
- A fraudulent practice is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.
- A coercive practice is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.
- A collusive practice is an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.



IACD will introduce a new case management system in 2011 which will be seamlessly integrated with complaint handling. The state-of-the-art software will allow tracking and triage of all reported allegations and includes a user-friendly case handling system. Simultaneous access by multiple users will facilitate information sharing and speed up the resolution of cases. At the same time, enhanced user-access restrictions and the ability to mask data will ensure that sensitive information is not compromised.

#### **The Whistleblowing and Complaints Handling Policy**

The AfDB's Whistleblowing Policy provides an avenue for Bank personnel and others who wish to make confidential or anonymous complaints relating to corruption, fraud and other misconduct. The Policy provides full protection for Bank personnel against retaliation.

In addition, the Directive on Whistleblowing and Complaints Handling, issued by the Bank's President, informs Bank staff of the objectives and responsibilities under the Policy as well as the protection available against retaliation.

The Bank's Whistleblowing Policy has been acclaimed widely as a model policy and has been given highest ratings by major non-governmental watchdogs.

Final investigative reports are sent to the President of the Bank. IACD may recommend sanctions to the President if the evidence suggests that subjects are more likely than not guilty of wrongdoing. In making a determination concerning sanctions, the President

may consult the Advisory Committee on Corruption and Fraud, established by a Board resolution.

The sanction procedure is currently being reviewed to enhance independence and checks and balances as well as to improve the consideration of appeals. The future process will most likely involve two steps. An evaluation body would first determine whether the investigation report submitted by IACD supports the finding that corruption, fraud, coercion or collusion has indeed taken place, and if so, decide on an appropriate sanction. If suspects contest the accusations or sanctions, a separate appeals body would review the case and make a final decision.

Investigations conducted by the IACD are not criminal proceedings; they are administrative in nature. Sanctions range from personnel disciplinary actions, such as separation, to loan cancellation and debarment for contractors, which can be temporary or permanent. The Bank may also refer cases to member countries for possible criminal investigation and prosecution.

#### **Case Statistics 2007-2010**

In 2010, IACD received the highest volume of complaints since it started operations in 2007. The Department also reviewed and investigated a record number of cases.

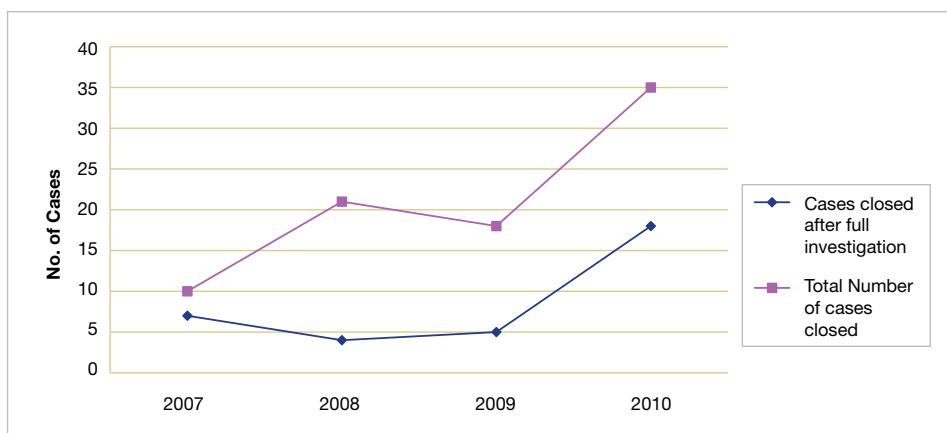
There were more allegations of fraud than any other type of wrongdoing, and most com-

plaints were related to Bank-funded projects. Over a third of allegations about Bank projects during the period under review were in agri-

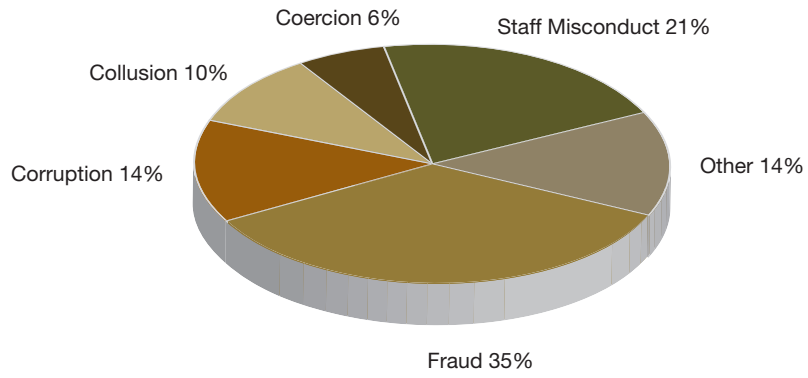
culture and rural development—although the sector accounted for only 3% of new AfDB projects in 2009.

	2007	2008	2009	2010
Cases carried over	0	17	27	22
New complaints	27	31	13	38
<b>Total case load</b>	<b>27</b>	<b>48</b>	<b>40</b>	<b>60</b>
Completed preliminary inquiries and internal referrals	3	17	13	17
Completed full investigations	7	4	5	18
<b>Total number of cases closed</b>	<b>10</b>	<b>21</b>	<b>18</b>	<b>35</b>
Cases carried forward	17	27	22	25

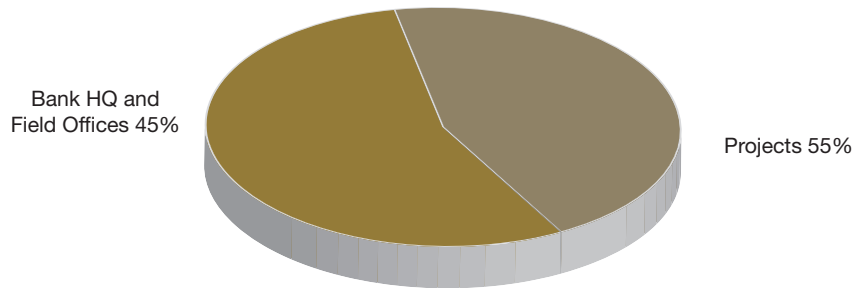
Case Closure Statistics



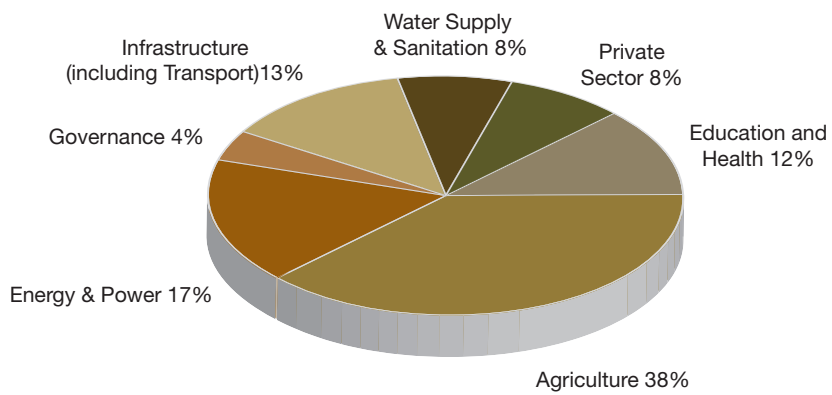
**Nature of Allegations 2009-2010**



**Allegations by Site 2009-2010**



**Allegations by Project Sector 2009-2010**





Following investigations undertaken during 2009-2010, IACD recommended sanctions against 8 firms and 11 individuals, as well as the summary dismissal of 6 AfDB staff members.

## Cooperation

Corruption and fraud are global scourges that cannot be fought in isolation. Cooperation and information sharing are essential to successful investigations, and widening the scope of sanctions can significantly raise the cost of wrongdoing.

In April 2010, the sanction of fraud and corruption took a significant leap forward when the AfDB and four other MDBs joined forces and agreed to cross-debar firms and individuals guilty of wrongdoing in development projects. Those debarred by one MDB may now face sanction for the same misconduct by all other signatories. Leveraging sanctions across the board will constitute a more powerful deterrent against fraud and corruption, in particular for contractors focusing on sectors and areas that rely heavily on development assistance. In addition, the agreement encourages closer cooperation between participating MDBs on risk management and provides opportunities for joint investigations. Besides the AfDB, the agreement includes the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank Group and the World Bank Group.

The cross-debarment agreement adds another collective step to a process initiated in September 2006, when international financial institutions agreed to harmonize their definition of corrupt and fraudulent practices, to share information and to explore how enforcement by one member could be supported by all.

In December 2010, IACD delegates joined anti-corruption officials from 134 countries for the first meeting of the International Corruption Hunters Alliance. The Alliance - established by the World Bank in 2009 to refer bribery and corruption cases to affected countries - committed to improve enforcement and prosecution across borders and jurisdictions as well as better share information and best practice.

## Prevention

In addition to the investigation function, the Department is mandated to prevent wrongdoing by developing tools to enhance due diligence practices, assessing the risk of corruption, fraud and other financial crimes to Bank operations, determining what measures or institutional reforms are needed to close loopholes, and serving as a resource for lessons learned and best practices.

IACD has been working to better promote integrity in everyday Bank operations to enhance prevention and detection. The outcome of investigations is discussed with relevant operational departments to foster a dialogue on how to improve operational processes and help prevent future wrongdoing. Several pilot

projects involving cooperation with bank operations are being planned.

The Department also conducts workshops for Bank staff, the Bank's field offices and the RMCs; for instance, IACD staff systematically participate in the orientation cycle for new Bank staff. The training promotes knowledge and understanding of the Bank's rules regarding ethics, procurement integrity and avenues for registering complaints about corruption, fraud and misconduct.

In addition, IACD offers technical assistance on a limited basis to counterparts, such as state anti-corruption agencies, with which it may work jointly on investigations in the field. IACD shares with local partners its experience and knowledge in areas such as: techniques

in computer forensics, establishment and operation of sound whistleblowing mechanisms, standard operating procedures, case management systems, interviewing techniques and the securing of evidence.

## Conferences and Training

Sharing knowledge and exchanging experiences is vital to keep abreast of new developments in the field of fraud and corruption. Since information sharing between investigative bodies of International Organizations and National Law Enforcement Agencies still relies mostly on personal relationships, regular meetings are also essential to build robust informal networks. Thus, despite a heavy investigative caseload, IACD representatives regularly attend international conferences and meetings:

Conference	Date & Location
10th International Investigators Conference	June 2009, Jordan
3rd Pilot Group Meeting of the European Anti-Fraud Office (OLAF) and African Partners: Protecting public funds	January 2010, Morocco
5th Annual Audit, Risk and Governance Africa Conference	August 2010, South Africa
14 IACC – International Anti-Corruption Conference	November 2010, Thailand
Corruption Hunters Alliance: Joining Forces to Combat Transnational Corruption	December 2010, USA
United Nations Conference on Combating Corruption through International Investigations	December 2010, USA
1st Fraud and Corruption Africa Summit 2011	March 2011, South Africa
4th Pilot Group Meeting of the European Anti-Fraud Office (OLAF) and African Partners: Information Sharing	April 2011, Belgium
MDB Efforts to Prevent Corruption and Other Prohibited Practice	April 2011, Barbados
Computer Enterprise and Investigations Conference (CEIC)	May 2011, USA
12th International Investigators Conference	May 2011, USA
IEEE Symposium on Security and Privacy	May 2011, USA

IACD investigators regularly attend training programs on investigation procedures, practical field applications and proven techniques, as

best practices, for competent and thorough investigations. In the reporting period, investigators attended the following training programs:

<b>Training</b>	<b>Date &amp; Location</b>
UNDP – Procurement Fraud Training	April 2010, Senegal
Workshop of Digital Forensics	June 2010, Tanzania
Forensic Auditing	November 2010, Netherlands
European Anti-Fraud Office (OLAF) – Investigations relating to EU Funds	November 2010, Belgium
Introduction to SAP	December 2010, Tunisia
Conducting Internal Fraud Investigations and Uncovering Fraud in Core Business Functions	May 2011, France
Training in AfDB Procurement Rules & Procedures – Basic Level	May 2011, Tunisia
Training in AfDB Procurement Rules & Procedures – Intermediate Level	May 2011, Tunisia
Conducting Procurement Investigations	May 2011, USA
Systematic Approaches to Digital Forensic Engineering	May 2011, USA
Business Intelligence and Interview Techniques	June 2011, Tunisia







# The Way Forward

IACD operates according to the principle that its activities must result in decreasing opportunities for corruption, while increasing the risk and costs of engaging in corrupt or fraudulent activities to the point of making it economically unattractive. To enhance its effectiveness, IACD intends to focus on five areas in the coming years:

## Communication

Only if IACD communicates successful investigative outcomes will the risks and the costs of being caught in the act be perceived as a credible deterrent to any party thinking of engaging in corrupt activities. High visibility is particularly important in a context in which both risks and costs are generally perceived as low—as is the case in Africa. In addition, IACD needs to win trust both inside and outside the AfDB and actively market its services to encourage reporting and whistleblowing from both Bank staff and external partners. In order to attain these objectives, IACD has developed a communication strategy that will be rolled out in 2011 and 2012.

## Integration

Program integrity must become a fundamental tenet that permeates disbursement, procurement and project management as to become a mainstream issue. IACD is already involved in several ongoing pilot projects involving cooperation with bank operations. Looking forward, IACD must instigate a virtuous circle in which training of operational

staff on issues of fraud and corruption creates awareness that leads to more reports of alleged illicit activities in bank-financed projects, which in turn trigger investigations. In close cooperation with other bank units involved, benefiting from the collective expertise, general lessons must be drawn from investigative reports that find their way back in the education and training of staff, thus enhancing preventive and detective capacities.

## Sanction

The cross-debarment agreement (see earlier section) substantially increases the costs, both in financial and reputational terms, of getting caught. Still, too few cases ever result in criminal charges against perpetrators. Referrals to national law enforcement agencies are not yet standard procedure at the AfDB. Stronger relationships between MDB investigative units and national law enforcement agencies must be built. MDBs, including the AfDB, must be willing to apply adequate pressure on borrowing countries to pursue reported criminal acts.

## Information Sharing

Currently, only limited information sharing takes place amongst investigative bodies. In addition, it often happens in a purely informal manner based on trusted personal relationships. Yet, the failure to share information in a timely manner can result in funds continuing to leak at other organizations or in a piece of evidence fundamental for establishing corruption

never finding its way to the investigating organization. IACD is actively seeking to develop cooperation agreements with national anti-corruption authorities on the continent as well as international organizations to better share information.

### Technology

IACD is exploring how technology can be used further to help root out corruption and fraud in Bank-financed projects. Given the number of projects and sites involved in AfDB's operations, on-the-ground supervision can only be partial and occasional, which

creates opportunities for wrongdoing. Satellite imaging could be a cost-effective and safe tool to monitor construction in real time. This would not only facilitate the work of operational departments, but could also greatly help uncover and discourage fraud. In addition, IACD is developing systematic media monitoring -including electronic and social media - for references suggesting fraud or corruption in Bank-financed projects. Finally, IACD is exploring how data mining, the process of discovering previously unknown trends, patterns and relationships in data sets, can assist in detecting fraud and corruption in the procurement process.

“The cross-debarment agreement substantially increases the costs, both in financial and reputational terms, of getting caught.”







© AFP, Raul Arboleda

“Following investigations undertaken during 2009-2010, IACD recommended sanctions against 8 firms and 11 individuals, as well as the summary dismissal of 6 AfDB staff members.”

# Synopsis of Selected Cases

## Corruption and Conflict of Interest

IACD received several complaints involving a firm that had been awarded a contract to drill boreholes in a Bank-funded project as well as several Bank employees suspected of receiving kickbacks. An audit of the project also revealed that the selected company had failed to provide necessary guarantees and did not have the required experience.

Following an investigation, IACD concluded that the project implementation unit had improperly favored the selected company, while several Bank units had failed to perform the required verifications and controls of the award process. In addition, several Bank staff members were found to have accepted substantial gifts from the contractor. One of the Bank employees, who maintained close ties with the company's CEO, was also found to have favored the firm.

Following the conclusion of the investigation and requests from the Bank to the government that he be replaced, the project coordinator resigned. In addition, the contract for the drilling of boreholes was cancelled. IACD recommended that the company be debarred for five years and the Bank staff guilty of wrongdoing be summarily discharged.

## Submission of Forged Guarantees

In the context of a fisheries development project, a works contract was awarded to a joint-

venture company that found itself far behind schedule. The contractor was required to submit new performance guarantees to match an extension of time. The Executive Agency (EA) double-checked the authenticity of the newly submitted guarantees with the bank that had purportedly issued the documents. The bank informed the EA that the submitted guarantees were forgeries. The EA reported the matter to the Bank.

IACD invited the joint-venture to respond to the allegation. The lead company of the joint venture denied the allegation, claiming that the bank that had issued the guarantees was trying to reduce its exposure to the project. Upon request the bank provided supporting evidence of its claim. The joint-venture, on the other hand, was unable to submit requested evidence of payment of fees or commissions to the bank in exchange for the guarantees.

As a result, the lead company of the joint venture and its managing director were declared ineligible to be awarded Bank-financed contracts for a period of four years for committing fraud by submitting forged guarantees to the EA. The other member of the joint-venture was not sanctioned since it was not involved in the fraud.

## Protecting Whistleblowers

An employee of the local project management unit of a Bank-funded project filed a complaint alleging that he had been unfairly dismissed shortly after reporting fraud to Bank staff. After

a preliminary review of the complaint, IACD requested that the project management unit reinstates the whistleblower as an interim measure. The unit's management, however, claimed that it was not aware that the employee was a whistleblower, and that he had been terminated for failing to disclose that he had been dismissed by his previous employer for misconduct.

IACD conducted a field investigation, reviewing relevant documents and correspondence and conducting interviews. The investigation was conducted in cooperation with local law enforcement authorities, which provided extensive logistical assistance.

IACD concluded that, although the evidence provided by the whistleblower lacked credibility, his termination was flawed and likely to be connected to his complaint. As a result, IACD recommended that the whistleblower resigns but that he be granted financial compensation.

### **Resume Fraud**

Information was forwarded to IACD by AfDB staff suggesting that a consultant to the Bank had lied about his academic qualifications. During the preliminary investigation, IACD invited the consultant to submit copies of his diplomas purportedly issued by two separate prestigious tertiary education institutions in France and Egypt.

The investigation revealed that there was no record of the consultant in either academic

institutions' alumni databases, and that the certified copies of his diplomas were forgeries.

As a result, the contract with the consultant was declared void without liability for payment of outstanding fees and the consultant ineligible to contract with the Bank or to enter into contracts financed by the Bank for life. In addition, IACD recommended that legal proceedings be initiated to recover payments received by the consultant under Bank contracts.

### **Collusion Between Bank Staff and Project Consultants**

A call for proposals to perform a midterm review for an agricultural project financed by the Bank attracted only a single bid. The project management unit awarded the contract to the bidding consulting company at a premium of 60 % above budgeted costs. In the course of its investigation, IACD uncovered that actually not a single company had submitted a bid within the deadline. Project documentation was falsified to create the impression that the winning bid was submitted on time.

For the first time, the investigation integrated IACD's newly developed state-of-the-art forensic capabilities to collect, recover and analyze digital evidence, including deleted email messages and documents. The forensic IT analysis of emails revealed that the directors of the consulting company and Bank staff responsible for monitoring and overseeing the

project had colluded during the procurement process. Furthermore, interviews and emails revealed that the Bank employee had planned to join the consulting company shortly following the award of the contract.

As a result of the investigation, IACD recommended the immediate dismissal without benefits of the Bank staff member and the permanent debarment of the consulting company and its directors.





© AFP, Nigel Treblin

“The AfDB protects the confidentiality of complainants.”

# How to Contact the Integrity and Anti-Corruption Department **IACD**

The AfDB protects the confidentiality of complainants and accepts anonymous allegations.

To report allegations of staff misconduct or allegations of fraud or corruption within the Bank or in Bank-financed operations, you can contact IACD in a number of different ways:

## **Telephone**

You may telephone IACD at its secure number (+216) 71 833 204. Only IACD staff can answer this telephone, or access the voice mailbox.

## **Facsimile (Fax)**

You may send information to IACD's secure number (+216) 71 833 224.

## **Email**

You may send an email to our secure email server at [investigations@afdb.org](mailto:investigations@afdb.org).

## **Mail**

You may send correspondence marked "Confidential" to:

African Development Bank  
Temporary Relocation Agency  
Integrity and Anti-Corruption Department  
BP 323  
1002 Tunis-Belvedere  
Tunisia

## **In Person**

You may visit us in person at the address indicated below:

African Development Bank  
Temporary Relocation Agency  
Integrity and Anti-Corruption Department  
Immeuble EPI, Block C, 13th Floor  
1002 Rue de Syrie  
Tunis  
Tunisia

When reporting concerns, please provide as much information and details as possible. Include the basic details of who, what, where, when, and how.

## **Contact person for this report**

Mrs. Anna Bossman: Director, Integrity and Anti-Corruption Department (IACD)

## **Acknowledgments**

Design and Layout  
African Development Bank  
External Relations and Communication  
Unit (ERCU)  
Yattien-Amiguet L.