SANCTIONS CASE No. SN/2018/01
Sanctions Decision No. 12 issued on 19 July, 2018
Obstructive practice – Impeding the exercise of the Bank’s inspection and audit rights

Respondents: CENTRE AFRICAIN DE RECHERCHES FORESTIERES APPLIQUEES ET DE DEVELOPPEMENT (CARFAD))
and
Mr. Benjamin TCHOFFO

In 2012, the African Development Bank (the «Bank»), in its capacity as administrator of the Congo Basin Forest Fund (the «CBFF»), approved a grant to finance the Agroforestry Development Support Project (hereinafter referred to as the «Project» or «PADA Project»), in the Democratic Republic of Congo. Technical assistance to the Project implementation unit combined with a study of the physical environment relating to agroforestry formed one of the components of the Project. In April 2013, the Project implementation unit entered into a contract with the “Centre Africain de Recherches Forestières Appliquées et de Développement” (African Centre for Applied Forestry Research and Development) (Respondent «CARFAD»), for the technical assistance in the development of plantations and the establishment of agricultural products value chains. CARFAD is a Cameroonian consultancy firm, headed by an Executive Director, Mr. Benjamin TCHOFFO (Respondent «Tchoffo»).

During the execution of the contract, a complaint from a CBFF donor country reported waste of funds, fraud and mismanagement in the implementation of the PADA Project. Thus, PIAC instructed the Norwegian firm of KPMG to audit the accounts of several service providers related to the Project, including CARFAD. When the Respondent Tchoffo was notified of the team of auditors’ arrival, he stated that he was unavailable to receive the team, refused to delegate this duty to a representative and denied them access to CARFAD’s accounting records. PIAC concluded that in acting in this manner, the Respondents were obstructing the exercise of the Bank’s inspection and audit rights. PIAC presented a Findings of Sanctionable Practices (the “FoSP”) to the Sanctions Office on 7th February 2018.

Upon a first review of the case, the Sanctions Commissioner determined that the FoSP contained prima facie evidence in support of the alleged obstructive practice. He therefore issued a Notice of Sanctions Proceedings against the Respondents on 7th May 2018. The Respondents were notified of their right to respond to the FoSP within sixty (60) days of its receipt. However, the Respondents did not submit a Response.

In the absence of the Respondents’ Response, the Sanctions Commissioner held that it was more likely than not that the Respondents committed the alleged obstructive practice. Therefore, on 19 July 2018, the Sanctions Commissioner imposed against the Respondents a three (3) year debarment with conditional release. The Respondents will be released from debarment upon lapse of the three (3) year debarment period subject to the Respondent Tchoffo undergoing a training program in business ethics.

The Sanctions decision was not contested before the Sanctions Appeals Board. It therefore remains final and binding.