

World Bank Applies 2009 Debarment to China Communications Construction Company Limited for Fraud in Philippines Roads Project

Washington, July 29, 2011—The World Bank today announced the debarment of China Communications Construction Company (CCCC) Limited, and all its subsidiaries, for fraudulent practices under Phase 1 of the Philippines National Roads Improvement and Management Project. Under the sanction, CCCC is ineligible to engage in any road and bridge projects financed by the World Bank Group until January 12, 2017. This action is based on recent changes in the World Bank sanctions system to clarify that successor organizations – through purchase or reorganization – will be subject to the same sanctions applied to the original firm.

CCCC is the designated successor entity to China Road and Bridge Corporation (CRBC) which, along with six other firms and one individual, was debarred by the World Bank for eight years, beginning January 12, 2009, following an investigation of the National Roads Improvement and Management Project by the World Bank’s Integrity Vice Presidency (INT). No World Bank funds from the NRIMP project were disbursed to any of the sanctioned firms.

As part of its development program, the World Bank has been working with the Government of China on strengthening its approach to dealing with governance and corruption. Earlier this year the Bank recognized and appreciated that China’s National People’s Congress amended the country’s criminal law to make it an offence for Chinese companies and Chinese nationals to bribe foreign government officials. The law applies to companies organized under Chinese law and would include Chinese companies overseas and wholly foreign-owned enterprises in China.

About the World Bank Integrity Vice Presidency (INT)

- **117 investigations** in FY10, with **45 debarments** of firms and individuals for engaging in wrongdoing.
- **32 referrals** of investigative information to governments and anticorruption agencies, based on completed INT investigations, for follow-up national action.
- A **cross-debarment agreement** among the Multilateral Development Banks, so that companies debarred by the Bank Group can no longer seek business from other multilateral development banks (MDBs), closing a loophole in multilateral development programs.
- An **International Corruption Hunters Alliance** bringing together 250 senior officials from 134 countries, to inject momentum into global anti-corruption efforts.
- **Cooperation agreements in support of parallel investigations, asset recovery and information sharing** with the UK Serious Fraud Office, the European Anti-Fraud Office, the International Criminal Court, USAID, and the Australian Agency for International Development.
- **High-profile debarments** in the past two years, including UK publisher Macmillan Limited and Siemens OO (Russian subsidiary). As part of the settlement with the World Bank, Siemens AG agreed to pay \$100 million to support the global fight against corruption.
- **Enhanced preventive training** in FY10, INT staff training nearly 1,200 people in preventive activities such as identifying red flags in procurement and managing integrity risks in development projects.

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