



ACC implicates contractor and two education officials in Minjey school construction

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The Office of the Attorney General (OAG) is reviewing the investigation report of suspected bribery and collusion in the construction of Minjey Middle Secondary School (MMSS) in Lhuentse.

OAG officials said the review is being done on the findings the Anti-Corruption Commission(ACC) forwarded to the OAG in August for probable prosecution. “We received two investigation reports in August and both are under review,” an OAG official said.

The commission implicated the contractor of T & K Construction Pvt. Ltd., Phuentsholing and two officials of the Education Ministry’s School Planning and Building Division (SPBD) for active and passive bribery, omission amounting to abuse of function and obstruction of justice in the construction of MMSS in 2010.

ACC’s investigation revealed collusion and bribery between the contractor and key officials of the SPBD. The contractor is alleged to have bribed the site supervisor with Nu 120,000 for aiding and abetting in certifying insurance claim and non-restoration of damages.

An official of SPBD also reportedly accepted from the contractor Nu 640,000 prior to the final handing-taking over of the project.

In return, SPBD official had allegedly favoured the contractor by taking over the work despite needing rectification as well as endorsing shorter defect liability period (DLP) in the final handing taking document.

The commission during the investigation process also found that SPBD official attempted to allegedly cover up the illicit bribe money received from the contractor by submitting a copy of work agreement and 44-page structural drawings supposedly meant for the construction of a shopping complex in Babesa, Thimphu.

It transpired that the agreement was tampered from its original state and the drawings were purportedly prepared recently with support from his brother and one former employee of Yalama Consultancy. “This was done to mislead the investigating officers into believing that the payment was for his professional service rendered to the contractor,” the ACC report stated. “Such act by an official of SPBD tantamount to obstruction of justice for concealing the facts and misleading the investigation team.”

The Royal Audit Authority first forwarded the case on November 2 last year. The audit booked the irregularity as “serious misrepresentation of facts on the non restoration of damaged retaining wall by the contractor and non-recovery of cost valuing Nu 6.665M by the SPBD.”

It was suspected that the contractor might have been unduly favoured by certain officials from SPBD after auditors were furnished with wavering explanations on the issue surrounding the insurance claim and restoration of works.

During the 10th Plan, SPBD received funds from the Government of India for the construction of schools in Bhutan. Minjey Middle Secondary School in Lhuentse was one such school constructed centrally by SPBD through a competitive bidding process.

The contract was awarded to T&K Construction Pvt. Ltd., at a total cost of Nu195.460M of which Nu 5.6M was for the insurance of the project. The construction started in 2010 and completed in 2014. The contractor claimed and was paid the insurance component of the bid price Nu 5.6M through its first running bill.

In 2013, during the implementation of the project at Minjey, there was a major landslide, which damaged the walls and underground electric cables. The contractor had claimed insurance from Bhutan Insurance Limited, Thimphu amounting to Nu 4.978M to restore the damages.

However, investigation found that the contractor had not restored some of the damages and also inflated the claims through false damage report. While reviewing the final handing taking document, the investigation team also found that the DLP was less by nine months and not in line with the standard bidding document submitted to SPBD by the contractor.

The referral report stated that the commission is of the opinion that its investigation had obtained sufficient and relevant evidences of corrupt conduct by contractor and an official of SPBD. “In the light of these persuasive evidences, the individuals stated are liable for corruption offences relating to bribery, omission amounting to abuse of function and obstruction of justice as per the Anti-Corruption Act of Bhutan, 2011,” the report stated.

The commission also recommended that in the event of conviction, the contractor is liable for restitution of Nu 2.144M with 24 percent penalty for not restoring the damages, an official of SPBD and site supervisor are liable for restitution of bribe amount of Nu 0.640M and Nu 0.120M respectively.

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