Workshop: <u>Fraud Awareness and Prevention Workshop for sub-contractors of USAID G2G Projects</u>

Date: February 14, 2019

Venue: Serena Hotel, Islamabad

Guest Speakers: Mr. David Clark – Pakistan Director, USAID Office of Inspector General (OIG); Mr. Saad Rashid – Executive Director TI-Pakistan; Mr. Jawad Aziz and Mr. Muhammad Riaz – Foreign Service National Investigators, USAID OIG; Mr. Mufti Abdul Haq – Additional Director, NAB; Mr. Fawad Aslam – Auditor, USAID OIG; Mr. Kashif Ali – Director, TI-Pakistan.

Summary:

Transparency International Pakistan in collaboration with USAID/OIG successfully conducted a workshop on "Fraud Awareness and Prevention" for sub-contractors of USAID Construction and Infrastructure related Projects on February 14th, 2019 at Serena Hotel, Islamabad.

The prime objective of the workshop was to raise awareness and understanding on fraud and corruption among the implementing partners and sub-contractors of USAID funded projects. The workshop provided the participants an excellent opportunity to directly engage with and discuss their concerns with the representatives of USAID OIG, NAB and TI-Pakistan. By enabling an active engagement of participants, the said workshop facilitated in resolving critical concerns and challenges being faced by the sub-contractors. It also enabled participants to develop pivotal understanding in identifying entry points for fraud and corruption, thereby urging practice of preventive measures to help address the relevant issues. Moreover, it insisted on an active partaking with respect to awareness of Anti-Fraud Hotline so as to vigilantly report instances of corruption in USAID funded projects. Number of sub-contractors implementing different construction and infrastructure related projects attended the workshop.

After completion of the registration process, the workshop started at 9:30 am with recitation of a verse from the Holy Quran, followed by a Welcome Note by Mr. David Clark - Pakistan Director USAID, who warmly welcomed and thanked all the attendees for their participation and presented an overview outlining salient objectives of the workshop.

The workshop proceeded with a comprehensive presentation by Mr. Saad Rashid, Executive Director TI-Pakistan, on the functional aspects of Anti-Fraud Hotline project. He highlighted the objectives, setup and operations of the project in terms of its advertisement and complaint response mechanism. During his presentation, Mr. Saad Rashid informed the participants that Anti-Fraud Hotline has received more than 106,500 calls to date resulting in successful formulation of over 8,375 complaints, since the inception of the project.

The next speaker Mr. Muhammad Riaz, Foreign Service National Investigator USAID OIG, gave a detailed presentation on 'OIG - Investigations Fraud Awareness Briefing'. Mr. Muhammad Riaz started off by explaining the role of OIG and its responsibilities. He also highlighted an important subject of Conflict of Interest (COI) and its different types by incorporating real case scenarios to help audience understand how to avoid COI in implementation of their respective projects. He also briefly discussed the topic of Trafficking in Person which has assumed critical importance for USAID and elaborated as to how it involves child labor and sex workers caught up in the cycle of exploitation and shared multiple ways in which this issue can be effectively tackled.

Later on, Mr. Jawad proceeded with the session and gave a presentation on three key aspects of i) Prevention, ii) Detection & iii) Reporting with respect to Fraud Awareness. He underlined the importance of critical efforts by USAID OIG undertaken in collaboration with national entities such as NAB, PPRA and TI-Pakistan in order to ensure that USAID funds are properly utilized and to minimize corruption and wastage. He elucidated the process of receiving complaints and how the integrity of complainant's information is kept confidential. A brief overview was given on differentiation between anonymous and confidential complaints and its respective investigation process. Key areas with high instances of fraud such as Procurement and Fake Invoicing were also discussed at length during the presentation. The session remained very interactive where participants engaged and shared their opinions and asked various questions on how OIG handles different types of complaints and how they are investigated.

In the second half of the session, Mr. Fawad Aslam, Auditor, USAID OIG provided a comprehensive outlook on how financial audits are conducted by USAID office and explained the key differences between Financial Reviews and Financial Audit. It was followed by a comprehensive outlook of Internal Controls which comprises of i) Control Environment, ii) Risks Assessment, iii) Control Activities, iv) Information & Communications and v) Monitoring. Besides being highly informative, the session was an interactive one as well as he emphasized the importance of compliance of Green Book for every organization. Mr. Fawad effectively maintained the attention of audience by engaging them in a case exercise towards the conclusion of his session.

Moving on, Mr. Mufti Abdul Haq, Additional Director NAB, gave an overview about operational and investigation processes at NAB. He started off by explaining NAB's organogram and mandate which is to detect, investigate, prosecute and dispose of corruption cases through a holistic approach of awareness, prevention and enforcement. He meticulously described NAB's operational methodology and evolution of PPRA rules since its inception. He also shared an organizational structure of investigative team at NAB and their respective tasks. Mr. Mufti also explained the extent of pervasive culture of corruption at national level by sharing recent examples of mega corruption cases being pursued by NAB as mandated by law. He shared his

gratitude towards TI Pakistan for doing its part in fighting against corruption and for playing a crucial role in highlighting many cases that helped NAB in resolving them.

An interactive Q&A session was held at the end of the workshop in which five representatives from USAID OIG, TI-Pakistan and NAB responded to numerous questions from the participants.

Towards the conclusion of the workshop, Mr. Saad Rashid, Executive Director TI-Pakistan gave his closing remarks and thanked everyone for their enthusiastic participation. He thanked the participants and urged them to avail maximum benefit of Anti-Fraud Hotline to report any kind of fraud and corruption they might come across. He also shared his hope that the knowledge people gathered from the program would further enable them in developing anti-corruption strategies in their given projects.