

ANNEX 1: Illustrative Exhibits Referenced in OIG Report¹

Figure 6: Clause related to commission payments in the SCS Consultancy Agreement, dated 1 January 2006, between “Chhounou Kimchenda” and Sumitomo Chemical Singapore

Article 2. Consideration

In consideration for the SERVICES rendered by CONSULTANT as provided for in Article 1 above, SCS shall pay to the CONSULTANT:

- (1) A commission of up to 4% on the CIF price for the direct delivery to the TERRITORY by SCS of THE PRODUCT under an order received from Cambodia authorities.
- (2) Additional commissions on further direct sales of THE PRODUCT to the Territory as agreed in writing on a case-by-case basis.

¹ Note that there are no Figures 16 through 19 or Figure 28 referenced in the OIG report.

Figure 7: Email from the SCS Sales Manager to the Sumitomo Managing Director referring to the request a commission payment from the CNM Director, 06 June 2008

-----Original Message-----
From: [REDACTED] [REDACTED]@cnm.gov.kh]
Sent: Wed 6/4/2008 3:32 PM
To: [REDACTED] (SCS)
Cc:
Subject: RE: Invitation for Financial Proposal Opening

Dear [REDACTED],

This is the email from [REDACTED]. I told him we will consider when we win this tender. let discuss this later. Best to file this email somewhere or delete it.

Regards

[REDACTED]

Dear [REDACTED],
It's importance that you should attend the opening bid. The committee do hope your company will win this bid (I try all my best). Because, we dropped Permanet and Interceptor net. Now only 3 LLMIN in this process. But the procurement committee ask me to request some small commission (1 or 2%) from you. I tell them that Olyset is an Japan International Company, for this request will be difficult, but if we request the company to support for Meeting or oversea visit maybe they can support. In this case, when they ask you about this you can have this idea with the committee or you can support as 2% for commission to avoid future procurement (maybe affect to my benefit). Up to you to decide, I just let you know about this request. **Do not show this e-mail to other person.** Thanks, [REDACTED]

Figure 8: Email communication between the SCS Sales Manager and CNM Director requesting deletion of emails relating to commission payments, 01 December 2009

From: [REDACTED] <[REDACTED]@cnm.gov.kh>
Sent: Tuesday, December 01, 2009 2:23 AM
Subject: Re: bank account/[REDACTED]

Please delete all emails related to this bank acc. Thanks. [REDACTED]

----- Original Message -----

From: [REDACTED] (SCS)
To: [REDACTED]
Sent: 01 December, 2009 7:44 AM
Subject: RE: bank account/So [REDACTED]

Dear [REDACTED]

May I suggest to delete all our email relating to commission.

Rgds

[REDACTED]
Manager,
Sumitomo Chemical Singapore Pte Ltd
Tel : +65 [REDACTED]
Mobile : +65 [REDACTED]
Fax : +65 [REDACTED]
Email : [REDACTED]@scs-chem.com.sg

From: [REDACTED] [mailto:[REDACTED]@cnm.gov.kh]
Sent: Thursday, November 26, 2009 11:06 AM
To: [REDACTED] (SCS)
Subject: bank account/[REDACTED]
Importance: High

Dear [REDACTED]

Please see in the attached file the bank account for your info. I just back from the States two day ago. Now the General Inspection from Geneva have checking the documents in our center and other programmes included NGOs and Ministry of Health. It's very dangerous for this team. If they found some thing wrong or fraud your grant will pending. Thanks. [REDACTED]

CONFIDENTIAL NOTE: The information contained in this e-mail is intended only for the use of the recipient(s) named above and may contain privileged and confidential information. If you are not the intended recipient, please do not disseminate, distribute or copy this e-mail. If you have received this e-mail in error, please notify the sender and delete this e-mail immediately. Thank you.

Figure 9: SCS internal memo from SCS Sales Manager to SCS Accounts Department for a commission payment to "Chihounou Kimchenda" for Olyset sales (Contract DVMTO R4 07/011), 04 October 2007



SUMITOMO CHEMICAL SINGAPORE PTE LTD
 150 Beach Road #19-05 Gateway West Singapore 189720
 Tel : (65) 6291-9636 Fax : 6296-3779

** to remit on oct 16*

FAX / MAIL Page No. 1/1

SCS, Accounts Dept Copy : [REDACTED]	From : [REDACTED] Date : 4 October 2007
---	--

Subject : Comission for Olyset sales (Order no. 979/07 CNM) to Cambodia consultant

7,919.50

Please arrange remittance of USD ~~USD~~97,987.40 in October 2007 to the following account.

This being our commission to our Consultant's Dr Chihounou Kimchenda [REDACTED], [REDACTED] Phnom Penh, Cambodia for securing sales of 34,660 pcs to The National Center For Parasitology, Entomology and Malaria Control in 24 July 2007 (our invoice no. 20020233).

Remittance detail as follow :-

Remittance	: via SWIFT , Message MT 100	
Receiver's correspondent	: Standard Chartered Bank, New York, SWIFT Address: SCBLUS33	} to per message to bank
Intermediary	: Standard Chartered Bank, Hong Kong, SWIFT Address: SCBLHKHH	
Account with institution	: A/C No. 44 [REDACTED] 404 Union Commercial Bank PLC. Phnom Penh, Cambodia	} Bank name Bank code
Beneficiary	: CHHOUNOU KIMCHENDA, [REDACTED] A/C. # 100 [REDACTED] 612-2 a/c. no.	

Regards
[REDACTED]

Encosed ; Docs (Consultant agreement, Sales Contract, SCS Sales Invoice)

Vendor Code	123252
GL Code	53302001
Plant Code	PA 1102
Doc No	
Doc Date	207/10/31 (4/10)
Doc Type	
Doc Status	
Account Dept	[REDACTED]
Approved By	

Figure 10: Bank debit advice for a \$7,919.50 commission payment for Olyset sales from Sumitomo Chemical Singapore to "Chhounou Kimchenda", 17 October 2009

GST No. FO-0008968-D 7/07/09
Tel: 65 [REDACTED]
Fax: 65 [REDACTED]

Singapore Branch DEBIT ADVICE Value Date : 17 Oct 2009
Date : 17 Oct 2009
A/C No. : 02 [REDACTED] 31-1

SUMITOMO CHEMICAL SINGAPORE PTE LTD
150 BEACH ROAD
#19-00 GATEWAY WEST
SINGAPORE 189720

BOX 46

AMOUNT

We have DEBITED from your A/C 02 [REDACTED] 31-1 as follows : Registered Amt : USD7,919.50

Our Ref : TR0508201
Amount paid to CHHOUNOU KIMCHENDA, [REDACTED] pd 2571500487
Details : COMMISSION FOR OLYSET SALES (ORDER NO 079/07 CMM) TO CAMBODIA
CONSULTANT Total Charges Debited : SGD50.00

Charges Debited from A/C 02 [REDACTED] 31-1
1/4% Comm SGD20.00
Postage/Telex/NEFT Charges SGD30.00

2570102750 [Signature]

THIS ADVICE REQUIRES NO SIGNATURE

Figure 11: Email from CNM Director to SCS Sales Manager sharing bank account details for “Chhounou Kimchenda” and his daughter, 27 June 2006

From: [REDACTED] [mailto:[REDACTED]@cnm.gov.kh]

Sent: Tuesday, June 27, 2006 5:12 PM

To: [REDACTED] (SCS)

Subject: Re: Procurement of LLINs

Importance: High

✦

Dear [REDACTED]

It's nice that we can have dinner together yesterday evening. Refer to our discussion, I'm very please to give the name of my sister in law to sign the contract with you. Her name is CHHOUNOU KIMCHENDA. But the bank account have to put the name of my daughter as well. Please see in below the bank account number and swift code.

Beneficiary : Mrs CHHOUNOU KIMCHENDA and [REDACTED]

A/C.# 100 [REDACTED] 4612-2,

Via S. W. I. F. T Mesaage MT 100

Receiver's Correspondent: Standard Chartered Bank, New York Swift: SCBLUS33,

Intermediary: Standard Chartered Bank, Hong Kong Swift: SCBLHKHH

Account with Institution: A/C No 447 [REDACTED] 404, Union Commercial Bank PLC, Phnom Penh, Cambodia

If you need further information please contact me again.

Thanks,

[REDACTED]

Figure 12: SCS internal memo from SCS Sales Manager to SCS Accounts Department for a commission payment to "Chihounou Kimchenda" for Olyset sales (Contract DVMTO R6 08/015), 10 December 2008

**pls remit by Dec 15.*



SUMITOMO CHEMICAL SINGAPORE PTE LTD
 150 Beach Road #19-05 Gateway West Singapore 189720
 Tel : (65) 6291-9636 Fax : 6296-3779

FAX / MAIL		Page No. 1/1
Dr Chihounou Kimchenda (Consultant) Phnom Penh, Cambodia	From :	
	Date :	10 Dec 2008
Subject : Commission for Olyset sales (Invoice no. 20022375 dated 15 September 2008)		

Our sales result for Cambodia is excellent, we like to thank you for your efforts in promoting Olyset net to the Ministry of Health.

With reference to the sales of Olyset net (238,000 pcs) to the National Center for Parasitology, Entomology and Malaria Control in 15 September 2008, this is to inform you that we be transferring in December 2008 total commission USD84,311.50 [Flat 4% + additional 2.5% provided in our Consultant Agreement dated 1st January 2006, Article 2 (1) and (2)] on sales of USD1,297,100 to your account as follow :-

- Remittance : via SWIFT, Message MT 100
- Receiver's correspondent : Standard Chartered Bank, New York, SWIFT Address : SCBLUS33
- Intermediary : Standard Chartered Bank, Hong Kong, SWIFT Address : SCBLHKHH
- Account with institution : A/C No. 447- 404 Union Commercial Bank PLC, Phnom Penh, Cambodia
- Beneficiary : CHHOUNOU KIMCHENDA, A/C#100- 512-2

Regards

[Redacted]
 Marketing Manager
 Sumitomo Chemical Singapore Pte Ltd
 Mobile : +65 [Redacted]
 Email : [Redacted]@scs-chem.com.sg

Vendor Code	123252	
GL Code	53303010	
Profit Centre	PA 1102	6847
Cost Centre	A	
A/C No.	2051906846	(10/12)
Prepared By	[Redacted]	12/12
Accounts Dept	[Redacted]	
Approved By	[Redacted]	

Figure 13: Bank debit advice for a \$84,311.50 commission payment for Olyset sales from Sumitomo Chemical Singapore to "Chhounou Kimchenda", 15 December 2008

GST No. FO-0006306-D173/425
Tel: 68 [REDACTED]
Fax: 68 [REDACTED]

Singapore Branch

DEBIT ADVICE

SUMITOMO CHEMICAL SINGAPORE PTE LTD
150 BEACH ROAD
#19-08 GATEWAY WEST
S'PORE 189720

Date : 15 Dec 2008
A/C No 02 [REDACTED] 31-1

BOX 46

We have DEBITED from your A/C 02 [REDACTED] 31-1 as follows :	Amount Remitted Amt : USD84,311.50
Our Ref : 7R0613423	
Amount paid to CHHOUNOU KIMCHENDA, [REDACTED]	<i>pd 2081500836</i>
Details : COMMISSION FOR OLYSET SALES (INV NO 20022375)	
Charges Debited from A/C 02 [REDACTED] 31-1	Total Charges Debited : SGD50.00
1/64% Comm : SGD20.00	
Postage/Telex/NEPS Charges : SGD30.00	<i>2080107292 [signature]</i>

THIS ADVICE REQUIRES NO SIGNATURE

Figure 14: Email from SCS Sales Manager to CNM Director sharing bank account details for commission payment to the CNM Deputy Director, 15 December 2008

From: [REDACTED] (SCS)
Sent: Monday, 15 December 2008 04:25
To: [REDACTED]
Subject: RE: Greeting from [REDACTED]

Dear [REDACTED]

Thanks for helping me to remit [REDACTED]. Her commission is USD19,456.50 (1.5% on sales value USD1,297,100).

Here is [REDACTED] account name and number at ANZ Royal Bank in Cambodia:

- Name: [REDACTED]
- Account number: 65 [REDACTED] 9
- Bank name and address:
ANZ Royal Bank
20 Kramuon Sar, Sangkat Phsar Thmey, Khan Daun Penh, Phnom Penh, Cambodia.
Swift Code: ANZBKHPP

With best regards

[REDACTED]
Manager,

Figure 15: Email from SCS Sales Manager to CNM Director confirming payments to be made, 15 December 2008

----- Original Message -----
From: [REDACTED] (SCS)
To: [REDACTED]
Sent: 15 December, 2008 9:47 AM
Subject: FW: Greeting from [REDACTED]

Dear [REDACTED],

Sorry to kept you waiting. Our accounts will make the transfer (5% + 1.5% total USD84,311.5) either today or tomorrow to your accounts. I will let you know once remittance is made.

[REDACTED]
Manager,
Sumitomo Chemical Singapore Pte Ltd

Figure 20: SCS internal memo from SCS Sales Manager to SCS Accounts Department for a commission payment to "Chhounou Kimchenda" for Olyset sales (Contracts DVMTO R4 09/015; R6 09/016; RCC 09/001), 30 November 2009



SUMITOMO CHEMICAL SINGAPORE PTE LTD
 150 Beach Road #19-05 Gateway West Singapore 189720
 Tel : (65) 6291-9536 Fax : 6296-3779

FAX / MAIL
Page No. 1/1

Accounts Dept <i>*. pls remit by Dec 7 :</i>	From : [REDACTED] Date : 30 Nov 2009
Subject : Commission for Olyset sales (our Invoice no. 105030131 Dated 7 Sept 2009) to our Cambodia Consultant (20025339)	

Splice (William)

Please arrange remittance of USD108,744.00 to our Cambodian consultant – Dr Chhounou Kimchenda being commission of 4% + 2.8% provided in our Consultancy Agreement dated 1 Jan 2006. This is for securing sales of 361,500 pcs of Olyset net (USD1,731,585) to Malaria Centre, Cambodia.

Please remit to Consultant's designated account as below :-

Note : Remitting Bank must send the MT103 straight to ANZ Royal Bank (Cambodia) Ltd SWIFT: ANZBKHPP and MT202 send to JP Morgan Chase Bank, United States SWIFT code CHASUS33

Receiver Correspondent Field 54	:	JP Morgan Chase Bank, United States Swift Code : CHASUS33 Fedwire Number : [REDACTED]
Intermediary Institution Field 56	:	Australia and New Zealand Banking Group Ltd Swift Code: ANZBAU3M
Account with Institution Field 57	:	ANZ Royal Bank, Phnom Penh, Cambodia Swift Code: ANZBKHPP
Beneficiary Customer: Field 59	:	Beneficiary Name: MS. KIMCHENDA CHHOUNOU AND [REDACTED] Account No. [REDACTED] 41

Regards

[REDACTED]

[REDACTED]

Marketing Manager

728252

53303020 COMM

1102

2091908822 (30/11)

[REDACTED]

3/2

Figure 21: Bank debit advice for a \$108,744.00 commission payment for Olyset sales from Sumitomo Chemical Singapore to "Kimchenda Chhounou", 21 December 2009



Singapore 039190
Tel : 65
Fax : 65



00000003

SUMITOMO CHEMICAL SINGAPORE PTE LTD
150 BEACH ROAD
#19-08 GATEWAY WEST
SINGAPORE 189720
S_ETR00010319

DEBIT ADVICE

Ref No. : TRO0010319
Your Ref :

Date : 21-Dec-09
Account Number : 02311
Value date : 21-Dec-09

We have debited your account no. 02311 as follows:

Debit Amount : USD108,744.00
Exchange Rate :
Remit Amount :

Being Outward SWIFT Payment paid to /1280441 MS KIMCHENDA CHHOUNOU
AND

Total Charge Debited : SGD53.71

Charge is debited from 02311 as follows:
SGD23.71 Outward Remittance Handling Comm
SGD30.00 SWIFT Cable Charge

Msg : BEING COMMISSION FOR OLYSET SALES

2090108268

PD 2091501432

If you have any queries regarding the above details, kindly contact us as soon as possible quoting the reference number in full. This is computer generated advice, no signature is required.

Figure 22: Email from SCS Sales Manager to CNM Director sharing bank account details for confirming commission payments to the CNM Deputy Director and Director, 01 December 2009

----- Original Message -----

From: [REDACTED] (SCS)
To: [REDACTED]
Sent: 01 December, 2009 10:44 AM
Subject: RE: Greetings / [REDACTED]

Dear [REDACTED]

We will remit within the next 10 working days this total amount USD108,744.00 (include [REDACTED] portion) into your account within the next 10 working days. I will inform you on the actual date of our remittance.

The breakdown as follow :-

Comm. to [REDACTED]
 $361,500 \text{ pcs} \times \text{USD}4.79 \times 5\% = \text{USD}86,579.25$ less USD1,000.00
 Nett : USD85,528 (after round up)

Others :- Commission for [REDACTED] (3% on 17000 pcs) and [REDACTED] (3% on 1,000 pcs) to be paid to you after their payment to us maybe in Jan 2010.

Comm. to [REDACTED]
 (1) $261,500 \text{ pcs} \times \text{U}\$4.79 \times 1.2\% = \text{USD}15,031.02$ (Tender)
 (2) $100,000 \text{ pcs} \times \text{U}\$4.79 \times 1.5\% = \text{USD}7,185.00$ (Direct purchase)
 (3) +USD1000.00 from [REDACTED]
 Total 1+2+3 : USD23,216.02

Please remit USD23,216 into [REDACTED] account :-

Name: [REDACTED]
 - Account number: 65 [REDACTED] 9
 - Bank name and address:
 ANZ Royal Bank
 20 Kramuon Sar, Sangkat Phsar Thmey, Khan Daun Penh, Phnom Penh, Cambodia.
 Swift Code: ANZBKHPPTal : USD23,216.02 into this account :-

Thank you for your support.

Please delete this after you have read, or file it away from your workplace.

Best regards, [REDACTED]

Figure 23: SCS internal memo from SCS Sales Manager to SCS Accounts Department for a commission payment to "Chhounou Kimchenda" for Olyset sales (Contract DVMTO 10/01), 12 July 2010



SUMITOMO CHEMICAL SINGAPORE PTE LTD
 150 Beach Road #19-05 Gateway West Singapore 189720
 Tel : (65) 6291-9636 Fax : 6296-3779

<p>FAX / MAIL</p> <p>Accounts Dept</p> <p><i>Mam</i> — <i>pls remit by July 15</i></p>	<p>Page No. 1/1</p> <p>From : [REDACTED]</p> <p>Date : <i>12 July 2010</i> 30 Nov 2009</p>
<p>Subject : Commission for Olyset sales (WHO P.O. 200197482 dated 5 May 2010 / SCS Invoice no. 105032533 dated May 2010) Dated 7 Sept 2009) to our Cambodia Consultant</p>	

Please arrange remittance of USD35,496.00 to our Cambodian consultant – Dr Chhounou Kimchenda being commission of 4% + 1.8% provided in our Consultancy Agreement dated 1 Jan 2006. This is for securing sales of 120,000 pcs of Olyset net (order value USD612,000) to Cambodia.

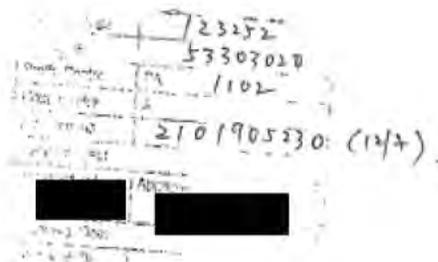
Please remit to Consultant's designated accounts (One account for USD18,360 and another account for USD17,136) as attached in Debit note from consultant.

Regards

[REDACTED]

[REDACTED]

Marketing Manager
 Sumitomo Chemical Singapore Pte Ltd
 Mobile : +65 [REDACTED]
 Email : [REDACTED]@scs-chem.com.sg



Handwritten notes include:
 23252
 53303020
 1102
 2101905330 (12/7)

Figure 24: Bank debit advice for a \$35,496.00 commission payment for Olyset sales from Sumitomo Chemical Singapore to "Chhounou Kimchenda", 15 July 2010



00000031

SUMITOMO CHEMICAL SINGAPORE PTE LTD
150 BEACH ROAD
#19-08 GATEWAY WEST
SINGAPORE 189720
S_E_TRO0063150

DEBIT ADVICE

Ref No. : TRO0063150
Your Ref :

Date : 15-Jul-10
Account Number : 02-11
Value date : 15-Jul-10

We have debited your account no. 02-11 as follows:

Debit Amount : USD35,496.00
Exchange Rate :
Remit Amount :

Being Outward SWIFT Payment paid to /1280441MS KIMCHENDA CHHOUNOU
AND

Total Charge Debited : SGD50.00

Charge is debited from 02-11 as follows:
SGD20.00 Outward Remittance Handling Comm
SGD30.00 SWIFT Cable Charge

Msg : COMMISSION FOR SALES OF 120,000 PCS OF OLYSET NET FROM WHO TO CAMBODIA

Handwritten notes:
PRIO 21/15287
20-10482 8/21/7

If you have any queries regarding the above details, kindly contact us as soon as possible quoting the reference number in full. This is computer generated advice, no signature is required.

Figure 25: Email communication between the SCS Sales Manager and the CNM Director regarding commission payments to the CNM Deputy Director and the CNM Director, 19 July 2010

From: [REDACTED]@yahoo.com>
Sent: Monday, 19 July 2010 11:39
To: [REDACTED] (SCS)
Subject: Re: Remittance

DEAR [REDACTED],
 I WILL TRANSFER TO [REDACTED] BANK ACCOUNT TOMORROW THE
 AMOUNT OF 17,136\$. THANKS. [REDACTED]

From: [REDACTED] (SCS) [REDACTED]@scs-chem.com.sg>
To: [REDACTED]@yahoo.com>
Sent: Monday, July 19, 2010 16:30:12
Subject: FW: Remittance

From: [REDACTED] (SCS)
Sent: Monday, July 19, 2010 5:19 PM
Subject: RE: Greeting

Dear [REDACTED],

We have remitted total USD35,496.00 into your account. Of this total amount may I request you to remit USD17,136.00 into [REDACTED] account as follow :-

Beneficiary name: [REDACTED]
 Beneficiary Account: 30 [REDACTED] 9-8

Beneficiary bank name: Cambodian Public Bank Limited, Street #
 114, Vithei Kramounsar, Phnom Penh , Cambodia

Beneficiary bank SWIFT code: CPBLKHPP

Corresponding bank name: DEUTSCHE BANK TRUST
 COMPANY AMERICAS ROUTINE No. 021001033

Corresponding bank city: NEW YORK , USA

Please let me know once this is done and I will inform to [REDACTED] Thank you

[REDACTED]

CONFIDENTIAL NOTE: The information contained in this e-mail is intended only for the use of the recipient(s) named above and may contain privileged and confidential information. If you are not the intended recipient, please do not disseminate, distribute or copy this e-mail. If you have received this e-mail in error, please notify the sender and delete this e-mail immediately. Thank you

Figure 26: Document created by the SCS Sales Manager in an effort to make the Consultancy Agreement with “Chhounou Kimchenda” appear legitimate, 05 July 2010

5 July 2010

Sumitomo Chemical Singapore Pte Ltd
150 Beach Road
#19-05 Gateway West
Singapore 189720

Dear [REDACTED]

Re : Commission for sales of 120,000 pcs of Olyset net from WHO to Cambodia

Reference to WHO purchase order no. 200197482 dated 5 May 2010. Total Order Value USD612,000.00

In consideration for my consultancy services promoting Olyset net to Cambodia, and according to our agreement please award me commission 4% + 1.8% or USD35,496.00 on total sales value of USD612,000.00

Remittance to be made to these two accounts :-

<u>Please remit to this bank account : USD18,360</u>	
Receiver Correspondent : Field 54	JP Morgan Chase Bank, United States Swift Code : CHASUS33 Fedwire Number : [REDACTED]
Intermediary Institution : Field 56	Australia and New Zealand Banking Group Ltd Swift Code : ANZBAU3M
Account with Institution : Field 57	ANZ Royal Bank, Phnom Penh, Cambodia Swift Code : ANZBKHPP
Beneficiary Customer: Field 59	Beneficiary Name : MS. KIMCHENDA CHHOUNOU AND [REDACTED] Account No. 12 [REDACTED] 1

Please remit to this Bank Account USD17,136.00

Beneficiary name : [REDACTED]
Beneficiary Account : 30-[REDACTED]8
Beneficiary bank name: Cambodian Public Bank Limited, Street # 114, Vithei
Kramounsar, Phnom Penh, Cambodia
Beneficiary bank SWIFT code: CPBLKHPP
Corresponding bank name : DEUTSCHE BANK TRUST COMPANY AMERICAS
ROUTINE No. 021001033
Corresponding bank city : NEW YORK, USA

Thank you very much

CHHOUNOU KIMCHENDA

Consultant

[REDACTED] Phnom Penh, Cambodia

Figure 29: Email from CNM Deputy Director to SCS Sales Manager providing bank account details, 18 December 2008

From: [REDACTED]
Sent: Thursday, 18 December 2008 09:50
To: [REDACTED] (SCS)
Subject:

Dear [REDACTED]

Just send you one again my bank account name and number at ANZ Royal Bank in Cambodia:

- Name: [REDACTED]
- Account number: 65 [REDACTED] 9
- Bank name and address:
ANZ Royal Bank
20 Kramuon Sar, Sangkat Phsar Thmey, Khan Daun Penh, Phnom Penh, Cambodia.
Swift Code: ANZBKHPP

Best regards

[REDACTED]

Figure 30: Email communication between CNM Director and SCS Sales Manager regarding CNM Director's medical appointment and personal trip to Singapore, 17 October 2005

-----Original Message-----

From: [REDACTED] [mailto:[REDACTED]@cnm.gov.kh]
Sent: Monday, October 17, 2005 10:56 AM
To: [REDACTED] (SCS)
Subject: Re: LLIN Procurement
Importance: High

DEAR [REDACTED]
 THANK YOU VERY MUCH FOR YOUR QUICK RESPONSE. THIS IS MY PERSONAL PROBLEM, SO I HAVE TO TAKE CARE MYSELF, THE OFFICE DID NOT PAID FOR ME. THANKS AGAIN FOR YOUR KIND SUPPORT AND ARRANGEMENT. COULD YOU KINDLY MAKE APPOINTMENT WITH DOCTOR AND I PLAN TO GO IN THIS FRIDAY. IS THAT CONVENIENCE FOR YOU? OR YOU CAN GIVE ME THE DATE.
 WARM REGARDS
 [REDACTED]

----- Original Message -----

From: [REDACTED] (SCS)
To: [REDACTED]
Sent: 17 October, 2005 9:36 AM
Subject: RE: LLIN Procurement

Dear [REDACTED]

Thank you for your email.

I sorry to hear you have some nose problem. I have contacted Raffles Hospital (tel: 65-6311122), and they have two NTE specialist, [REDACTED] or [REDACTED] but appointment in advance in necessary, the usual consulting fee starts at USD60.00 excluding investigation fee and medical fee. On the average it is about USD150 per visit everything if it a routine case.

May I know is this a personal visit under your own expenses, or your office will pay for your treatment in Singapore including airfreight and accomodation ? If it personal, allow us to arrange your flight ticket, accomodation and medical fees. I wait for your reply on my question.

And thank you for proposing Olyset net which will save many lives. Attached is Olyset net specification. Let me know if you need additional information on Olyset net.

Regards

[REDACTED]

Figure 31: Email from SCS Sales Manager to CNM Director requesting an official letter for a visit to provide a gift to CNM Director's daughter, 27 July 2009

----- Original Message -----

From: [REDACTED] (SCS)

To: [REDACTED]

Sent: 27 July, 2009 9:59 AM

Subject: RE: Request for ongoing contract for supply of LLINs

Dear [REDACTED]

Once again thank you for your great support. May I request you to send me a official letter requesting me to visit CNM on Aug 11th to sign the contract (the additional 100,000 pcs), this would give me the excuse to visit you unofficially and to pass the Nokia 97 handphone to your daughter. Please ask your daughter she prefer black or white color. Rgds

[REDACTED],
Manager,

Sumitomo Chemical Singapore Pte Ltd

Tel : +65 [REDACTED]

Mobile : +65 [REDACTED]

Fax : +65 [REDACTED]

Email [REDACTED]@scs-chem.com.sg

Figure 32: Email from SCS Sales Manager to CNM Director regarding various gifts and favors, 14 August 2009

----- Original Message -----

From: [REDACTED] (SCS)

To: [REDACTED]

Sent: 14 August, 2009 8:16 AM

Subject: My visit to Phnom Penh on Aug 25

Dear [REDACTED]

(1) My schedule to visit you on Aug 25 is confirmed as follow (my main purpose is to pass the Nokia N97 Black Phone to you) :-

Aug 25 ; ETA Phnom Penh 11.30 am (from Singapore to P.Penh via Siem Reap)

Aug 25 : Depart Phnom Penh at 8.pm to Bangkok and then off to Yangon until Aug 28 evening.

(2) If there is a "actual" signing contract between CNM and my company on Aug 25, if yes what time should I be at CNM ?

(3) Secondly, should I bring along medicine for leg cramp etc ?

(4) Any other thing I can do for you ?

(5) I told [REDACTED] in Kuala Lumpur that you might be in Kuala Lumpur from Aug 26 for meeting for few days, he has offer to invite you for dinner. As you schedule is tight, my idea is I will give [REDACTED] your mobile phone number and ask him to call you and then you tell him whether you can join him or not . Is this idea ok for you.

Thanks and rgds

[REDACTED]

Figure 33: Email from CNM Director to SCS Sales Manager regarding a gift to the Secretary of State under MoH Cambodia, 23 September 2009

From: [REDACTED] [REDACTED]@cnm.gov.kh>
Sent: Wednesday, 23 September 2009 04:47
To: [REDACTED] (SCS)
Subject: Re: [Spam] Re: Olyset net Ex-F Blue (361,500 pcs) awaiting custom clearance from Sihanoukville port.

Dear [REDACTED],
How are you doing? I just back form the RBM Meeting in France. [REDACTED] informed me that [REDACTED] remind her that you have promised to give him some gift? I think maybe I propose you last time to give him a new mobile phone. It's ok if you can send other stuff such as tie or watch? What do you think? Thanks and best regards, [REDACTED]

Figure 34: Email communication between SCS Sales Manager to CNM Director regarding a loan to SCS Sales Manager and a commission payment to CNM Deputy Director, 30 November 2009

From: [REDACTED]@cnm.gov.kh>
Sent: Monday, 30 November 2009 06:22
To: [REDACTED] (SCS)
Subject: Re: bank account

OK but you should inform [REDACTED]. But this 1000\$ is my money gave to you last time for [REDACTED] because you fail to draw the money from the ATM or your visa card was not work at that time. Thanks, [REDACTED]

----- Original Message -----

From: [REDACTED] (SCS)
To: [REDACTED]
Sent: 30 November, 2009 10:04 AM
Subject: RE: bank account

Dear [REDACTED]

Received your attachment with thanks. I am organizing this and will let you know later today on amount for you and [REDACTED] mentioned that I owed [REDACTED] USD1000.00, I suppose this is the USD1000 which you have passed me for [REDACTED]

Can I deduct this USD1000 from your commission and add this USD1000 into [REDACTED] commission?

This is [REDACTED] account :-

Name: [REDACTED]
 - Account number: 65 [REDACTED] 9
 - Bank name and address:
 ANZ Royal Bank
 20 Kramuon Sar, Sangkat Phsar Thmey, Khan Daun Penh, Phnom Penh, Cambodia.
 Swift Code: ANZBKHPP

[REDACTED]
 Manager,
 Sumitomo Chemical Singapore Pte Ltd
 Tel : +65 [REDACTED]
 Mobile : +65 [REDACTED]
 Fax : +65 [REDACTED]
 Email : [REDACTED]@scs-chem.com.sg

From: [REDACTED]@cnm.gov.kh]
Sent: Monday, November 30, 2009 10:16 AM
To: [REDACTED] (SCS)
Subject: Fw: bank account
Importance: High

Dear [REDACTED],
 Did you receive my email below? Please let me know also the bank account of [REDACTED] still keep the same or have the new B/A?
 Thanks and best regards,
 [REDACTED]

Figure 35: Email communication between WHO Cambodia employee and SCS Sales Manager regarding the sponsorship of a personal trip to Singapore, 01 June 2009 and 07-08 November 2009 (excerpt)²

--- On Sun, 11/8/09, [REDACTED] (SCS) [REDACTED]@scs-chem.com.sg> wrote:

From: [REDACTED] (SCS) [REDACTED]@scs-chem.com.sg>
Subject: RE: Sponsorship : Personal request
To: [REDACTED] [REDACTED]@yahoo.com>
Date: Sunday, November 8, 2009, 7:55 AM

Dear [REDACTED],

I am sorry to hear the infectious meeting in Singapore coincide with important meeting in Vanuatu.

We be pleased to sponsor your trip to singapore up to A2200.00 for your medical review in Singapore . May I know the amount A2200.0 is for air ticket correct ?

best regards, [REDACTED]

From: [REDACTED] [REDACTED]@yahoo.com]
Sent: Saturday, November 07, 2009 5:26 PM
To: [REDACTED] (SCS)
Subject: RE: Sponsorship : Personal request

Dear [REDACTED],

My proposed trip to Singapore attending the infectious diseases meeting in 7 Dec might faced difficulty as the dates coincide with an important meeting in Vanuatu with Australia Aid (AuSAID) agency. This is a two days meeting from 9 to 10 Dec and I have to be around. However on other hand I need to follow up with my medical checkup in Singapore in Dec as well. If I cannot go on 7 Dec, I wish to postpone my trip to around Christmas time. Do you think there is any possibility for you to sponsor during this time since my purpose is not to attend meeting in Singapore . The total cost is around A\$ 2200.

Need you prompt reply and confirm so that I could arrange for my leave and buying the air ticket through internet,

Thank you and kind regards,

[REDACTED]

² Full email chain dates from 4 July 2008 to 9 December 2009.

--- On Mon, 6/1/09, [REDACTED] (SCS) <[REDACTED]@scs-chem.com.sg> wrote:

From: [REDACTED] (SCS) <[REDACTED]@scs-chem.com.sg>
Subject: RE: LLIN
To: "[REDACTED]" <[REDACTED]@yahoo.com>
Date: Monday, June 1, 2009, 4:31 PM

Dear [REDACTED],
We can consider to sponsor the airfare.... How much roughly ?
Best regards

[REDACTED]
Manager,
Sumitomo Chemical Singapore Pte Ltd
Tel : +65 [REDACTED]
Mobile : +65 [REDACTED]
Fax : +65 [REDACTED]
Email [REDACTED]@scs-chem.com.sg

From: [REDACTED] [REDACTED]@yahoo.com]
Sent: Monday, June 01, 2009 4:12 PM
To: [REDACTED] (SCS)
Subject: RE: LLIN
Dear [REDACTED]

Thank you for your help as usual. I actually plan to attend the infectious disease seminar organized by NUS in this December, but the air fare is too expensive from here to Singapore , I will not attend.

Best regards,
[REDACTED]

--- On Mon, 6/1/09, [REDACTED] (SCS) [REDACTED]@scs-chem.com.sg> wrote:

From: [REDACTED] (SCS) [REDACTED]@scs-chem.com.sg>
Subject: RE: LLIN
To: [REDACTED] [REDACTED]@yahoo.com>
Date: Monday, June 1, 2009, 12:19 PM
Dear [REDACTED],

Thank you for your email. Let me know when you visit Singapore on private trip and I will arrange accommodation as before. Thanks and rgds

[REDACTED]
Manager,
Sumitomo Chemical Singapore Pte Ltd
Tel : +65 [REDACTED]
Mobile : +65 [REDACTED]
Fax : +65 [REDACTED]
Email [REDACTED]@scs-chem.com.sg

Figure 36: Email communication between WHO Cambodia employee and SCS Sales Manager regarding the sponsorship of a personal trip to Singapore, 05-07 January 2009 (excerpts)³

[REDACTED] (SCS) [REDACTED] <[\[REDACTED\]@scs-chem.com.sg](mailto:[REDACTED]@scs-chem.com.sg)>
Subject: RE: hotel reserved goodwood park hotel
To:

[REDACTED] <[\[REDACTED\]@yahoo.com](mailto:[REDACTED]@yahoo.com)>
Date: Wednesday, January 7, 2009, 1:54 PM

Dear [REDACTED],

Attached is your hotel reservation (Goodwood park hotel). It is located in Scott road, corner of Orchard road. Please print out the reservation slip and present to hotel at check-in.

May I request you to contact me the day before you check out as I am require to settle the room charges before you check-out.

Best regards

[REDACTED]

³ Full email chain dates from 4 July 2008 to 9 December 2009.

From: [REDACTED] [mailto:

[REDACTED]@yahoo.com]

Sent: Monday, January 05, 2009 7:58 AM

To:

[REDACTED] (SCS)

Subject: RE:

Singapore trip

Dear [REDACTED]

[REDACTED]

I have managed to confirm my flight
to

Singapore from Kuching on 25 Jan
(Sunday) arrived at afternoon flight and leaving on 28 Jan (Tuesday). My wife
is with me for the trip to spend a short CNY holiday in

Singapore .

I am wonder if it too much for you to book the hotel room for us during the above period? Do not hesitate to contact if otherwise.

best

regards

A solid black rectangular redaction box covering the signature area.

Figure 37: Email communication between WHO Cambodia employee and SCS Sales Manager providing inside information regarding a WHO Manila bednet procurement prior to issuance of tender, 18-19 January 2009 (excerpt)⁴

From: [REDACTED] [mailto:[REDACTED]@yahoo.com]

Sent: Monday, January 19, 2009 7:39 AM

To:

[REDACTED]
[REDACTED]

(SCS)

Subject: RE: LLIN

Cambodia

Dear [REDACTED]

Thank, yes you should inform him (not her) that Sumitomo can supply the 500,000 (please note that they need family size or large size LLIN). In case you think you can not make it, you should say you can supply 300,000 in march and between April-May for another 200,000.

You should say you got the information from some one in CNM or [REDACTED] about the requirements.

Is your handphone in Singapore no changed?

⁴ Full email chain dates from 4 July 2008 to 9 December 2009.

Date: Sunday, January 18, 2009, 6:04 PM

Dear [REDACTED],

Thank you.

I was informed of the requirement by friends in CNM,
and

I

discussed

with

our

production people and they confirmed they

can

supply the

quantity.

Can I
contact [REDACTED] to let her know we can supply this quantity ?

regards

[REDACTED]

[REDACTED]@yahoo.com]

Sent: Sun 1/18/2009 2:42 PM

To:

[REDACTED] (SCS)

Cc:

Subject: RE: LLIN

Cambodia

Dear [REDACTED].

How is your HoNoi trip? Hope it went well. Do you know Cambodia CNM need about 500,000 LLIN in March this year? Ca you supply large amount by March?

Procurement

by

WHO

Manila :

Supply

& Administrative officer: [REDACTED]

[REDACTED]

Tel: 63 [REDACTED]

Mobile : 63 [REDACTED]

e-mail: [REDACTED] [@wpro.who.int](mailto:[REDACTED]@wpro.who.int)

Please do not say I provided this information to you, you can said it was [REDACTED]

[REDACTED] told you.

Kindly confirm your mobil phone No [REDACTED]

Seeing you soon,

[REDACTED]

Figure 38: Email from SCS Sales Manager to Sumitomo Managing Director about sponsoring lunches for CNM's annual Malaria conference, 01 April 2008

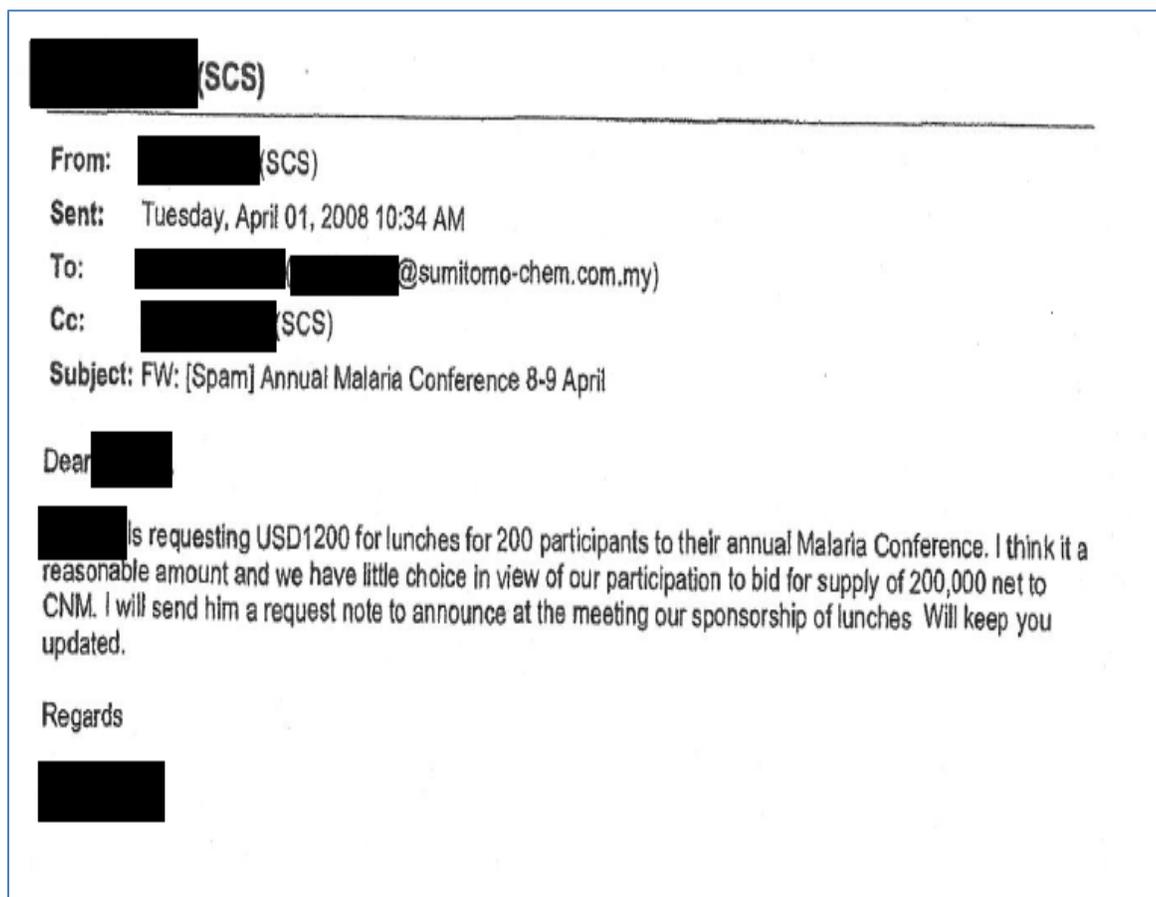


Figure 39: Table of SCS-financed trips, allowances, transportation and sponsorships for CNM employees and other Cambodian government officials

Recipient	Description of Service	Date of Service	Total Value (S\$)	Total Value (USD) [Approximate value when original amount paid in S\$]
Director, CNM	Airfare for visit to Singapore and Malaysia for meeting with Sumitomo Managing Director	27 July - 01 Aug 2004	-	1,070.00*
Director, CNM	Daily allowance for visit to Malaysia and Singapore	27 July - 01 Aug 2004	360	211.38 ⁵
Director, CNM	Airfare for personal medical visit to Singapore	21 -22 October 2005	-	415.00
Director, CNM	Accommodation for personal medical visit to Singapore	21-22 October 2005	-	UNK*
-Director, CNM; -Governor of Siem Reap	All travel expenses to Siem Reap for conference on Olyset nets and insecticide	10-13 March 2006	-	UNK*
Director, CNM	Accommodation for personal medical visit to Singapore	June 2006	-	UNK*

⁵ www.oanda.com, conversion rate as of 15 July 2004.

*For all entries included in this chart, the OIG has obtained proof of payment information, unless otherwise marked with a *, in which case the OIG has written correspondence describing the request and/or agreement to pay costs.

Recipient	Description of Service	Date of Service	Total Value (S\$)	Total Value (USD) [Approximate value when original amount paid in S\$]
-Director, CNM; -Director's Nephew and Deputy Director, CNM	Airfare and airport tax for two people to Singapore	12-14 July 2006	-	456.00
Director, CNM	Sponsorship of a dinner party during a National Malaria Conference	09-11 April 2007	-	1,500.00
Director, CNM	Luxury Tour in Singapore for CNM director and his family (7 people)	12-16 May 2007	948	625.36 ⁶
Chief of Procurement, CNM	Sponsorship to attend American Society of Tropical Medicine conference in Philadelphia	04-08 November 2007	-	1,600.00
CNM	Sponsorship for dinner at ACT Malaria Asian Collaborative Training Network	18-19 March 2008	-	1,750.00
-Head of Health Education, CNM -Accountant -Village Malaria Worker Project, Team -Unknown Person	Package tour for two (out of four listed) people to Malaysia.	28 March - 02 April 2008	338 (or 235x2)	245.11 ⁷

⁶ www.oanda.com, conversion rate as of 15 May 2007.

⁷ www.oanda.com, conversion rate as of 02 April 2008.

Recipient	Description of Service	Date of Service	Total Value (S\$)	Total Value (USD) [Approximate value when original amount paid in S\$]
CNM	Sponsorship for National Centre for Parasitology Conference, 200 lunches.	08-09 April 2008	-	1,200.00
Chief of Technical Bureau, CNM	Airfare (for Chief of Tech. Bureau and his wife) and Daily Allowance for visit to Singapore	04-06 June 2008	1660	1215.17 ⁸
Deputy Chief, Technical Bureau, CNM	Accommodation for personal medical visit in Singapore	18-20 August 2008	640	452.17 ^{9*}
Deputy Director, CNM	Accommodation for visit to Singapore	17-18 and 20-21 September 2008	640	447.82 ^{10*}
Director, CNM	Accommodation for visit to Singapore	17-18 and 20-21 September 2008	640	447.82 ^{11*}
-Procurement Officer, MoH -Procurement Officer, CNM	Partial payment for accommodation for 7 nights for short course procurement training	11-18 October 2009		160.65 ^{12*}
-Chief of Procurement, CNM; -Procurement Assistant, CNM	Partial payment for accommodation for 7 nights for short course procurement training	11-18 October 2009		160.65 ^{13*}

⁸ www.oanda.com, conversion rate as of 30 May 2008.

⁹ www.oanda.com, conversion rate as of 20 August 2008.

¹⁰ www.oanda.com, conversion rate as of 21 September 2008.

¹¹ Ibid.

¹² In this case, Sumitomo agreed to pay for anything above 70 USD per night. The hotel was quoted at S\$ 129.47 per night. S\$ 129.47 = USD 92.95 (www.oanda.com, conversion rate as of 18 October 2009). For each room, Sumitomo paid a difference of USD 22.95 for 7 nights (USD 160.65)

¹³ Ibid.

Recipient	Description of Service	Date of Service	Total Value (S\$)	Total Value (USD) [Approximate value when original amount paid in S\$]
-Procurement Officer, CNM -Sr. Procurement Officer, CNM	Partial payment for accommodation for 7 nights for short course procurement training	11-18 October 2009		160.65 ^{14*}
- Procurement Officer, MoH -Procurement Officer, CNM -Chief of Procurement, CNM -Procurement Assistant, CNM -Procurement Officer, CNM -Sr. Procurement Officer, CNM	Minibus Service from the airport to the hotel	11 October 2009	-	UNK*

¹⁴ Ibid.

Recipient	Description of Service	Date of Service	Total Value (S\$)	Total Value (USD) [Approximate value when original amount paid in S\$]
-Procurement Officer, CNM - Procurement Officer, CNM -Chief of Procurement, CNM -Procurement Assistant, CNM -Procurement Officer, CNM -Sr. Procurement Officer, CNM -Daughter of CNM Director	Luxury Night Safari Tour during procurement training in Singapore	11 October 2009	277	198.07 ¹⁵
WHO Cambodia Employee	Remittance for Emerging Infectious Diseases Conference	09 December 2009	2769.05	1990.26 ^{16*}
CNM	Sponsorship for end of the year annual dinner for CNM	17 December 2009	-	1,500.00
Chief of Procurement, CNM	Sponsorship to attend a Malaria Seminar in London, including airfare and accommodation	22-23 April 2010	-	3,140.00

¹⁵ www.oanda.com, conversion rate as of 11 October 2009.

¹⁶ www.oanda.com, conversion rate as of 09 December 2009.

Recipient	Description of Service	Date of Service	Total Value (S\$)	Total Value (USD) [Approximate value when original amount paid in S\$]
Procurement Officer, CNM	Sponsorship (airfare and accommodation for 4 days) to attend Workshop on Quality clinic Research Application in China	17 -18 June 2010	-	1,500.00*
				20,446.11

Figure 40: Email communication between Sumitomo Managing Director and SCS Sales Manager about improper payments to Government officials, 27-29 March 2006

RE: Commission Payment on RBM Olyset Net delivery

From: [REDACTED]@sumitomo-chem.com.my>
To: [REDACTED] (SCS)" [REDACTED]@scs-chem.com.sg>
Date: Wed, 29 Mar 2006 04:00:43 +0800

Dear [REDACTED]

This payment to [REDACTED] could be awkward. As you say it is best to be a company rather than an individual, although the consultancy agreement could be with an individual if necessary.

The idea to have SCS receive 4% commission was to allow the more easy task of having this commission payment mad on the Cambodian sales. I note that 3% would go to our consultant and 1% remaining for SCS.

Yes, please go in to Cambodia for the [REDACTED] discussions and the other intended visits.

I have heard nothing back from Japan on any of our requests for receipt of commissions on the Olyset Net sales, and wi pursue this when the dust settles when I get back to the office.

Best regards,

[REDACTED]
Sumitomo Chemical Enviro-Agro Asia Pacific Sdn. Bhd.
Lot 62A, Persiaran Bunga Tanjung 1
Senawang Industrial Park, 70400 Seremban
Negeri Sembilan Darul Khusus, Malaysia

Tel: +60 [REDACTED]

Fax: +60 [REDACTED]

H/P: +60 [REDACTED]

From: [REDACTED] (SCS) [mailto:[REDACTED]@scs-chem.com.sg]
Sent: Monday, March 27, 2006 9:26 AM
To: [REDACTED]
Subject: RE: Commission Payment on RBM Olyset Net delivery

Dear [REDACTED]

I asked for the consultancy agreement copy from [REDACTED] for my reference (for Cambodia purpose) . I has not actually real yet.

For our commission payment to [REDACTED] of USD19,680.00 (based on 3% of FOB Shanghai value USD656,000 to Sumitomo Chemical), we might need similar agreement with [REDACTED] agent... originally our ideal "agent" is [REDACTED] Singapore... but I think [REDACTED] will appreciate if we give some control/comfort over how he wish to receive his payment by offering him a chance to nominate his own "agent" first ..we cannot accept a private individual but a company entity" located in Cambodia. If he has candidate and met our criteria, my thought is not to involve [REDACTED] to avoid his involvement in Cambodian busn, and also not having to pay him "consideration fee" and perhaps his income tax .

Considering that Olyset net would only be delivered to Cambodia in or around June/July.. my idea is one of us or joint-vi to [REDACTED] in May to discuss our payment method to him (basically signing of consultancy agreement to legalise this external payment to him) whether he has any "agent" in mind, and if yes we sign consultancy agreement with his agent. also like to visit PSI and WHO Cambodia as [REDACTED] in Siem Reap mentioned that Vesterguard has problem supplying the required net to WHO for PSI ...there may be yet small chance for us to supply some to PSI this year.

By the way, I understand you have requested 4% commission to SCC on this Cambodian sales... they agree already? This must.. at least 3% for [REDACTED]

Your comment is welcome.

Regards

[REDACTED]
email : [REDACTED]

Figure 41: Email communication between Sumitomo Managing Director and SCS Sales Manager about the CNM procurement team's "greediness", 24 June 2010

From: [REDACTED] (SCS)
Sent: Thursday, 24 June 2010 07:08
To: [REDACTED]
Subject: RE: Cambodia com

Dear [REDACTED],

Prior to 2009, commission was only 5% to [REDACTED]

And In 2009 GF procurement team want a piece of the pie when they managed to convince GF that they will buy additional Olyset net thru direct procurement to SCS (no international tender) , total commission requested was 6.5% , split as [REDACTED] get 5% and [REDACTED] team 1.5%.

And in 2010 procurement team get "greedier" as they manage to convince GF that they wants only Olyset net (320,000pcs) and only direct procurement (no international tender) by WHO on their behalf thus, for 320,000 pcs of Olyset in 2010, [REDACTED] total request maintained at 6.5% (USD0.33 of USD5.10 per unit)split between 3% for his procurement team (led by vice Director's [REDACTED]) and balance for him 3.5%.

Honestly I have no idea whether procurement team is aware that apart we are also giving commission to [REDACTED] as well !!

I have not told [REDACTED] that for 2010 max. is 5%.....It be tough for me to break this news to him.....can I negotiate with you at 6%...it much lower than Vesterguard offer of up to 0.80 cents per net (according to [REDACTED] in some previous conversation 2-3years ago...but then the price were higher !).

Future [REDACTED] reign will expire in 1-2 more years and rumor is he will be either succeeded by his nephew (current vice director's [REDACTED]...this is the guy VBC/BTI is working with) or possibly [REDACTED].....thus we need to satisfy [REDACTED] and her team (which may include [REDACTED]who know ??).

Best regards

[REDACTED]
 Manager,
 Sumitomo Chemical Singapore Pte Ltd
 Tel : +65 [REDACTED]
 Mobile : +65 [REDACTED]
 Fax : +65 [REDACTED]
 Email : [REDACTED]@scs-chem.com.sg

From: [REDACTED] [REDACTED]@sumitomo-chem.com.my]
Sent: Thursday, June 24, 2010 12:41 PM
To: [REDACTED] (SCS)
Subject: Cambodia

Dear [REDACTED]

I know a sensitive issue, but how does the commission situation now look on Olyset sales to Cambodia?

Best regards,

[REDACTED]
 Sumitomo Chemical Enviro-Agro Asia Pacific Sdn. Bhd.
 Lot 62A, Persiaran Bunga Tanjung 1
 Senawang Industrial Park, 70400 Seremban
 Negeri Sembilan Darul Khusus, Malaysia

Figure 42: Email communication between Sumitomo Managing Director and SCS Sales Manager about commission payments and profit margins, 24 June 2010

From: [REDACTED] (SCS)
Sent: Thursday, June 24, 2010 2:59 PM
To: [REDACTED]
Subject: RE: Cambodia com.

Dear [REDACTED]

Thanks for advice and the increase in commission to max. 5.8% to agents. Best regards

[REDACTED]
Manager,
Sumitomo Chemical Singapore Pte Ltd
Tel : +65 [REDACTED]
Mobile : +65 [REDACTED]
Fax : +65 [REDACTED]
Email : [REDACTED]@scs-chem.com.sg

From: [REDACTED] [mailto:[REDACTED]@sumitomo-chem.com.my]
Sent: Thursday, June 24, 2010 1:27 PM
To: [REDACTED] (SCS)
Subject: RE: Cambodia

Dear [REDACTED]

The current problem is as you know we can not continue to sell product at a loss. Selling at zero margin will also eventually be noticed and no doubt questioned by the "authorities" within SCS..... And to be honest, who can blame them. As we can currently cover this with our overall good local margin, it has to date not raised any questions.

Of course the problem with commissions is that once in place they are virtually impossible to reduce without upset. Whilst we do not wish to "hurt" our business in Cambodia we can not continue to sell large quantities of Olyset at a loss or zero margin.

I suggest this is approached in a step like manner, explaining that whilst net costs have increased, the costs have been going up, and we try to reduce the commissions by 0.35% for both agents, meaning that the final payments owed would be 2.65% and 3.15% (total 5.8%), which would allow some gross margin to appear on the SCS sales books, whilst in no way covering for the cost of doing the business.

Best regards,
[REDACTED]
[REDACTED]
Sumitomo Chemical Enviro-Agro Asia Pacific Sdn. Bhd.
Lot 62A, Persiaran Bunga Tanjung 1
Senawang Industrial Park, 70400 Seremban
Negeri Sembilan Darul Khusus, Malaysia

Tel: +60 [REDACTED]

Figure 43: Email communication between Sumitomo Managing Director and SCS Sales Manager about CNM's promotional visit to SCS, 17-20 October 2005

RE: LLIN Procurement to Cambodia

From: [REDACTED]@sumitomo-chem.com.my>
To: [REDACTED]@scs-chem.com.sg>
Date: Thu, 20 Oct 2005 15:41:24 +0800

..... of course this goes in the books as a promotional visit to SCS to discuss vector controll

Regards,

[REDACTED]
Sumitomo Chemical Enviro-Agro Asia Pacific Sdn. Bhd.
Lot 62A, Persiaran Bunga Tanjung 1
Senawang Industrial Park, 70400 Seremban
Negeri Sembilan Darul Khusus, Malaysia

Tel: +60 [REDACTED]
Fax: +60 [REDACTED]
H/P: +60 [REDACTED]

From: [REDACTED] [mailto:[REDACTED]@sumitomo-chem.com.my]
Sent: Wednesday, October 19, 2005 7:37 PM
To: [REDACTED] (SCS)
Cc: [REDACTED] SCEA
Subject: RE: LLIN Procurement to Cambodia

Dear [REDACTED]

At this stage in Cambodia with Olyset net coming (although unfortunately now through SCC – Geneva and not SCS books) and hopefully a rosy future for [REDACTED] as well, it would not be wise to hold back on helping [REDACTED] so your offer seems sensible.

..... but it is a bit late to ask my advice as it seems you have already made the offer!

We should of course continue to be cautious with respect to our support relative to business opportunity and monitor the situation carefully. To date the input in to the Cambodian market has been justified in this respect.

Best regards,

[REDACTED]
Sumitomo Chemical Enviro-Agro Asia Pacific Sdn. Bhd.

Lot 62A, Persiaran Bunga Tanjung 1
Senawang Industrial Park, 70400 Seremban
Negeri Sembilan Darul Khusus, Malaysia

Tel: +60 [REDACTED]
Fax: +60 [REDACTED]
H/P: +60 [REDACTED]

From: [REDACTED] (SCS) [mailto:[REDACTED]@scs-chem.com.sg]
Sent: Monday, October 17, 2005 10:55 AM
To: [REDACTED]
Cc: [REDACTED] SCEA
Subject: FW: LLIN Procurement to Cambodia

Dear [REDACTED]

FYI..... est cost of airticket + medical fee around USD700-800 for this [REDACTED] private visit to Singapore for medical treatment. I suppose I have your approval to go ahead.

Regards

-----Original Message-----

From: [REDACTED] (SCS)
Sent: Monday, October 17, 2005 10:37 AM
To: [REDACTED]
Subject: RE: LLIN Procurement

Dear [REDACTED]

Thank you for your email.

I sorry to hear you have some nose problem. I have contacted Raffles Hospital (tel : 65-63111220, and they have two NTE specialist, [REDACTED] or [REDACTED] but appointment in advance in necessary, the usual consulting fee starts at USD60.00 excluding investigation fee and medical fee. On the average it is about USD150 per visit everything if it a routine case.

May I know is this a personal visit under your own expenses, or your office will pay for your treatment in Singapore including airfreight and accomodation ? If it personal, allow us to arrange your flight ticket, accomodation and medical fees. I wait for your reply on my question.

And thank you for proposing Olyset net which will save many lives. Attached is Olyset net specification. Let me know if you need additional information on Olyset net.

Regards

[REDACTED]

Figure 44: Email communication between CNM Director, SCS Sales Manager, Sumitomo Managing Director and SCS senior manager about competitor prices, 07-11 April 2008

FW: RE: [Spam] RE: Pollution in Singapore

From: [REDACTED] (SCS) <"/o=exch-sg01/ou=sg01/cn=recipients/cn=[REDACTED]">
To: [REDACTED]@sumitomo-chem.com.my"; [REDACTED]@sumitomo-chem.com.my>
Cc: [REDACTED] (SCS); [REDACTED]@scs-chem.com.sg>
Date: Fri, 11 Apr 2008 17:28:21 +0800

Dear [REDACTED]

I have not received reply from [REDACTED] I suppose he is busy at Annual Malaria Conference from 8-9 April 2008 in some province.

I have couriered (yesterday) the copy of the bid document to your office for your reference.

Thanks for approval 200,000 pcs at CIF USD5.45 , Extra Family.

I will take care of the tender preparation. Will submit the bid to Phnom Penh by hand probably last week of April , which give us ample time for discussion.

Safe journey, and good meeting in Tokyo.

Best regards

[REDACTED]

From: [REDACTED] (SCS)
Sent: Monday, April 07, 2008 12:07 PM
To: [REDACTED]
Subject: RE: RE: [Spam] RE: Pollution in Singapore

Dear [REDACTED]

Thanks ... I have quoted to [REDACTED] FOB USD5.30 and CIF Phnom Penh USD5.60 (and not USD 4.65 as you have mentioned in your below email). I noted that Permanet has quoted USD5.30 , is this FOB or CIF prices ?

As Olyset net is only one with full approval and 5 years life span, do you think we can bid USD0.10 - 015 cents higher than Permanet, or bid same price as Permanet ; or bid USD0.10cent lower than Permanet ?

Today I received the Bid Document. Bid specification mention "50 pieces protected by polyethylene bag". Will Olyset net be disqualified if our standard packing is 40 pieces in a polyethylene bag ?

Please delete all email after reading

Thanks and rgds

[REDACTED]

From: [REDACTED] [mailto:[REDACTED]@cnm.gov.kh]
Sent: Monday, April 07, 2008 11:28 AM
To: [REDACTED] (SCS)
Subject: Fw: RE: [Spam] RE: Pollution in Singapore

-----Original Message-----

From: [REDACTED]
Date: 07-Apr-08 9:03:48 AM
To: [REDACTED] (SCS)
Subject: RE: [Spam] RE: Pollution in Singapore

Dear [REDACTED]

I got from PR the price of LLMIN for different companies as follow: Size L180xW190xH150cm
Olyset/Sumitom o: 4.65\$, Vestergaard/Permanet the same size, price 5.3\$, BASF/Interseptor: not submit or
late submit? Duranet: 6.78\$ Best net Europe 4.7\$. I'm don't the price that PR got from any sources, but this is
the top secret for bidding. Please do not inform to other people. I will try my best to support your Olyset net. I
leave this afternoon to Sihanoukville for Malaria Annual Conference tomorrow. Thanks and best wishes in
Khmer New Year to come in next week.

-----Original Message-----

From: [REDACTED] (SCS)
Date: 04-Apr-08 4:13:51 PM
To: [REDACTED]
Subject: RE: [Spam] RE: Pollution in Singapore

Figure 45: Email communication in which CNM Deputy Director improperly shares advance information regarding tender requirements with SCS Sales Manager, 19 January 2009

----- Original Message -----
From: [REDACTED] (SCS)
To: [REDACTED]; [REDACTED]
Sent: 19 January, 2009 3:51 PM
Subject: RE: LLIN

Dear [REDACTED]

Understand I will not mention that anyone from CNM give me advance information.

From: [REDACTED] [mailto:[REDACTED]@cnm.gov.kh]
Sent: Monday, January 19, 2009 4:39 PM
To: [REDACTED] (SCS); [REDACTED]
Subject: Re: LLIN

Dear [REDACTED]

~~Should not, If you do like this is mean that CNM intending to SUMITOMO.~~ I hope WHO will ask your Company. Do you know now Permanent is full approval by WHO also. CNM already strong comment for Olyset. Just waiting the information from WHO

Thanks
 [REDACTED]

----- Original Message -----
From: [REDACTED] (SCS)
To: [REDACTED]
Sent: 19 January, 2009 1:03 PM
Subject: RE: LLIN

Dear [REDACTED]

Good afternoon,

~~Today I have sent email (self introduction of myself and Sumitomo Chemical Singapore. I did not mention the 420,000 net requirement of Cambodia)~~ to the following gentleman. I am waiting for his reply.

Procurement by WHO Manila: Supply & Administrative officer: [REDACTED]
 [REDACTED]
 Tel: 63 [REDACTED]
 Mobile: 63 [REDACTED]
 e-mail: [REDACTED]@wpro.who.int

~~Do you think it okay for me to inform him that you have informed me of the 420,000 net requirements ?~~

Best regards
 [REDACTED]
 Manager.
 Sumitomo Chemical Singapore Pte Ltd

Figure 46: Email from CNM Director to SCS Sales Manager providing contact information of WHO Manila officer, 13 January 2009

From: [REDACTED] [mailto:[REDACTED]@cnm.gov.kh]
Sent: Tuesday, January 13, 2009 4:10 PM
To: [REDACTED] (SCS)
Subject: Olyset

Dear [REDACTED]

This is an e-mail of [REDACTED] [REDACTED]@wpro.who.int . His role is a supply & Administrative Officer in WHO Office Manila. This morning we have a very good discussion, but you try the way how to contact with him but not mention that you get the information from me. He just concern about the stock of Olyset net? Thanks and best regards,
[REDACTED]

Figure 48: Email communication between CNM Director and VF Sales Manager providing “Chhou Nou Kimchenda” bank account details, 16-23 February 2007

From: [REDACTED]
To: [REDACTED]
Subject: RE: PR's Plan Round 2 Year 4&5
Date: Friday, February 23, 2007 10:41:00 AM

Dear [REDACTED]

Thank you for the information below:

[REDACTED] is traveling out of country and would be back on Saturday night.

We would be sending you the agreement copy as discussed with you on Monday (26th March, 07).

Best Regards

[REDACTED]
Sales Manager
 +91-[REDACTED]
 [REDACTED]@vestergaard-frandsen.com

From: [REDACTED] [mailto:[REDACTED]@cnm.gov.kh]
Sent: Friday, February 23, 2007 8:03 AM
To: [REDACTED]
Subject: Re: PR's Plan Round 2 Year 4&5

Dear [REDACTED]
 Sorry for late inform you about the people who will sign contract with you. Here her name: Mrs CHHOU NOU KIMCHENDA. The process have to transfer the money with instruction below:

- 1- INTERMEDIARY:
 HSBC BANK USA
 500 Stanton Christina Road
 Newark, Delaware 19713-2107, USA
 ABA : 0210-0108-8
 SWIFT: MRMD US 33
 Telex: 62822 MMB NEWYORK
- 2- ACCOUNT WITH INSTITUTION:
 USD A/C No : 000-[REDACTED]-3
 CANADIA BANK LTD
 265-269 Ang Duong Street, Phnom Penh, Cambodia
 S.W.I.F.T : CADI KH PP
- 3- BENEFICIARY CUSTOMER:

A/C No : 1 [REDACTED] 319
 A/C Name : Mrs CHHOU NOU KIMCHENDA
 Thanks and best regards,
 Dr. [REDACTED]

----- Original Message -----

From: [REDACTED]
To: [REDACTED]
Sent: 20 February, 2007 2:29 PM
Subject: RE: PR's Plan Round 2 Year 4&5

Dear [REDACTED]

Thanks for your reply.

We would look forward to your mail.

Best Regards

[REDACTED]
Sales Manager

+91-[REDACTED]

[REDACTED]@vestergaard-frandsen.com

From: [REDACTED] [mailto:[REDACTED]@cnm.gov.kh]

Sent: Tuesday, February 20, 2007 12:54 PM

To: [REDACTED]

Subject: Re: PR's Plan Round 2 Year 4&5

Dear [REDACTED]

Thanks for quick reply. As this is Chinese New Year, some people took holiday. I will send to you tomorrow. Thanks [REDACTED]

----- Original Message -----

From: [REDACTED]

To: [REDACTED]

Sent: 20 February, 2007 11:43 AM

Subject: RE: PR's Plan Round 2 Year 4&5

Dear [REDACTED]

Thank you for the kind courtesy extended to us during our visit to your office.

I would also like to convey our thanks for agreeing with PSI to procure PermaNet® for the phase2.

I would request you to send us the account no. as suggested by you on the phone. This would help us in sending you the agreement papers as discussed with you.

Best Regards

[REDACTED]
Sales Manager

+91-[REDACTED]

vg@vestergaard-frandsen.com

From: [REDACTED] [mailto:[REDACTED]@cnm.gov.kh]

Sent: Tuesday, February 20, 2007 6:06 AM

To: [REDACTED]

Subject: Fw: PR's Plan Round 2 Year 4&5

Dear [REDACTED]

Please see in below e-mail that I have agreed for PSI to procure LLMIN/Permanet for phase two. I also informed in the farwell party of Mr. [REDACTED]

Thanks,

[REDACTED]

----- Original Message -----

From: [REDACTED]

To: [REDACTED]

Cc: [REDACTED]

Sent: 16 February, 2007 10:16 AM

Subject: Re: PR's Plan Round 2 Year 4&5

Dear [REDACTED],

Sorry for late reply to your request to procure the LLMN in phase two, due the fact that I'm so busy in different meeting and mission to provinces. In order to avoid the delay of procurement PSI could start the process for LLMN procurement from now as CNM is preparing the document for procurement of new LLMN under R4 as well. Regarding to the Agreement CNM-PSI and I think we need to discuss more about some sentences

Thanks,

[REDACTED]

|

Vestergaard Frandsen and its affiliates have no responsibility for unauthorized access and/or alteration to this communication, nor for any consequence based on or arising from your use of this information, whether accessed or altered by any person or not. Please inform us if you prefer to communicate in encrypted form.

Vestergaard Frandsen and its affiliates have no responsibility for unauthorized access and/or alteration to this communication, nor for any consequence based on or arising from your use of this information, whether accessed or altered by any person or not. Please inform us if you prefer to communicate in encrypted form.

Figure 49: Email communication between CNM Director and VF Sales Manager providing “Chhou Nou Kimchenda” bank account details again, 11-27 September 2007

From: [REDACTED] <[REDACTED]@cnm.gov.kh>
Sent: Thursday, September 27, 2007 6:23 AM
To: [REDACTED]
Subject: Re: Account Details

Dear [REDACTED]
 Thanks for your very fast action. Best regards,
 Dr. [REDACTED]

----- Original Message -----

From: [REDACTED]
To: [REDACTED]
Sent: 27 September, 2007 10:25 AM
Subject: RE: Account Details

Dear [REDACTED]

The bank would be informed today about the account number and the money would be transferred to your account.

Best Regards,

[REDACTED]
 Manager c.s.
 Vestergaard Frandsen India Pvt. Ltd.

Mobile : +91-[REDACTED]
 Tel : +91-[REDACTED]
 E-mail: [REDACTED]@vestergaard-frandsen.com
 Web : www.vestergaard-frandsen.com

From: [REDACTED] [mailto:[REDACTED]@cnm.gov.kh]
Sent: Thursday, September 27, 2007 6:29 AM
To: [REDACTED]
Subject: Fw: Account Details

Dear [REDACTED]
 Kindly inform to the bank in Cambodia the bank account number of my sister. The money now in her bank account just you forget to mention her bank account number. That's why the bank want you to put all information included bank account number. Thanks for your kind support. [REDACTED]

----- Original Message -----

From: [REDACTED]
To: [REDACTED]
Sent: 12 September, 2007 9:24 AM
Subject: Re: Account Details

Dear [REDACTED]

The B/A number is remain the same. Beneficiary A/C: 1100 [REDACTED] 1319, A/C name: CHHOU NOU KIMCHENDA

Intermediary: HSBC BANK USA 500 Stanton Christiana Road, Newark, Delaware 19713-2107, USA
 ABA: 0210-0108-8, SWIFT: MRMD US 33

ACCOUNT WITH INSTITUTION: USD A/C No: 000-1 [REDACTED] 3-3 CANADIA BANK LTD. Cambodia
 SWIFT: CADI KH PP

Thanks, [REDACTED]

----- Original Message -----

From: [REDACTED]
To: [REDACTED]@cnm.gov.kh
Sent: 11 September, 2007 3:13 PM
Subject: Account Details

Dear [REDACTED]

I would request you to confirm the account details.

Look forward to your comments.

Best Regards,

[REDACTED]
Manager c.s.
Vestergaard Frandsen India Pvt. Ltd.

Mobile : +91-[REDACTED]
Tel : +91-[REDACTED]
E-mail: [REDACTED]@vestergaard-frandsen.com
Web : www.vestergaard-frandsen.com

Figure 50: Table of commission payment wire transfers from VF to “Chhou Nou Kimchenda” and “████████ Capital Limited” for Global Fund contracts

Amount(USD)	Bank details	Account where payment is remitted	Date
✓ 10'000	61 ██████ 7-12 USD Credit suisse	USD A/C No : 000-1 ██████ 3-3, CANADIA BANK LTD, 265-269 Ang Duong Street, Phnom Penh, Cambodia.S.W.I.F.T : CADI KH PP A/C.No : 1100 ██████ 1319, A/C Name : Mrs CHHOU NOU KIMCHENDA	27th March 2007 ✓
✓ 10'000	61 ██████ 7-12 USD Credit suisse	ACCOUNT WITH INSTITUTION: USD A/C No: 000-1 ██████ 3-3 CANADIA BANK LTD. Cambodia SWIFT: CADI KH A/C number: 11 ██████ 1319, A/C name: CHHOU NOU KIMCHENDA	20-09-07
↓ 51'188	Crédit Suisse USD 77 ██████ 72-	CANADIA BANK PLC, 265-269, Ang Duong Street, Phnom Penh, Cambodia.SWIFT: CARDIKHPP - Account Number: 019 ██████ 15 - Account Name: CHHOU NOU KIMCHENDA	4th Jan 2011
↓ 83'054	Crédit Suisse USD 77 ██████ 72-	████████ Capital Limited Standard Chartered Bank (HK) Ltd. 564-████████ 12-6	2nd Feb 2012

Figure 51: Email communication from CNM Director to VF Regional Director confirming receipt of funds, 05-11 January 2011

From: [REDACTED] <[REDACTED]@cnm.gov.kh> on behalf of [REDACTED]
Sent: Tuesday, January 11, 2011 10:38 AM
To: [REDACTED]
Subject: RE: Happy New Year

Dear [REDACTED],
Thanks. I got it. [REDACTED]

-----Original Message-----

From: [REDACTED]
Date: 11-Jan-11 4:32:48 PM
To: [REDACTED]
Subject: RE: Happy New Year

Sir,

Pl confirm receipt of funds.

Best Regards,
[REDACTED]
Regional Director - Asia
Vestergaard Frandsen India Pvt. Ltd.

Add: 302, Rectangle One | D-4, Saket | New Delhi - 110017 | India
Tel: +91 [REDACTED] | Direct: +91 [REDACTED] | Mobile: +91 [REDACTED] | Fax +91 [REDACTED]
E-mail: [REDACTED]@vestergaard-frandsen.com | Web: www.vestergaard-frandsen.com Web: www.permanet.com, www.zerofly.com & www.lifestraw.com

skype: [REDACTED]

From: [REDACTED] [mailto:[REDACTED]@cnm.gov.kh]
Sent: Thursday, January 06, 2011 1:23 PM
To: [REDACTED]
Subject: RE: Happy New Year

Noted with thanks. [REDACTED]

-----Original Message-----

From: [REDACTED]
Date: 06-Jan-11 2:19:00 PM
To: [REDACTED]
Subject: RE: Happy New Year

Sir, A very happy new year to you and your family as well.

The job has been done. Please confirm receipt.

Best Regards,

[REDACTED]
Regional Director - Asia
Vestergaard Frandsen India Pvt. Ltd.

Add: 302, Rectangle One | D-4, Saket | New Delhi - 110017 | India
Tel: +91 [REDACTED] Direct: +91 [REDACTED] Mobile: +91 [REDACTED]
Fax +91 [REDACTED]
E-mail: [REDACTED]@vestergaard-frandsen.com | Web: www.vestergaard-frandsen.com **Web:**
www.permanet.com, www.zerofly.com & www.lifestraw.com

skype - [REDACTED]

From: [REDACTED] [mailto:[REDACTED]@cnm.gov.kh]
Sent: Wednesday, January 05, 2011 9:36 AM
To: [REDACTED]

Subject: Happy New Year

Dear [REDACTED]

Did you get the correct
SWIFT Code? How
about the remittance?
Thanks, [REDACTED]

Figure 52: Booking details for USD 83,054 VF commission payment to “Kim Nou Chounoa”, 02 February 2012

CH-1002 Lausanne

Téléphone +41
Fax +41

IBAN CH74 [REDACTED] 7200 1
Compte Au nom de Vestergaard Frandsen Group SA, Lausanne
Monnaie USD
Téléphone Contact Center +41 800 88 88 72

Vestergaard Frandsen Group SA
chemin Messidor 5-7
1006 Lausanne

Avis de débit 2.2.2012
Page 1/1

Texte	Valeur	Monnaie	Montant
Selon ordre du 31.1.2012		USD	83'053.69
Total	02.02.12	USD	83'053.69

CHF 5.00 frais seront débités sur le prochain décompte.

En faveur de 564-1 [REDACTED] 5
KIM NOU CHOUNOA
HONG KONG

Compte chez Standard Chartered Bank (HK) Ltd
Standard Chartered Bank Building
4-4A Des Voeux Road, Central
HK-Hong Kong

Motif du paiement AGENT COMMISSION
S128816,S128817,S128965

Notre correspondant Deutsche Bank Trust Company
US-New York NY 10005

Formulaire sans signature No de TVA 231051 A Transaction No SUP1 31 3140-0131-80-3847-0000

Figure 53: VF request to change beneficiary name from “Kim Nou Chounoa” to “[REDACTED] Capital Limited” for \$83,054 commission payment, 13 February 2012

[REDACTED]

From: CRESCHZZ80A
 RPK : 4435969100
 TRN : CSG120210-000026

Outgoing

MT: MT199 - Free format message
 Sender : CRESCHZZ80A
 Credit Suisse AG [REDACTED]
 8070 Zürich
 Receiver: BKTRUS33XXX
 Deutsche Bank Trust Company Ameri
 New York
 4838 229977 13.02.2012 11:27:29

Owner: CRESCHZZ DIV
 Internal Priority: Urgent
 Stage: Post-Xm

MUR (108): 4435969100

Message Text

Headers F01CRESCHZZ080A4435969100
 I199BKTRUS33XXXXU3003
 108:4435969100

:20:CSG120210-000026
 :21:F3N401KF02YV0001
 :79:ATTN MONEY TRANSFER INVESTIGATIONS

RE: O/MT103 DD 02-FEVR.-12 TRN F3N401KF02YV0001
 FOR USD 83053.69 VALUE 02-FEVR.-12
 B/O VESTERGAARD FRANDSEN GROUP SA
 FAVOUR KIM NOU CHOUNOA
 WITH SCBLHKHXXXX

PLEASE AMEND OUR PAYMENT ORDER TO READ AS FOLLOWS:
 BENEFICIARY NAME [REDACTED] CAPITAL LIMITED
 PLEASE CONFIRM DATE ON WHICH FUNDS WERE CREDITED
 TO THE CORRECT BENEFICIARY AS WELL AS THE EXACT
 AMOUNT AND VALUE DATE TO OUR ABOVE MENTIONED
 REFERENCE.
 ALL OTHER DETAILS REMAIN UNCHANGED. PLEASE AVOID
 ANY DUPLICATION.

BEST REGARDS
 CREDIT SUISSE AG
 [REDACTED]

O/REF:CSG120210-000026

Message History

Date	Time	Xmt	DelServ	ComServ	Com	ComLink	RFK	Net	Net	Owner
------	------	-----	---------	---------	-----	---------	-----	-----	-----	-------



```

*****      Rsl      Seq#      MT      Prio
*****      *      *      *      *      *
12-02-13 11:27:06 MSG RT: Owner: CRESCHZZ
12-02-13 11:27:06 IOK      U      MMQA      WaitSttn Dup-Chk
12-02-13 11:27:06 Dup-Chk      WaitSttn Vldtn
12-02-13 11:27:06 VAL Firco filter: No Hit
12-02-13 11:27:06 Vldtn      In-Xmt      Xmt
12-02-13 11:27:10 CSCHZSFA 229977 ACK={1:F21CRESCHZZA80A4838229977}{4:(177:1202131127)}{45
12-02-13 11:27:10 CSCHZSFA 229977 ACK=1:0}{108:4435969100)}
12-02-13 11:27:10 OK      U      BKTRUS33XXX      FIN      CSCHZSFA 229977
12-02-13 11:27:10 OK      MBMQOH21      MMQA      MBMQOH21 494808
12-02-13 DelNot(MT011) details: ComServ=CSCHZSFA 175:Time=0527 107:Date=120213 Sess#=902
12-02-13 11:27:29 DLV      U      BKTRUS33XXX      FIN      CSCHZSFA 229977

```

MT011 - Delivery Notification

{1:F01CRESCHZZA80A4838072906}{2:00111027120213DYMEXXXXXXXX00073910791202131127S}{4:{175:112
00}{175:0527}{107:120213BKTRUS33DXXX9028877365}}{5:{CHK:38096B91F908}{SYS:}}



Figure 54: Email communication between CNM Director and VF Regional Director in Asia regarding a meeting in India and Global Fund Round 4 grant proposal, 08 October 2003

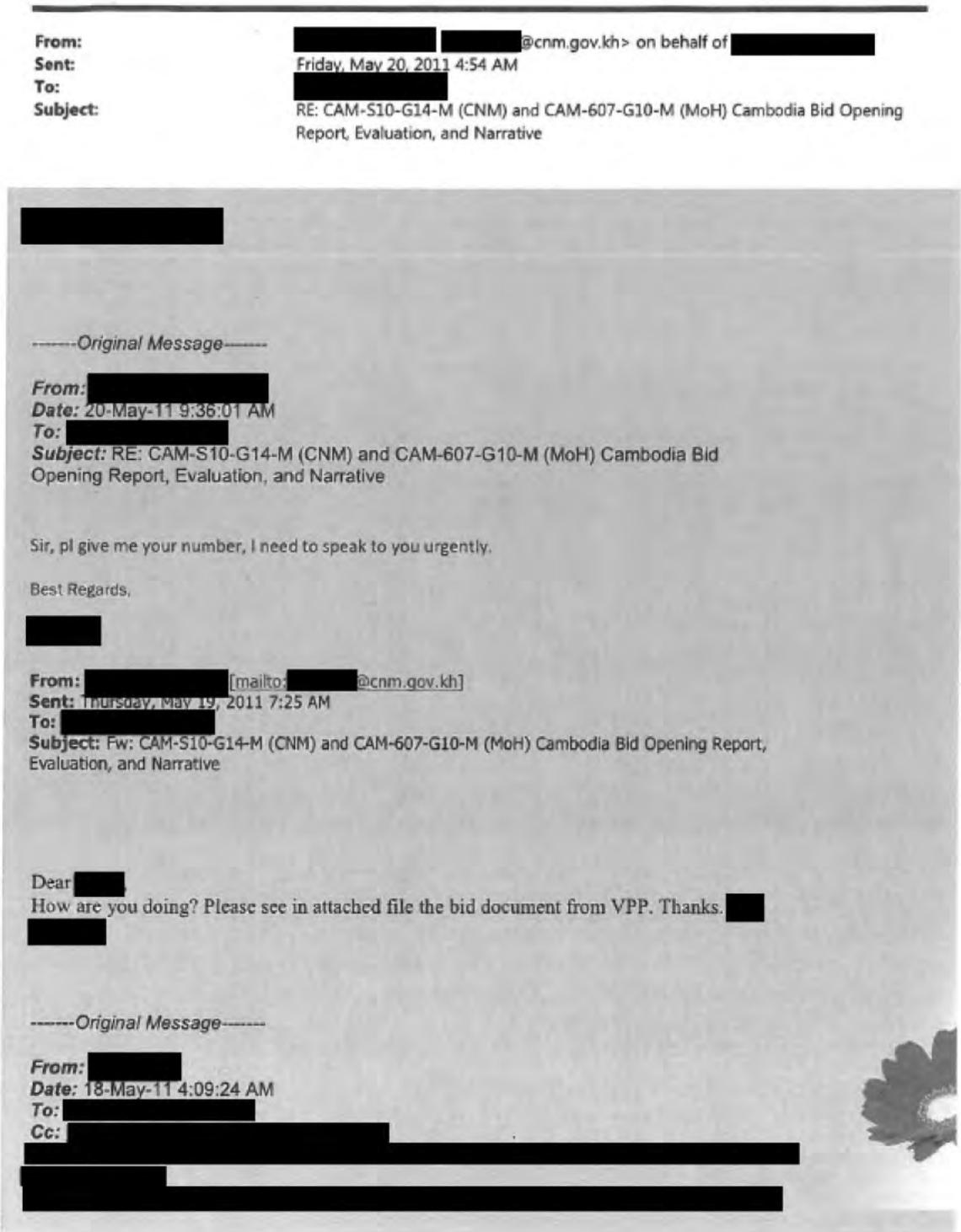
From: [REDACTED]@yahoo.com >
Sent: Wednesday, 08 October 2003 11:38
To: [REDACTED]@vestergaard-frandsen.com
Subject: Re: PermaNet(R) for Global fund project in Cambodia

Dear [REDACTED]
Thank you very much for your kind arrangement during my visit in India. Now I am in France, so I very please to inform you that I will made other proposal to GF for round 4 and will request LLN, Thanks, [REDACTED]

-- [REDACTED]@vestergaard-frandsen.com > wrote:

>
>
> Dear [REDACTED],
>
> I hope you reached back home safe and your wife liked the shopping you
> did in Delhi.
>
> This email is to review what we discussed in India:
>
> 1). How to incorporate PermaNet(R) in Global Fund project in Cambodia
> probably for population living in jungles, where reimpregnation is not
> possible.
>
> 2). You wanted me to be introduced to a Cambodian company who could
> represent us in the country and secure govt.
> business as they would know how
> to move in the govt. circles.
>
> Looking forward to hear from you soon.
>
> With regards,
>
> [REDACTED]
>
>

Figure 55: Email communication between CNM Director and VF Regional Director sharing bid evaluation and bid scorecards for VPP procurement, 18-20 May 2011



██████████
Subject: CAM-S10-G14-M (CNM) and CAM-607-G10-M (MoH) Cambodia Bid Opening Report, Evaluation, and Narrative

Dear CNM Team and MoH Team,

Hope you are both well.

As your orders were bid out together, we have evaluated the tender accordingly. Please note, in order to expedite the process, we require the signed estimated proformas. The signature of these proformas, will allow the Global Fund to expedite the disbursement to PSI. It is upon receipt of the funds that PSI will enter into contract with the suppliers. Rest assured that the cost savings from the estimated proforma will either be returned to the grants or applied towards future orders through VPP.

Attached please find the above mentioned documents for this order. There is separate evaluation for each size the PR requested.

If you have any questions please do not hesitate to contact us.

Cheers,

██████████

--

██████████
VPP Procurement Officer
Population Services International
1120 19th St. NW, STE 600
Washington DC, 20036
██████████

IFB: 0972-ITN-VPP-0035

Principal Recipient: [REDACTED]

Total Procurement: 2,690,000

Bid Opening Report Date: 9 May 2011

Evaluator: [REDACTED]

Option 1: 275,000 Hammocks & 2,421,000 rectangulars measuring 190Lx186Wx150H

Shipment 1: 785,500 rectangular LLNs & 275,000 Hammocks

SUPPLIER	Quantity	Date Supplier Plans to Begin Production	Supplier's Earliest Sampling Date	Total FOB Price	Total CIP Price
Clarke	785,500	18-May-11	28 days	\$3,134,149.00	\$3,212,695.00
	275,000	18-May-11	36 days	\$1,097,250.00	\$1,113,750.00
Vestergaard	785,500	1-Jun-11	30 days	\$2,754,748.50	\$2,804,235.00
	275,000	1-Jun-11	30 days	\$710,325.00	\$721,050.00
Yerkeel	785,500	1-Sep-11	27 days	\$2,709,975.00	\$2,804,235.00
	275,000	25-Jul-11	20 days	\$1,039,500.00	\$1,069,750.00
Sunilomo	785,500	25-Apr-11	20 days	\$2,827,800.00	\$2,953,480.00
	275,000	25-Apr-11	20 days	\$1,228,250.00	\$1,259,500.00
Bestmat	785,500	9-May-11	18 days	\$2,786,069.00	\$2,854,686.00
	275,000	9-May-11	18 days	\$740,060.00	\$761,658.00
BASF			No Bid		
Light Blue	275,000	15-May-11	29 days	\$959,750.00	\$979,000.00
Dark Green	275,000	15-May-11	29 days	\$1,014,750.00	\$1,034,000.00
Tana Netting			No Bid		
Net Health			No Bid		

Shipment 2: 785,500

SUPPLIER	Quantity	Date Supplier Plans to Begin Production	Supplier's Earliest Sampling Date	Total FOB Price	Total CIP Price
Clarke	785,500	24-Jun-11	38 days	\$3,134,145.00	\$3,212,695.00
Vestergaard	785,500	1-Jun-11	30 days	\$2,754,748.50	\$2,804,235.00
Yerkeel	785,500	25-Jul-11	27 days	\$2,709,975.00	\$2,804,235.00
Sunilomo	785,500	15-May-11	20 days	\$2,827,800.00	\$2,953,480.00
Bestmat	785,500	30-May-11	24 days	\$2,786,069.00	\$2,843,386.00
BASF-Light Blue	785,500	15-May-11	50 days	\$2,788,525.00	\$2,843,510.00
BASF-Dark Green	785,500	15-May-11	50 days	\$2,945,625.00	\$3,000,610.00
Tana Netting			No Bid		
Net Health			No Bid		

Shipment 3: 850,000

SUPPLIER	Quantity	Date Supplier Plans to Begin Production	Supplier's Earliest Sampling Date	Total FOB Price	Total CIP Price
Clarke	850,000	26-Jul-11	45 days	\$3,581,500.00	\$3,476,500.00
Vestergaard	850,000	1-Jun-11	30 days	\$2,580,950.00	\$3,034,500.00
Yerkeel	850,000	25-Jun-11	30 days	\$2,932,500.00	\$3,034,500.00
Sunilomo	850,000	4-Jun-11	20 days	\$3,080,000.00	\$3,186,000.00
Bestmat	850,000	30-Mar-11	24 days	\$3,013,760.00	\$3,088,823.00
BASF-Light Blue	850,000	1-Jul-11	55 days	\$3,017,500.00	\$3,077,000.00
BASF-Dark Green	850,000	1-Jul-11	55 days	\$3,187,500.00	\$3,247,000.00
Tana Netting			No Bid		
Net Health			No Bid		

Option 2: 275,000 Hammocks & 2,421,000 rectangulars measuring 190Lx180Wx180H

Shipment 1 785,500 rectangular LLRs & 275,000 Hammocks

SUPPLIER	Quantity	Date Supplier Plans to Begin Production	Supplier's Earliest Sampling Date	Total FOB Price	Total CIP Price
Clarke			No Bid		
Vestergaard	785,500	1-Jun-11	30 days	\$2,754,748.50	\$2,805,020.50
	275,000	1-Jun-11	30 days	\$710,325.00	\$721,050.00
Yorkool	785,500	1-Sep-11	27 days	\$3,024,175.00	\$3,118,435.00
	275,000	25-Jul-11	20 days	\$1,039,500.00	\$1,069,750.00
Sunilomo	785,500	25-Apr-11	20 days	\$3,063,450.00	\$3,189,130.00
	275,000	25-Apr-11	20 days	\$1,229,250.00	\$1,259,500.00
Bestnet	785,500	9-May-11	18 days	\$3,272,786.00	\$3,344,759.00
	275,000	9-May-11	18 days	\$752,538.00	\$773,235.00
BASF			No Bid		
Tana Netting			No Bid		
Net Health			No Bid		

Shipment 2: 785,500

SUPPLIER	Quantity	Date Supplier Plans to Begin Production	Supplier's Earliest Sampling Date	Total FOB Price	Total CIP Price
Clarke			No Bid		
Vestergaard	785,500	1-Jun-11	30 days	\$2,754,748.50	\$2,805,020.50
Yorkool	785,500	25-Jul-11	27 days	\$3,024,175.00	\$3,118,435.00
Sunilomo	785,500	15-May-11	20 days	\$3,063,450.00	\$3,189,130.00
Bestnet	785,500	30-May-11	24 days	\$3,272,786.00	\$3,333,459.00
BASF			No Bid		
Tana Netting			No Bid		
Net Health			No Bid		

Shipment 3: 850,000

SUPPLIER	Quantity	Date Supplier Plans to Begin Production	Supplier's Earliest Sampling Date	Total FOB Price	Total CIP Price
Clarke			No Bid		
Vestergaard	850,000	1-Jun-11	30 days	\$2,980,950.00	\$3,035,350.00
Yorkool	850,000	25-Jun-11	30 days	\$3,272,500.00	\$3,374,500.00
Sunilomo	850,000	4-Jun-11	20 days	\$3,315,000.00	\$3,451,000.00
Bestnet	850,000	30-May-11	24 days	\$3,541,525.00	\$3,619,138.00
BASF			No Bid		
Tana Netting			No Bid		
Net Health			No Bid		



Evaluation Narrative for IFB 0972-ITN-VPP-0035

PSI is pleased to share with you the bid opening report and evaluation for the above-mentioned IFB.

On April 4, 2011, PSI launched IFB 0972-ITN-VPP-0035 to supply 2,696,000 LLINs to Cambodia, with a closing date of April 25, 2011. All WHOPE Phase II recommended vendors with WHO published quality assurance methods were invited to participate.

On April 19th, a new delivery schedule was provided by the PSS team to PSI. Based on the new quantities per shipment as well as delivery time, Amendment 2 to the IFB was prepared. Amendment 2 was issued on April 27, 2011 the IFB was extended til May 6, 2011.

Bids were opened on May 9, 2011. Bids were received from 6 WHOPE Phase II recommended suppliers. HealthNet and Tana Netting did not bid. Although Bestnet, Clarke, and BASF submitted bids for the Cambodia order, they did not submit a bid securing declaration as required in the IFB, as such they were disqualified.

The IFB requested two options as well as 3 separate deliveries for Cambodia. Option 1 requested nets with the following dimensions: 190Lx180Wx150H for rectangular nets. Option 2 requested rectangular nets with the following dimensions: 190Lx180Wx180H. Under both options, Shipment one (785,500 rectangular nets and 275,000 hammocks) was required in country by July 2011, Shipment 2 of 785,500 in country by August 2011, and shipment 3 of 785,500 in country by October 2011.

For shipment one, price and sampling were dated 50/50, for shipment two price was weighted 60 percent and sampling 40 percent, for the last shipment price was weighted 70 percent and sampling date 30 percent.

For sampling date, one percent of the maximum score was deducted for each day of delay based on earliest sampling date. For price, the supplier had their scored reduced by one percent for every one percent increase from the lowest FOB price. After completing the evaluation, PSI would like to make the following recommendations for each option:

Option 1: 275,000 hammocks and 2,421,000 rectangular nets measuring 190Lx180Wx150H**For 1,060,500 LLINs required in country by July 2011**

Based on the evaluation criteria, Sumitomo obtained the highest points based on sampling date and price for rectangular LLINs. The total FOB cost is \$2,827,800.

Based on the evaluation criteria, Vestergaard obtained the highest points based on sampling date and price for hammock LLINs. The total FOB cost is \$710,325.

The total FOB cost for shipment one is \$3,538,125

For 785,500 LLINs required in country by August 2011

Based on the evaluation criteria, Sumitomo obtained the highest points based on sampling date and price for LLINs. The total FOB cost is \$2,827,800.00.

For 850,000 LLINs required in country by October 2011

Based on the evaluation criteria, Vestergaard obtained the highest points based on sampling date and price for LLINs. The total FOB cost is \$2,980,950.00.

Bringing the total FOB cost for the 2,696,000 LLINs to \$9,346,875.00.

Option 2: 275,000 hammocks and 2,421,000 rectangular nets measuring 190Lx180Wx180H

For 1,060,500 LLINs required in country by July 2011

Based on the evaluation criteria, Sumitomo obtained the highest points based on sampling date and price for rectangular LLINs. The total FOB cost is \$3,063,450.00

Based on the evaluation criteria, Vestergaard obtained the highest points based on sampling date and price for hammock LLINs. The total FOB cost is \$710,325.00

The total FOB cost for shipment 1 is \$3,773,775.

For 785,500 LLINs required in country by August 2011

Based on the evaluation criteria, Sumitomo obtained the highest points based on sampling date and price for LLINs. The total FOB cost is \$3,063,450.00.

For 850,000 LLINs required in country by October 2011

Based on the evaluation criteria, Vestergaard obtained the highest points based on sampling date and price for LLINs. The total FOB cost is \$2,980,950.00.

Bringing the total FOB cost for the 2,696,000 LLINs to \$9,818,175.00.

Award Recommendation

Based on the evaluation we recommend awarding under option 1, in order to provide the PR with a cost savings of \$471,300.

Attached you will find the bid opening report and evaluation.

Page 2 of 3

PSI will issue an RFQ for freight once the PR provides approval of recommendation, as well as the selected option.

Please do not hesitate to contact me with any questions or concerns.

Cheers,

██████

Figure 56: Email communication between CNM Director and VF Regional Director regarding VF's bid for VPP procurement, 20 May 2011

From: [REDACTED] [REDACTED]@cnm.gov.kh> on behalf of [REDACTED]
Sent: Friday, May 20, 2011 10:22 AM
To: [REDACTED]
Subject: RE: CAM-S10-G14-M (CNM) and CAM-607-G10-M (MoH) Cambodia Bid Opening Report, Evaluation, and Narrative

OK I will. [REDACTED]

-----Original Message-----

From: [REDACTED]
Date: 20-May-11 12:31:00 PM
To: [REDACTED]
Subject: RE: CAM-S10-G14-M (CNM) and CAM-607-G10-M (MoH) Cambodia Bid Opening Report, Evaluation, and Narrative

Pl say 10 days not important. If we go with lowest bid we save more and we get more value for money.



Figure 57: Email communication between CNM Director and VF Regional Director about VF's bid for Global Fund VPP and the sharing of confidential information, 16 August 2011

From: [REDACTED]@cnm.gov.kh> on behalf of [REDACTED]
Sent: Tuesday, August 16, 2011 3:28 AM
To: [REDACTED]
Subject: Fw: Cambodia: CAM-M-CNM / CAM-607-G10-M - 0975A/0975B-ITN-VPP-0035 Comprehensive Update August 15 2011
Attachments: Proforma 0975B-ITN-VPP-0035.pdf; Proforma for 320 000 LLINs 0975A-ITN-VPP-0035.pdf

[REDACTED]
 Please see in attached file the VPP email about the supply of LLIN. Your product have been purchased for LLIN and LLHN. So, this time Permanet will be widely use in Cambodia and Olyset will reduce the quantity in future. **DON'T SHARE THIS EMAIL TO OTHER PEOPLE.**

Best regards,
 [REDACTED]

-----Original Message-----

From: [REDACTED]
Date: 16-Aug-11 02:49:11
To: [REDACTED]
Cc: [REDACTED]
Subject: Cambodia: CAM-M-CNM / CAM-607-G10-M - 0975A/0975B-ITN-VPP-0035 Comprehensive Update August 15 2011

**Cambodia – CAM-607-G10-M / CAM-M-CNM
 0975A-ITN-VPP-0035 (CNM)
 0975B-ITN-VPP-0035 (MoH)**

Dear [REDACTED]

I would like to give you an update for the above-mentioned orders for Cambodia.

The contracts have been created and signed. Currently, we expect the following delivery schedules:

1. 785,500 LLINs are slated for inspection August 19, 2011
2. 785,500 LLINs are slated for inspection September 12, 2011
3. 530,000 LLINs are slated for inspection September 15, 2011
4. 275,000 Hammock LLINs are slated for inspection September 15, 2011
5. 320,000 LLINs are slated for inspection September 15, 2011

Please allow an additional three (3) weeks for testing and a further 20-30 days for CIP delivery to Phnom Penh.

Attached you will find the pro-forma invoices for each order. These reflect the final estimated costs based

upon the results of the IFB for LLINs and the RFP for freight forwarding services.

Please do not hesitate to contact me if you have any questions or concerns.

Regards,

[REDACTED]

—

[REDACTED]
Senior VPP Procurement & Logistics Officer
Population Services International (PSI)
1120 19th Street, NW
Washington, DC 20036
(202) [REDACTED] (Tel)
(202) [REDACTED] (Fax)
Email: [REDACTED]@[psi.org](mailto:[REDACTED]@psi.org)

Figure 58: Email communication between CNM Director and SCS Sales Manager about hotel and air ticket arrangement paid by VF for CNM Director and wife's trip to Singapore, 06 May 2010

From: [REDACTED]
[REDACTED]@cnm.gov.kh]
Sent: Thursday, May 06, 2010 5:27 PM
To: [REDACTED] (SCS)
Subject: [Spam] Visit Singapore

Dear [REDACTED],

I plan to visit Singapore from 13-15 May. I wish you do me a favor by appointment a doctor for my wife to check her goiter on 14 May. The Hotel and air ticket have been arranged by Veestergard. I will let you know when I know the name of hotel and the schedule of my visit. My wife happy to see you in Singapore.

Best wishes,

[REDACTED]

Figure 59: Email communication from NCHADS Senior Procurement Officer to Dynamic Pharma requesting a 15% commission payment, 4-11 March 2008

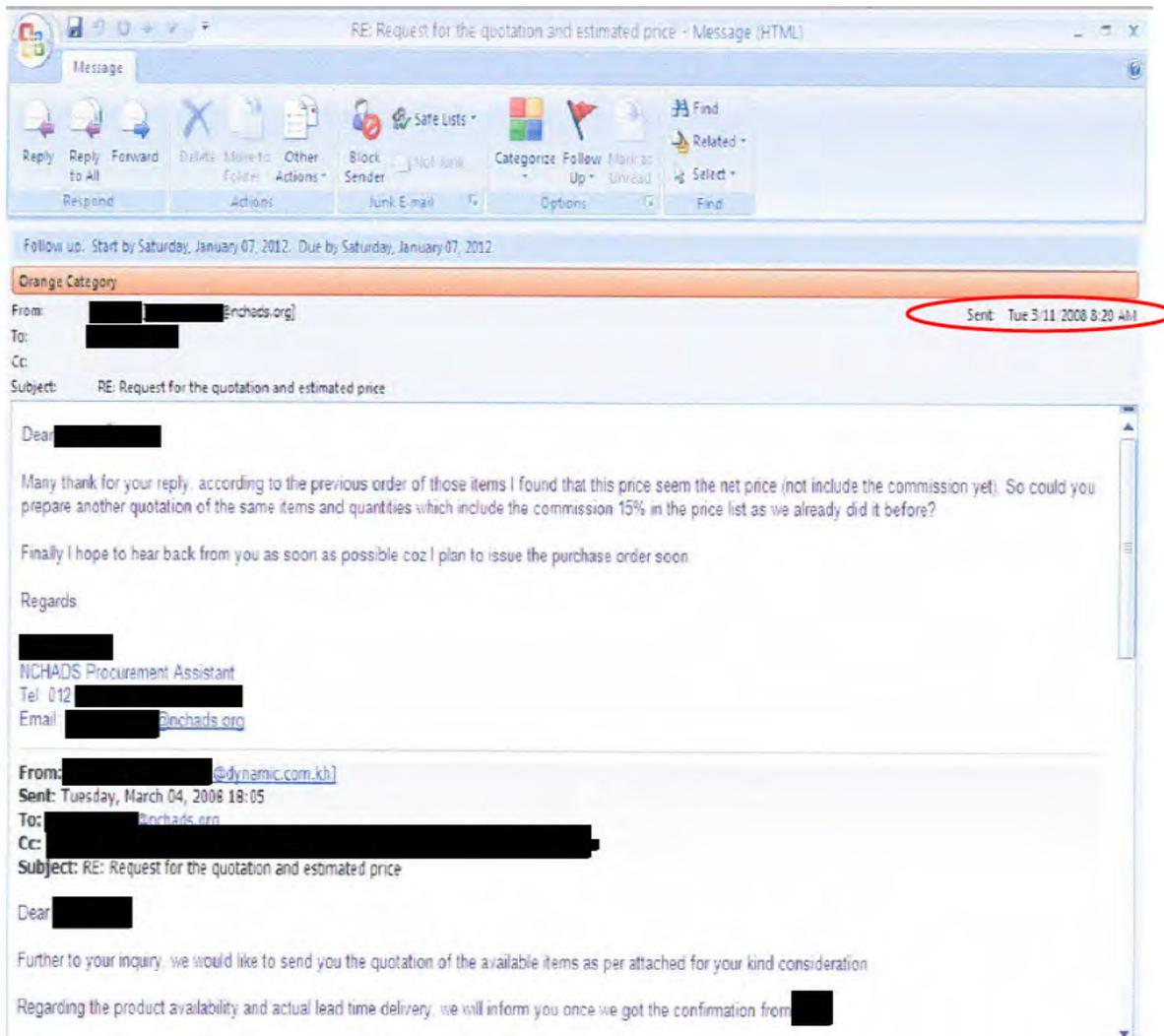


Figure 60: Email from NCHADS Senior Procurement Officer to Kuang Hsien Medical Instrument Co., Ltd requesting a 15% commission payment, 02 July 2009

From: [Redacted]@nchads.org]
Sent: 02 July 2009 9:56 AM
To: [Redacted]
Subject: Prepare the order
Attachments: Consumable for Q2 20099.xls

Dear [Redacted]

Please prepare the quotation of the items as in the attached list for [Redacted] and Bio Med for me. The date of quotation is 08 June 2009. Don't forget to add 15% into the total price.

Any questions please ask me immediately.

Regards,

[Redacted]
 NCHADS Procurement Officer
 Tel: 012 [Redacted]
 Email: [Redacted]

I 1 8 National Center for HIV/AIDS, Dermatology and STD
 "Cambodian Treatment Access Project"
 Technical Specifications and Price Schedule for Consumable for SHC Clinic I 1 8

No	Description	Technical Specification	Unit	Qty	Unit Price	Total Price	Expired Date	Manufacture	Country	Delivery Schedule
1	Cotton Wool	0.5 Kg/Roll	Roll	10						
2	Glove	Size M, 100pcs/Box	Box	50						
3	Needle Disp. For vacutainer	21G x 1 1/2"(0.8x38mm), 100pcs/Box	Box	80						
4	Surgical face mask	3 ply surgical disposable with ear loops, 100pcs/Box	Box	80						
5	Tube EDTA K3	100pcs/Box	Box	5						
6	Tube Gel Clot Activator	100pcs/Box	Box	2						
7	BM Lactate Test	25strips/Box	Box	2						
8	BM Lactate Control 1&2	2 bottle/Box	Box	2						
9	One touch ultrasoft lancet (lifescan)	10pcs/Box	Box	10						
10	One touch Bandelettes Reactive tesirip (lifescan)	25strips/Box	Box	2						
11	Pill counter	130x200mm	Pcs	2						
12	Infusion giving set		Pcs	100						
13	Urinalysis Reagent strips	100test/Box	Box	1						
				Total						

Note: All items must have expiry date of least 2 years

Figure 61: Email from NCHADS Senior Procurement Officer to Infotech Computer System's Agent requesting a back-dated quotation, 10-16 October 2006

From: [REDACTED]@nchads.org]
Sent: 16 October 2006 11:08 AM
To: [REDACTED]
Subject: RE: Final Quotation doc
Attachments: Acknowledge Receipt Slip.doc

Dear [REDACTED]

Please print the attached document out and take it to sign for DEAM and INFOTECH and NEEKA and put the date on 04-09-06

Thanks.

[REDACTED]
Procurement Assistant, NCHADS
Tel: [REDACTED]
Email: [REDACTED]@nchads.org

From: [REDACTED] [mailto:[REDACTED]@online.com.kh]
Sent: Tuesday, October 10, 2006 10:21
To: [REDACTED]
Subject: Final Quotation doc

[REDACTED]

I am sending u the final document for quotation u request.
please kindly check out and put the price in and send it back to me or u can call me
I need to complete this job for u by today.

thanks
[REDACTED]

Figure 62: Email from NCHADS Senior Procurement Officer to Kuang Hsien Medical Instrument Co., Ltd. requesting a back-dated quotation, 25 July-05 August 2008

From: [REDACTED] [REDACTED]@nchads.org]
Sent: 05 August 2008 8:08 AM
To: [REDACTED]
Subject: RE: Quotation,

Dear [REDACTED]

Regarding to the price in your quotation please revise it as the following

1. Urine cup	Unit price is 0.35\$ x 800 pcs	total 280\$
2. Glove non sterill sizeM	Unit price is 3.25\$ x 4 box	total 13\$
3. Mask size M	Unit price is 4\$ x 4 box	total 16\$
4. Cool box	Unit price is 90\$ x 1 pcs	total 90\$

Total 399\$

Please put the date for the Invoice and Delivery on 30 July 2008.

Regards,

[REDACTED]
 NCHADS Procurement Assistant
 Tel: 012 [REDACTED]
 Email: [REDACTED]@nchads.org

From: [REDACTED] [mailto:[REDACTED]@online.com.kh]
Sent: Friday, July 25, 2008 14:05
To: [REDACTED]
Subject: Quotation,

Hi [REDACTED]

Please find attached Quotation up to your request.

Thanks and regards,

[REDACTED]
 Kuang Hsien Med. Instr. Co., Ltd.
 Phnom Penh, Cambodia
 ID: 855 - [REDACTED]
 Fax: 855 - [REDACTED]
 HP: 855 - [REDACTED]

Figure 63: Email from NCHADS Senior Procurement Officer to BIOMED Phnom Penh requesting a back-dated quotation, 07 February 2007

From: [REDACTED] [REDACTED]@nchads.org]
Sent: 07 February 2007 1:11 PM
To: [REDACTED]@yahoo.com'
Subject: Request for Quotation
Attachments: Specification.xls; Acknowledge Receipt Slip.doc

Dear [REDACTED]

As in the attached Specification, Could you prepare the quotation of those items for me within this week? After you finished you can drop it at BIOMED then I will go and get it.

Oh please put the date in the quotation on 23-01-07.
And the date in Receipt Slip is on 17-01-07.

Thanks.

[REDACTED]
Procurement Assistant, NCHADS

Tel: [REDACTED]

Email: [REDACTED]@nchads.org

Figure 64: Email from NCHADS Senior Procurement Officer to BIOMED Phnom Penh requesting an invoice and back-dated quotation, 28 July 2006

From: [REDACTED]@nchads.org]
Sent: 28 July 2006 9:46 AM
To: [REDACTED]@yahoo.com
Subject: Ask for help

Dear [REDACTED]

I need your help as mentioned in the following:

1. I need your Invoice for buying Serodia HIV 1/2 for 1 kit at 385\$ per kit. Please put the date on 17/07/06.
2. I need you to write the response letter to the Request for Quotation of Serodia HIV 1/2 Dated on **19 July 2006 No 063/06 NCHADS**- [REDACTED] said that Because Serodia are not available right now. On behalf of BIOMED Company I would like to thank for invite us to submit the quotation.

Thanks big big.

[REDACTED]
Procurement Assistant, NCHADS
Tel: [REDACTED]
Email: [REDACTED]@nchads.org

Figure 65: Email from NCHADS Senior Procurement Officer to BIOMED Phnom Penh providing pricing information and other bidders' prices, 01 December 2006



National Center for HIV/AIDS, Dermatology and STD
 "Strengthening Cambodia's Response to HIV/AIDS" Support
 Evaluation Sheet of Determine HIV 1/2 Rapid Test

No	Description	Technical Specification	Unit	Qty	MIG Group Co.,Ltd			BIOMED Phnom Penh			Diethm Keller Co.,Ltd		
					Tech. Spec. Resp.	Unit Price	Total Price	Tech. Spec. Resp.	Unit Price	Total Price	Tech. Spec. Resp.	Unit Price	Total Price
1	Determine HIV 1/2 rapid tests	-100 tests/kit	Kit	170	Yes	\$ 138.00	\$ 23,460.00	Yes	\$ 135.00	\$ 22,850.00	Yes	\$ 130.00	\$ 22,100.00
Total							\$ 23,460.00			\$ 22,850.00			\$ 22,100.00

Seen and Approved

Phnom Penh, November 24, 2006
 Prepared by

[redacted]
 Director, NCHADS

[redacted]
 Procurement Assistant

* Note please put the date of your quotation on 22 November 2006

National Center for HIV/AIDS, Dermatology and STD
 "Strengthening Cambodia's Response to HIV/AIDS" Support
 Technical Specification and Price Schedule of Determine HIV 1/2 Rapid test

No	Item	Unit	Quantity	Unit Price (US\$)	Manufac	Country of Origin	Expired Date	Delivery Schedule
1	Determine HIV 1/2 rapid tests	- 100 tests/kit	170		Abbott	Japan	At least 8 months	2 Times
Total								

National Center for HIV/AIDS, Dermatology and STD
 "Strengthening Cambodia's Response to HIV/AIDS" Support
 Evaluation Sheet of Determine HIV 1/2 Rapid Test

2 / 25

No	Description	Technical Specifications	Unit	Qty	Kuang Hean			NIG Group			BIONEK Phnom Penh			Diethelm Keller Co., Ltd		
					Tech. Spec. Resp.	Unit Price	Total Price	Tech. Spec. Resp.	Unit Price	Total Price	Tech. Spec. Resp.	Unit Price	Total Price	Tech. Spec. Resp.	Unit Price	Total Price
					1	Determine HIV 1/2 rapid tests	- 100 tests/kit	Kit	160	Yes	\$ 145.00	\$ 23,200.00	Yes	\$ 140.00	\$ 22,400.00	Yes
Total							\$ 23,200.00			\$ 22,400.00			\$ 21,600.00			\$ 20,800.00

Seen and Approved

Endorsed by

Phnom Penh, October 20, 2008

Prepared by

[Redacted]
 Director, NCHADS

[Redacted]
 Deputy Director

[Redacted]
 Procurement Assistant

* Please put the Date of your approval on 18 October 2008

Figure 66: Email communication between NCHADS Senior Procurement Officer and MIG Group providing pricing information and other bidders' prices, 04 December 2006

From: [redacted] [mailto:[redacted]@nchads.org]
Sent: 04 December 2006 4:01 PM
To: [redacted]
Subject: RE: check it out

Dear [redacted]

Thanks u in advance.

[redacted]
Procurement Assistant, NCHADS
Tel: [redacted]
Email: [redacted]@nchads.org

From: [redacted] [mailto:[redacted]@online.com.kh]
Sent: Monday, December 04, 2006 11:42
To: [redacted]
Subject: Re: check it out

Hi [redacted]

I do it for you already, I keep one envelop under your door, so pls check it.

Thanks

[redacted]

----- Original Message -----
From: [redacted]
To: [redacted]
Sent: Monday, December 04, 2006 9:44 AM
Subject: RE: check it out

Hi [redacted]

I need ur help to quote some items in the attached document, I also put the date and price of ur quotation in it as well so please quote it to me this afternoon.

Thanks,

[redacted]
Procurement Assistant, NCHADS
Tel: [redacted]
Email: [redacted]@nchads.org

From: [redacted] [mailto:[redacted]@online.com.kh]
Sent: Wednesday, October 18, 2006 18:18
To: [redacted]
Subject: Re: check it out

Dear [redacted]

Pls check quotation on attachment.

Thanks

[redacted]

----- Original Message -----
From: [redacted]

To: [redacted]@online.com.kh
 Sent: Wednesday, October 18, 2006 4:06 PM
 Subject: check it out

Dear [redacted]

Please check the following specification of this product:

- 1. 20-200 ul aerosol barrier tips (RNase free) 1 Case (1case = 10 boxes of 96)
- 2. 200-1000 ul aerosol barrier tips (RNase free) 1 Case (1case = 10 boxes of 96)
- 3. 0.1-20ul aerosol barrier tips (RNase free) 1 Case (1case = 5 boxes of 96)
- 4. Pipette (0.2-10ul) 1 Piece

Please let me know the availability of those items by today.

Thanks,

[redacted]
 Procurement Assistant, NCHADS
 Tel: [redacted]
 Email: [redacted]@nchads.org

National Center for HIV/AIDS, Dermatology and STD
 "Strengthening Cambodia's Response to HIV/AIDS" Support
 Evaluation Sheet of Determine HIV 1/2 Rapid Test

No	Description	Technical Specifications	Unit	Qty	Kuang Hien			WIG Group			BIOMED Phnom Penh			Diethelm Keller Co., Ltd		
					Tech. Spec. Resp.	Unit Price	Total Price	Tech. Spec. Resp.	Unit Price	Total Price	Tech. Spec. Resp.	Unit Price	Total Price	Tech. Spec. Resp.	Unit Price	Total Price
1	Determine HIV 1/2 rapid tests	- 100 tests/kit	Kit	160	Yes	\$ 145.00	\$ 23,200.00	Yes	\$ 140.00	\$ 22,400.00	Yes	\$ 155.00	\$ 21,600.00	Yes	\$ 130.00	\$ 20,800.00
Total							\$ 23,200.00			\$ 22,400.00			\$ 21,600.00			\$ 20,800.00

Seen and Approved

Entered by

Phnom Penh, October 26, 2006
 Prepared by

[redacted]
 Director, NCHADS

[redacted]
 Deputy Director

[redacted]
 Procurement Assistant

* Please put the Date of your quotation on 18 October 2006

National Center for HIV/AIDS, Dermatology and STD
 "Strengthening Cambodia's Response to HIV/AIDS" Support
 Evaluation Sheet of Determine HIV 1/2 Rapid Test

No	Description	Technical Specification	Unit	Qty	Great Pharma Co.,Ltd		MVG Group Co.,Ltd		BIOMED Phnom Penh		Dietrich Keller Co.,Ltd					
					Tech. Spec. Resp.	Unit Price	Total Price	Tech. Spec. Resp.	Unit Price	Total Price	Tech. Spec. Resp.	Unit Price	Total Price	Tech. Spec. Resp.	Unit Price	Total Price
1	Determine HIV 1/2 rapid tests	- 100 tests/kit	Kit	170	Yes	\$ 140.00	\$ 23,800.00	Yes	\$ 136.00	\$ 23,120.00	Yes	\$ 135.00	\$ 22,950.00	Yes	\$ 130.00	\$ 22,100.00
Total							\$ 23,800.00		\$ 23,120.00		\$ 22,950.00					\$ 22,100.00

Seen and Approved

Entered by

Phnom Penh, November 24, 2008
 Prepared by

Director, NCADS

Deputy Director

Procurement Assistant

* Note please put the date of your quotation on 21 November 2008

Figure 67: Email from NCHADS Senior Procurement Officer to Dynamic Pharma representative requesting price increase and back-dated quotation, 21 January 2011

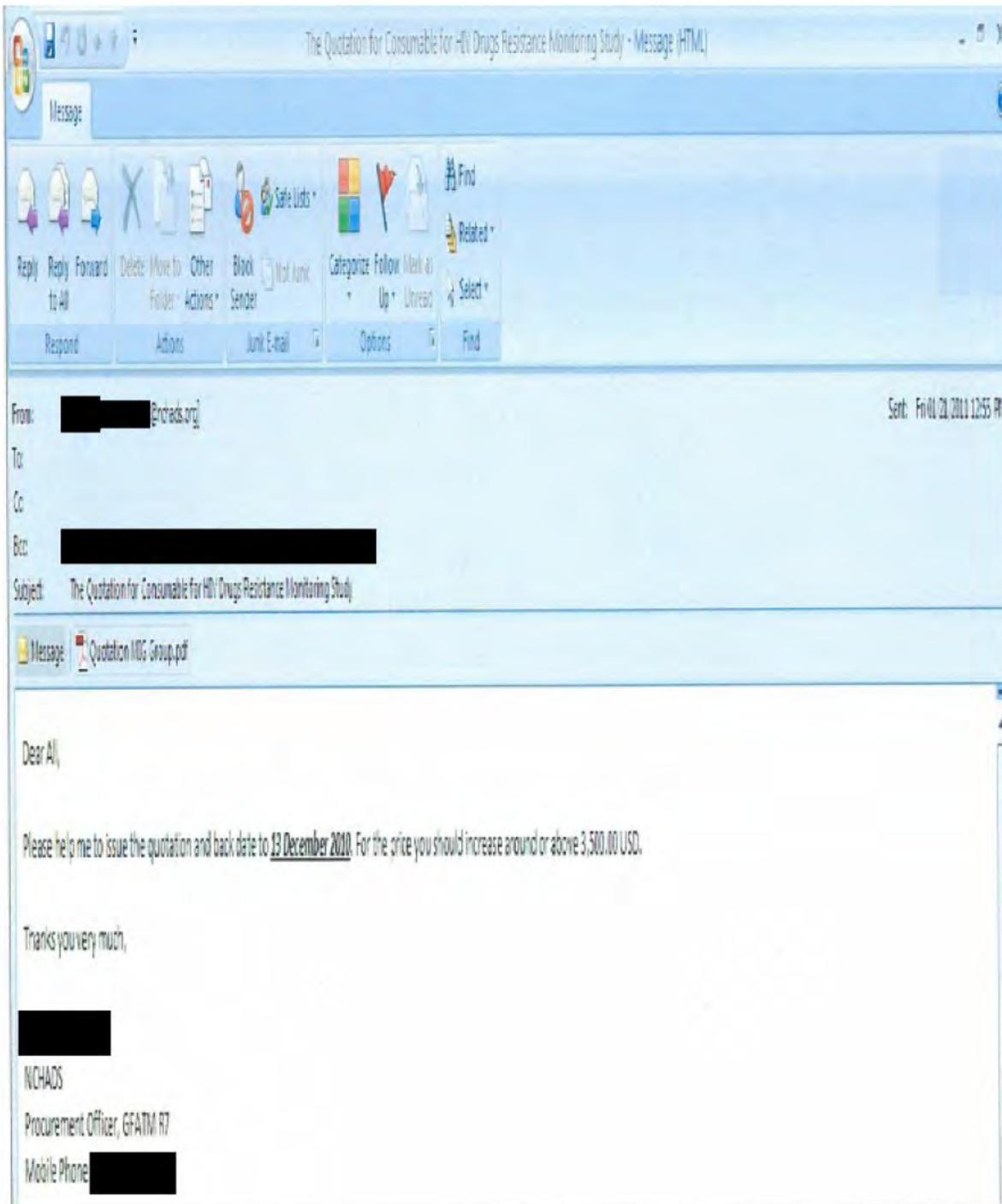


Figure 68: Email communication between NCHADS Senior Procurement Officer and International Elevator Co., Ltd. requesting back-dated quotation, 29 December 2010

From: [REDACTED]@nchads.org]
Sent: 29 December 2010 4:08 PM
To: [REDACTED]
Subject: RE: Reject to offer Quotation

Dear [REDACTED],

With reference to the phone call today, I would like to inform you that you should put the date of your quotation on 07 December 2010. The total value for the quotation should be 2,400.00 USD for the whole set.

Please let me know if you need further detail.

Best regards,

[REDACTED]
 NCHADS
 Procurement Officer, GFATM R7
 Mobile Phone: [REDACTED]

From: [REDACTED] [mailto:[REDACTED]@yahoo.com]
Sent: Thursday, December 02, 2010 13:58
To: [REDACTED]@nchads.org
Subject: Reject to offer Quotation

Dear [REDACTED],

First of all I want to say thank you very much for your request for Quotation of installation ARD Canto Resure Device for your elevator from my company International Elevator co., Ltd.

I am sorry to say that we can not offer the service, because we don't have enough time for bid. your officer informed us yesterday and we need to study very carefully to the job and the due date on the 7 December 2010, so we don't have time.

International Elevator Co., Ltd. is looking forward to cooperation with you in the future.

Best Regards and Good Luck,

[REDACTED] (GM)

INTERNATIONAL ELEVATOR Co., Ltd.
 Add: #26, St. 281, Sangkat Beoung Kok I,
 Khan Toul Kok, Phnom Penh, Kingdom of Cambodia
 Phone: (855) [REDACTED]
 Cell Phone: (855) [REDACTED]
 (855) [REDACTED]

E-mail: international.elevator@yahoo.com
[\[REDACTED\]@yahoo.com](mailto:[REDACTED]@yahoo.com)

10 years experiences in elevator installation and maintenance in Cambodia

Figure 70: Two versions of employment contract for Staff Member A for different staff positions, dated 2 February 2009

Staff Member A Contract found in MEDICAM accounting records

Staff Member A Contract provided to OIG by Donor B



 THE MEMBERSHIP ORGANIZATION FOR HUMANITY IN CAMBODIA'S HEALTH SECTOR

MEDICAM EMPLOYMENT CONTRACT

Medicam is pleased to offer [redacted] for the position of **Advocacy Coordinator**. The contract for this position shall take into effect from 2nd February 2009 until 31st January 2010, with initially 3-month probation period, and under the following terms and conditions:

- Your salary will be a flat rate of US \$ 800 (Eight hundred US dollars only) per month. This amount is inclusive of the benefit of 10% provident fund and 13th month salary.
- Further extension of your contract will firstly depends on the availability of the fund to continue to operate MEDICAM, and secondly of Medicam satisfaction regarding your work as described in the attached Job description.
- Your working hours will be Monday to Friday, 8:00 am -12:00am, 1:30 pm -5: 00 pm. In addition it will occasionally be necessary to work beyond normal office hours, so that you can reach your job's objectives described in your job description.
- For the present contract you are entitled to Medicam employees' benefits as described in Medicam staff policy, except 13th month benefit & provident fund which are already included in your monthly salary.
- Your responsibilities are stipulated in the attached Job description. This position will report to the Program Manager on Advocacy and to MECD Manager on Capacity Building Training.
- Either party may terminate the present contract at any time, by four-week written notice.
- You will be bound by the terms and conditions of MEDICAM as listed above.

Signature of both parties signifies agreement on the above conditions.

Employee: [redacted] Date: 2/02/2009
 For MEDICAM: [redacted] Date: 2/02/2009

ផ្ទះលេខ ៤ ផ្លូវលេខ ៥៧ សង្កាត់ ឃ្លាង ភ្នំពេញ កម្ពុជា
 House N° 4, Street 57, Sangkat Chhlong Kbal, 1, Khan Tonl Kbal, Phnom Penh - Cambodia. ☎ 855-23-880 291, Fax: 855-23-880 292
 E-mail: info@medicam-cambodia.org, Website: www.medicam-cambodia.org



 THE MEMBERSHIP ORGANIZATION FOR HUMANITY IN CAMBODIA'S HEALTH SECTOR

MEDICAM EMPLOYMENT CONTRACT

Medicam is pleased to offer [redacted] for the position of **Training Assistant**. The contract for this position shall take into effect from 2nd February 2009 until 31st January 2010, under the following terms and conditions:

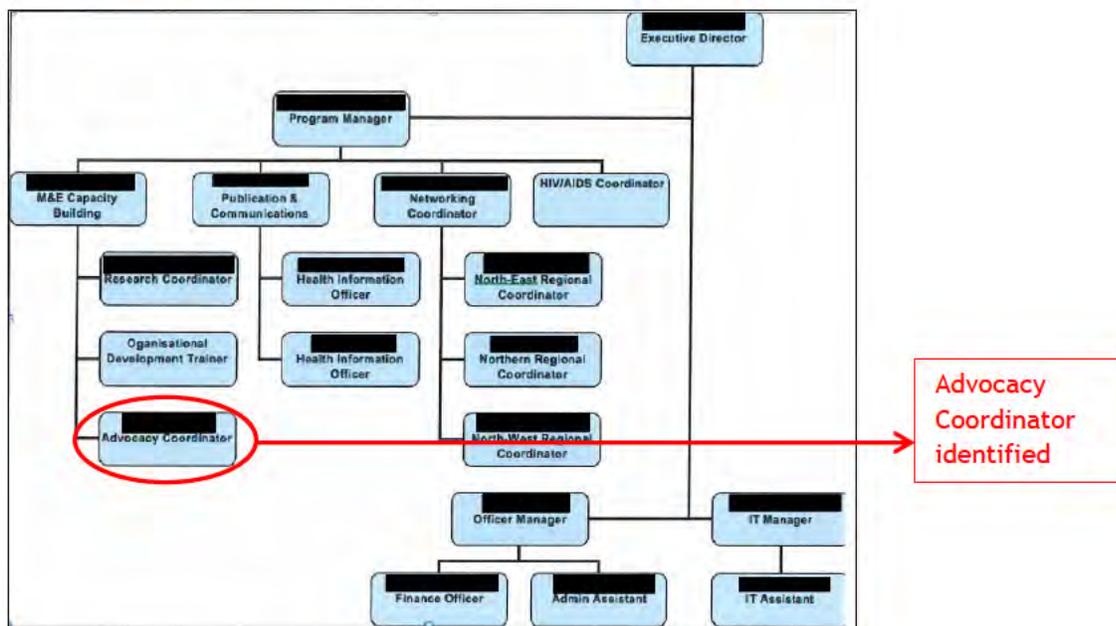
- Your salary will be a flat rate of US \$ 800 (Eight hundred US dollars only) per month. This amount is inclusive of the benefit of 10% provident fund and 13th month salary.
- Further extension of your contract will firstly depends on the availability of the fund to continue to operate MEDICAM, and secondly of Medicam satisfaction regarding your work as described in the attached Job description.
- Your working hours will be Monday to Friday, 8:00 am -12:00am, 1:30 pm -5: 00 pm. In addition it will occasionally be necessary to work beyond normal office hours, so that you can reach your job's objectives described in your job description.
- For the present contract you are entitled to Medicam employees' benefits as described in Medicam staff policy, except 13th month benefit & provident fund which are already included at your monthly salary.
- Your responsibilities are stipulated in the attached Job description. This position will report to the Program Manager on Advocacy and to MECD Manager on Capacity Building Training.
- Either party may terminate the present contract at any time, by four-week written notice.
- You will be bound by the terms and conditions of MEDICAM as listed above.

Signature of both parties signifies agreement on the above conditions.

Employee: [redacted] Date: 2/02/2009
 For MEDICAM: [redacted] Date: 2/02/2009

ផ្ទះលេខ ៤ ផ្លូវលេខ ៥៧ សង្កាត់ ឃ្លាង ភ្នំពេញ កម្ពុជា
 House N° 4, Street 57, Sangkat Chhlong Kbal, 1, Khan Tonl Kbal, Phnom Penh - Cambodia. ☎ 855-23-880 291, Fax: 855-23-880 292
 E-mail: info@medicam-cambodia.org, Website: www.medicam-cambodia.org

Figure 71: MEDiCAM Organizational Chart as of August 2009¹⁷



¹⁷ "MEDiCAM organizational chart – Aug09.doc" attached to email from [redacted] to MEDiCAM and [redacted], 14 August 2009.

Figure 72: Two versions of employment contract for Staff Member B for different staff positions, dated 1 October 2008 and 1 September 2008, respectively

MEDICAM EMPLOYMENT CONTRACT

Based on the great achievements for the past 6 months with MEDiCAM and bigger burden of responsibilities, MEDiCAM is pleased to offer you a revised contract to reflect your salary increase. With that increase, [redacted] will bear more responsibilities as stipulated in a revised job description. This offer you will take into effect from 1st September 2008 to 31st December 2009 in the position as an Advocacy Coordinator and under the following term and conditions:

- Your salary will be US\$900 (Nine hundred US Dollars only) per month at the end of the month. This amount will be adjusted based on the performance appraisal, which will be on an annual basis.
- Further extension of your contract will firstly depends on the availability of funding, and secondly of MEDiCAM satisfaction regarding your work performance.
- Your working hours will be Monday to Friday, 8:00 am - 12:00am, 1:30 pm -5: 00 pm. In addition it will occasionally be necessary to work on Saturday morning or after normal office hours, so that you can reach your job's objectives described in your job description which is attached herewith.
- For the present contract, you are entitled to Medicam employees benefits as described in Medicam staff policy.
- Your responsibilities are stipulated in the attached Job description. This position will report to the Executive Director of MEDiCAM.
- Either party may terminate the present contract at any time, by four-week advance written notice.
- You will be bound by the terms and conditions of MEDiCAM as listed above, and as a staff of MEDiCAM, you are also required to abide by the staff policy of MEDiCAM as written in the personnel policy.

Signature of both parties signified agreement on the above conditions.

Employee: [redacted signature]
Date: 1st October 2008

For MEDiCAM: [redacted signature]
Date: 1st October 2008

ព្រះរាជាណាចក្រកម្ពុជា ជាមួយការអនុម័តរបស់អង្គការសហប្រជាជាតិ ក្នុងការបង្កើតអង្គការសម្រាប់ស្ថាប័នមិនមែនរដ្ឋាភិបាលកម្ពុជា
THE MEMBERSHIP ORGANISATION FOR NGOs ACTIVE IN THE HEALTH SECTOR IN CAMBODIA

MEDiCAM EMPLOYMENT CONTRACT

Based on the great achievements for the past 6 months with MEDiCAM and bigger burden of responsibilities, MEDiCAM is pleased to upgrade [redacted] to the position of Health Information Sharing Manager.

MEDiCAM, therefore, offers you this position effective 1st September 2008 to 31 August 2009 under the following term and conditions:

- Your salary will be US\$900 (Nine hundred US Dollars only) per month at the end of the month. This amount will be adjusted based on the performance appraisal, which will be on an annual basis.
- Further extension of your contract will firstly depends on the availability of funding, and secondly of MEDiCAM satisfaction regarding your work performance.
- Your working hours will be Monday to Friday, 8:00 am - 12:00am, 1:30 pm -5: 00 pm. In addition it will occasionally be necessary to work on Saturday morning or after normal office hours, so that you can reach your job's objectives described in your job description which is attached herewith.
- For the present contract, you are entitled to Medicam employees benefits as described in Medicam staff policy.
- Your responsibilities are stipulated in the attached Job description. This position will report to the Executive Director of MEDiCAM.
- Either party may terminate the present contract at any time, by four-week advance written notice.
- You will be bound by the terms and conditions of MEDiCAM as listed above, and as a staff of MEDiCAM, you are also required to abide by the staff policy of MEDiCAM as written in the personnel policy.

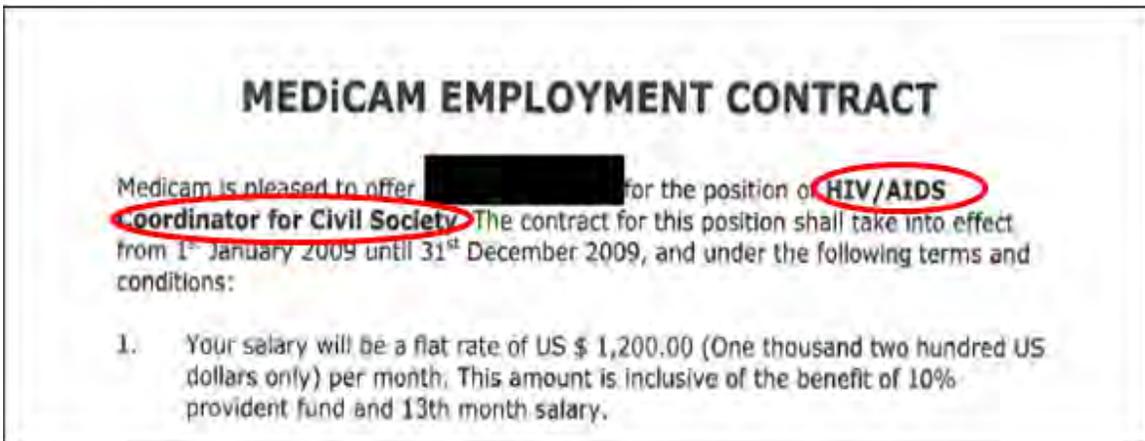
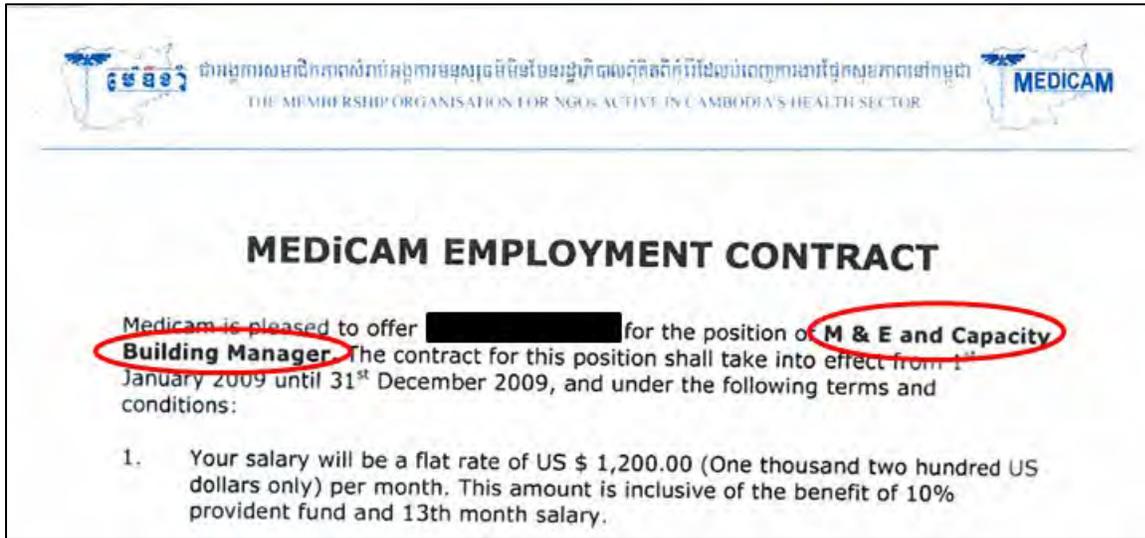
Signature of both parties signified agreement on the above conditions.

Employee: [redacted signature]
Date: 1st September 08

For MEDiCAM: [redacted signature]
Date: 1st September 08

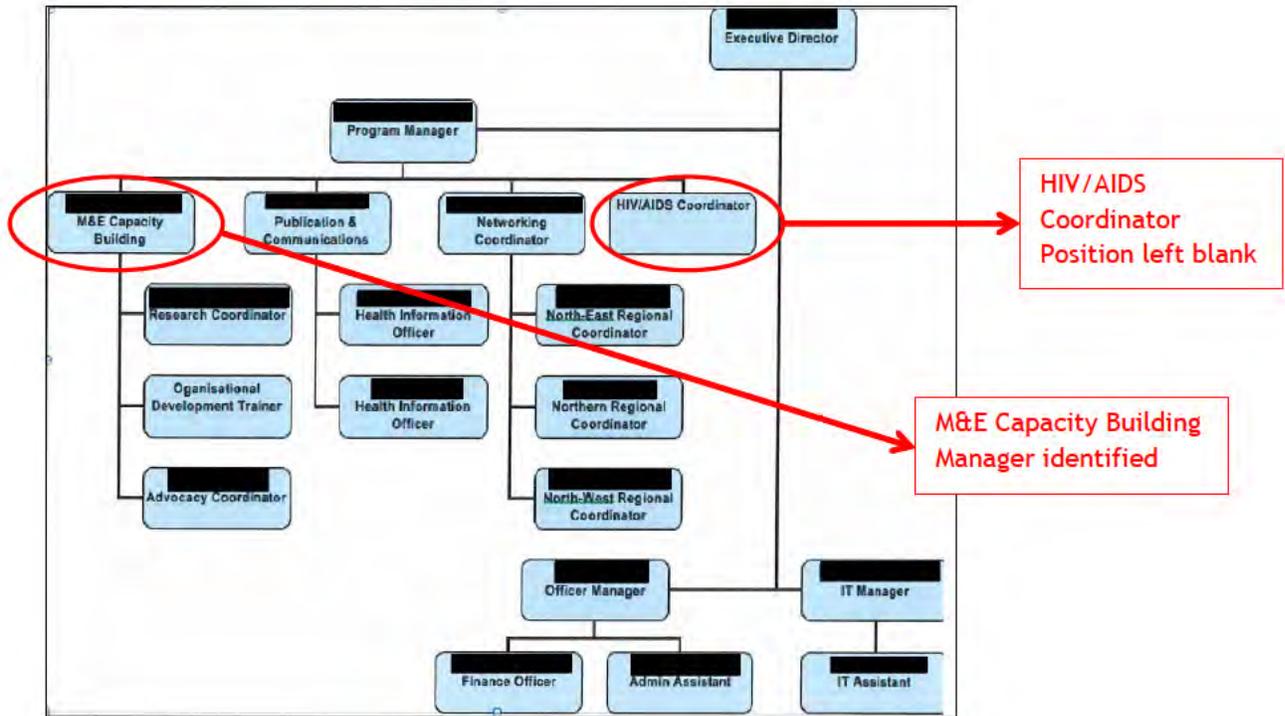
ព្រះរាជាណាចក្រកម្ពុជា ជាមួយការអនុម័តរបស់អង្គការសហប្រជាជាតិ ក្នុងការបង្កើតអង្គការសម្រាប់ស្ថាប័នមិនមែនរដ្ឋាភិបាលកម្ពុជា
THE MEMBERSHIP ORGANISATION FOR NGOs ACTIVE IN CAMBODIA'S HEALTH SECTOR

Figure 74: Two different employment contracts for same employee during same time period (1 January 2009)¹⁸



¹⁸ Two Microsoft Word documents found on MEDiCAM officials' computer. [full path names: OIG00120_S02\OIG00120_S02\Medicam\Office & Personnel\Personnel\Contracts\MECB Manager ([Staff Member C] GFR7).doc; OIG00120_S02\OIG00120_S02\Medicam\Office & Personnel\Personnel\Contracts\MECB Manager (Staff Member C).doc]

Figure 75: MEDiCAM Organizational Chart as of August 2009¹⁹



¹⁹ "MEDiCAM organizational chart – Aug09.doc" attached to email from [redacted] to MEDiCAM and [redacted], 14 August 2009.

ANNEX 2: OIG Response to CNM’s Comments on Cambodia Investigation Report

	CNM comments and/or suggestions for amendment (08 October 2012)	OIG Response																																																		
1	<p>a. The current CNM Director was legally nominated by the Royal Government of Cambodia as Director of CNM on 11 May 2011, and officially took office on 06 May 2011, replacing the former CNM Director who left on retirement on 01 May 2011. The Global Fund Secretariat was officially notified by the Ministry of Health on 11 May 2011.</p> <p>b. Prior to 06 May 2011, the current CNM Director did not work at CNM and never had any close personal relationship with the former CNM Director. After the 06 May 2011, the former CNM Director did not have any influence on CNM as CNM never engaged him for any services after he retired and never shared information on the procurement processes.</p>	<p>a. Accepted</p> <p>b. The OIG learned that post-“retirement”, the former CNM Director continued to use a CNM email account, continued to maintain his physical office, and received confidential bidding information via email from VPP agent PSI related to contracts for bednets. OIG maintains these actions demonstrate a clear connection between the then-former CNM Director and CNM’s ongoing business activities, which CNM as an institution tolerated.</p>																																																		
2	<p>Any communication between the suppliers including SCS, VF, VPP, and PSI with the former CNM Director after 1 May 2011 cannot be considered as CNM’s communication.</p>	<p>The OIG refers to its response in line 1. Moreover, the investigation uncovered that other CNM employees were copied on emails sent to the former CNM Director; therefore, CNM had the opportunity to know its former Director was still being provided with sensitive and confidential procurement information.</p>																																																		
3	<p>The OIG investigation of CNM and/or OIG disclosure of information related to agreements between CNM and other signatory parties other than the Global Fund and/or the PR-MoH is considered as an act of violation of CNM sovereignty.</p> <p>Table D: List of Agreement that CNM has legal obligation with the GFATM</p> <table border="1" data-bbox="170 930 864 1153"> <thead> <tr> <th>Type of agreement</th> <th>Round/Phase</th> <th>Grant Number</th> <th>Signatory party</th> <th>CNM Position the Agreement</th> </tr> </thead> <tbody> <tr> <td>MoA^a</td> <td>Round2/P1</td> <td>CAM-202-G03-M-00-CNM1</td> <td>PR-MOH & CNM</td> <td>Sub-recipient</td> </tr> <tr> <td>MoA^a</td> <td>Round2/P2</td> <td>CAM-202-G03-M-00-CNM1</td> <td>PR-MOH & CNM</td> <td>Sub-recipient</td> </tr> <tr> <td>MoA^a</td> <td>Round4/ Phase 1</td> <td>CAM-405-G06-M-CNM2</td> <td>PR-MOH & CNM</td> <td>Sub-recipient</td> </tr> <tr> <td>MoA^a</td> <td>Round 4/Phase 2</td> <td>CAM-405-G06-M-CNM2</td> <td>PR-MOH & CNM</td> <td>Sub-recipient</td> </tr> <tr> <td>MoA^a</td> <td>Round6/Phase 1</td> <td>CAM-607-G10-M-CNM3</td> <td>PR-MOH & CNM</td> <td>Sub-recipient</td> </tr> <tr> <td>MoA^a</td> <td>Round6/Phase 2</td> <td>CAM-607-G10-M-CNM3</td> <td>PR-MOH & CNM</td> <td>Sub-recipient</td> </tr> <tr> <td>ARGA^b</td> <td>RCC^d</td> <td>CAM-202-G13-M</td> <td>GFATM & CNM</td> <td>Principal Recipient</td> </tr> <tr> <td>PGA-SSF^c</td> <td>SSF/ Phase 1</td> <td>CAM-S10-G14-M^e</td> <td>GFATM & CNM</td> <td>Principal Recipient</td> </tr> <tr> <td>PGA-SSF^c</td> <td>SSF/ Phase 2</td> <td>CAM-M-UNOPS</td> <td>GFATM & CNM</td> <td>Principal Recipient</td> </tr> </tbody> </table> <p>a : MoA refers to Memorandum of Agreement b : ARGA refers to Amended and Restated Grant Agreement d : PGA-SSF refers to PROGRAM GRANT AGREEMENT FOR SINGLE STREAM OF FUNDING c : PGA-SSF refers to PROGRAM GRANT AGREEMENT FOR SINGLE STREAM OF FUNDING d :RCC refers to Rolling Continuation Channel, which was consolidated into Round 9 called SSF grant. e : The grant number CAM-S10-G14-M was changed to CAM-M-CNM f : KoC means Kingdom of Cambodia</p> <p>The draft OIG report has gone outside the boundaries of the PGAs and MoAs. CNM strongly suggests that the investigation should stay within the relevant PGAs and MoAs.</p> <p>Moreover, CNM has no any legal obligation with the MoA between the PR-MOH and recipients other than CNM such as the PSI in Cambodia.</p>	Type of agreement	Round/Phase	Grant Number	Signatory party	CNM Position the Agreement	MoA ^a	Round2/P1	CAM-202-G03-M-00-CNM1	PR-MOH & CNM	Sub-recipient	MoA ^a	Round2/P2	CAM-202-G03-M-00-CNM1	PR-MOH & CNM	Sub-recipient	MoA ^a	Round4/ Phase 1	CAM-405-G06-M-CNM2	PR-MOH & CNM	Sub-recipient	MoA ^a	Round 4/Phase 2	CAM-405-G06-M-CNM2	PR-MOH & CNM	Sub-recipient	MoA ^a	Round6/Phase 1	CAM-607-G10-M-CNM3	PR-MOH & CNM	Sub-recipient	MoA ^a	Round6/Phase 2	CAM-607-G10-M-CNM3	PR-MOH & CNM	Sub-recipient	ARGA ^b	RCC ^d	CAM-202-G13-M	GFATM & CNM	Principal Recipient	PGA-SSF ^c	SSF/ Phase 1	CAM-S10-G14-M ^e	GFATM & CNM	Principal Recipient	PGA-SSF ^c	SSF/ Phase 2	CAM-M-UNOPS	GFATM & CNM	Principal Recipient	<p>OIG was careful to include only Global Fund-financed contracts in its analysis of the corrupt scheme to obtain contracts by paying commissions to CNM officials. With respect to contracts between MoH and other SRs in Cambodia (i.e. PSI) who received bednet products, this information is relevant and included in the report because CNM’s Director received improper commissions in connection with those contracts.</p>
Type of agreement	Round/Phase	Grant Number	Signatory party	CNM Position the Agreement																																																
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4	<p>TABLE A (Corrected): CNM disclaims responsibility on alleged commission payments related 5 contracts</p> <table border="1"> <thead> <tr> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> <th>6</th> <th>7</th> <th>8</th> <th>9</th> <th>10</th> <th>11</th> <th>12</th> </tr> <tr> <th>N.O.</th> <th>Funded by GFATM?</th> <th>PR</th> <th>Sub-Recipient</th> <th>Procurement agent</th> <th>Contract/PO No.*</th> <th>Contract/ PO Date*</th> <th>Invoice Date*</th> <th>Invoice No.*</th> <th>Value of contract*</th> <th>Supplier*</th> <th>OIG Ref.</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>GFATM</td> <td>PR-MOH</td> <td>CNM</td> <td>None</td> <td>CNM</td> <td>SUP/06/05689/1</td> <td></td> <td>8-Jun-06</td> <td>4316</td> <td>\$706,560</td> <td>SCS</td> <td>Fig. 28</td> </tr> <tr> <td>2</td> <td>Unknown</td> <td>Non-CNM</td> <td>non-CNM</td> <td>non-CNM</td> <td>#0002-04-06 (Contract 100,000, split in two parts Family size Net 70,000 and Hammock Net 30,000)</td> <td>19-Jul-06</td> <td>1-Sep-06</td> <td>SI0207</td> <td>\$438,503</td> <td>VF</td> <td>Fig. 48</td> </tr> <tr> <td>3</td> <td>Unknown</td> <td>Non-CNM</td> <td>non-CNM</td> <td>non-CNM</td> <td></td> <td></td> <td>29-Sep-06</td> <td>SI02725</td> <td>\$201,596</td> <td>VF</td> <td>Fig. 48</td> </tr> <tr> <td>4</td> <td>Unknown</td> <td>Non-CNM</td> <td>non-CNM</td> <td>non-CNM</td> <td>#0002-04-07</td> <td>30-May-07</td> <td>31-Jul-07</td> <td>SI20170</td> <td>\$760,259</td> <td>VF</td> <td>Fig. 48</td> </tr> <tr> <td>5</td> <td>GFATM</td> <td>PR-CNM</td> <td></td> <td>WHO</td> <td>WHO Revised purchased order 2002228998 Rev 01</td> <td>16-Jul-10</td> <td>30-Sep-10</td> <td>SI26778</td> <td>\$2,047,500</td> <td>VF</td> <td>Fig. 48</td> </tr> <tr> <td>6</td> <td>GFATM</td> <td>PR-CNM</td> <td>CNM</td> <td>WHO</td> <td>DVMT0 10/01 GJ/44E</td> <td>29-Mar-10</td> <td>30-May-10</td> <td>20027458</td> <td>\$694,220</td> <td>SCS</td> <td>Fig. 28</td> </tr> <tr> <td colspan="9">a: data from draft OIG Report</td> <td>\$4,848,659</td> <td></td> <td></td> </tr> </tbody> </table> <p>The total contract amount of these contracts is around USD 4.85 million. CNM disclaims these contracts for one or more of the reasons below:</p> <ol style="list-style-type: none"> 1. The contracts do not fall within the legal boundary of the PGAs or MoAs which CNM has with the Global Fund. For instance, the contracts with invoice numbers SI0207, SI02725 and SI20170 are outside the scope of these PGAs or MoAs which CNM had with the Global Fund and CNM was not the procurement agent. 2. CNM was not involved in the procurement of any of these contracts. The OIG imposed the entire allegation onto CNM, but according to the OIG draft report, <u>CNM assumes that PSI in Cambodia is a sub-recipient and the procurement agency for contracts related with these invoices.</u> Currently, CNM has no legal right to investigate these invoices as CNM understands that PSI is a private organization with “its own sovereignty completely independent from CNM”. 3. In the case where an individual staff gets commission payment from a supplier, CNM considers this as a “personal affair” rather than an act on behalf of “CNM as an organization”. CNM’s understanding is that the personal deal or relationship of any individual staff of CNM outside CNM’s management is not the responsibility of CNM. Similarly, the aforementioned three invoices (SI0207, SI02725 and SI20170) have nothing to do with CNM. The allegation related with these three invoices cannot be associated with CNM as an “organization” but I think that it is the SOLE responsibility of PSI and the CNM Director as an individual operating outside CNM management. 											1	2	3	4	5	6	7	8	9	10	11	12	N.O.	Funded by GFATM?	PR	Sub-Recipient	Procurement agent	Contract/PO No.*	Contract/ PO Date*	Invoice Date*	Invoice No.*	Value of contract*	Supplier*	OIG Ref.	1	GFATM	PR-MOH	CNM	None	CNM	SUP/06/05689/1		8-Jun-06	4316	\$706,560	SCS	Fig. 28	2	Unknown	Non-CNM	non-CNM	non-CNM	#0002-04-06 (Contract 100,000, split in two parts Family size Net 70,000 and Hammock Net 30,000)	19-Jul-06	1-Sep-06	SI0207	\$438,503	VF	Fig. 48	3	Unknown	Non-CNM	non-CNM	non-CNM			29-Sep-06	SI02725	\$201,596	VF	Fig. 48	4	Unknown	Non-CNM	non-CNM	non-CNM	#0002-04-07	30-May-07	31-Jul-07	SI20170	\$760,259	VF	Fig. 48	5	GFATM	PR-CNM		WHO	WHO Revised purchased order 2002228998 Rev 01	16-Jul-10	30-Sep-10	SI26778	\$2,047,500	VF	Fig. 48	6	GFATM	PR-CNM	CNM	WHO	DVMT0 10/01 GJ/44E	29-Mar-10	30-May-10	20027458	\$694,220	SCS	Fig. 28	a: data from draft OIG Report									\$4,848,659			<p>1 & 2. See OIG Response line 3 regarding the inclusion of commissions for contracts for bednets provided to PSI.</p> <p>3. CNM is responsible for the actions taken by officers acting in their official capacity on matters such as procurements. These officers used their positions to facilitate contracts and improperly influence the competitive procurements of bednets in Cambodia. With respect to contracts where PSI was the recipient, the fact that the CNM Director received a commission for this contract suggests his involvement in some capacity and highlights the influence he had in the health sector in Cambodia.</p>
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5	<p>Table C: Contract related with commission payment after 11 May 2011 that CNM has no responsibility for</p> <table border="1"> <thead> <tr> <th>Funding source</th> <th>PR</th> <th>Sub-Recipient</th> <th>Procurement agent</th> <th>Contract/PO No</th> <th>Contract/PO Date*</th> <th>Invoice Date*</th> <th>Invoice No.*</th> <th>Contract amount*</th> <th>Ref.*</th> </tr> </thead> <tbody> <tr> <td>GFATM</td> <td>PR-CNM</td> <td>CNM</td> <td>VPP</td> <td>Purchase Order 0975-ITN</td> <td></td> <td>6-Oct-11</td> <td>H1134KH</td> <td>\$3,063,450</td> <td>Fig.28</td> </tr> <tr> <td>GFATM</td> <td>PR-CNM</td> <td>CNM</td> <td>VPP</td> <td>Purchase Order 0975-ITN</td> <td></td> <td>31-Oct-11</td> <td>H1133KH</td> <td>\$3,063,450</td> <td>Fig.28</td> </tr> <tr> <td>GFATM</td> <td>PR-CNM</td> <td>CNM</td> <td>VPP</td> <td>PSI/NA</td> <td></td> <td>15-Sep-11</td> <td>SI28816</td> <td>\$710,325</td> <td>Fig.48</td> </tr> <tr> <td>GFATM</td> <td>PR-CNM</td> <td>CNM</td> <td>VPP</td> <td>PSI/NA</td> <td></td> <td>29-Sep-11</td> <td>SI28817</td> <td>\$1,122,240</td> <td>Fig.48</td> </tr> <tr> <td>GFATM</td> <td>PR-CNM</td> <td>CNM</td> <td>VPP</td> <td>PSI/NA</td> <td></td> <td>28-Oct-11</td> <td>SI28965</td> <td>\$1,858,710</td> <td>Fig.48</td> </tr> <tr> <td colspan="4">*: Data from OIG Report</td> <td colspan="3">**: Unknown as it is not part of CNM budget</td> <td colspan="3">\$9,818,175</td> </tr> </tbody> </table> <p>The total amount of these contracts is around 9.82 million USD.</p> <p>CNM has nothing to do with the alleged commission payment related with five contracts as listed on the Table C as because of one or more of the following reasons:</p> <ol style="list-style-type: none"> 1. CNM was not the procurement agent for these contracts. 2. The OIG uncovered no evidence to indicate that Sumitomo Chemical Singapore (SCS) continued to make improper commission payments to CNM from 11 May 2011 onwards. 3. The alleged commission payments were made by Vestergaard Frandsen (VF) to the CNM Director who has had no responsibility or representation of CNM since 01 May 2011. 									Funding source	PR	Sub-Recipient	Procurement agent	Contract/PO No	Contract/PO Date*	Invoice Date*	Invoice No.*	Contract amount*	Ref.*	GFATM	PR-CNM	CNM	VPP	Purchase Order 0975-ITN		6-Oct-11	H1134KH	\$3,063,450	Fig.28	GFATM	PR-CNM	CNM	VPP	Purchase Order 0975-ITN		31-Oct-11	H1133KH	\$3,063,450	Fig.28	GFATM	PR-CNM	CNM	VPP	PSI/NA		15-Sep-11	SI28816	\$710,325	Fig.48	GFATM	PR-CNM	CNM	VPP	PSI/NA		29-Sep-11	SI28817	\$1,122,240	Fig.48	GFATM	PR-CNM	CNM	VPP	PSI/NA		28-Oct-11	SI28965	\$1,858,710	Fig.48	*: Data from OIG Report				**: Unknown as it is not part of CNM budget			\$9,818,175			<ol style="list-style-type: none"> 1. The OIG does not dispute that CNM was not the procurement agent for the contracts listed in Table C. However, CNM's Director and Deputy Director received commission payments under 3 of the 5 transactions listed. 2. OIG does not dispute the fact that there is no evidence to indicate SCS continued to pay improper commission payments under VPP. 3. See OIG report Section G.1.4.11 addressing this point.
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6	<p>The OIG does not present concrete evidence to confirm all the ultimate beneficiaries of commission payments as the amounts of the alleged commission payments seem to be based on the email communications between suppliers and the former Director and Deputy Director of CNM, and interviews with the suppliers. However, the alleged commission payments were transferred to intermediate bank accounts held by other persons rather than the Director and Deputy Director.</p> <p>Paragraph number 138 states “where the payment is ended up is unclear”: This statement should be mentioned in the Chapter G.1.5 (conclusions) of the report, rather than only in the Section “Facts and documentary evidence”, if it refers alleged commission payments related with CNM.</p>									<ol style="list-style-type: none"> 1. The OIG maintains that the evidence in the report clearly demonstrates that the commission payments went to agent “Chhounou Kimchenda” only as a cover to disguise the true path of money back to the CNM officials. This is a reasonable inference based on the evidence, including direct communication from both CNM officials to have the Suppliers wire commission payments to their bank accounts. Also, there is a complete absence of evidence that anyone ever communicated with the agent. Finally, the fact that the Director and Deputy Director reached out to the Suppliers to personally inquire about late or misdirected commission payments is further evidence of their personal connection to the commission payments. 																																																																						

	CNM comments and/or suggestions for amendment (08 October 2012)	OIG Response
7	<p>Some offerings are just humanitarian (hospital fees) and/or cultural (Khmer New Year Gifts) and the other offerings were made in the spirit of public private partnership (PPP) as a mean to achieve the Millennium Development Goals (MDGs). These acts of partnership have significantly increased in aid management.</p> <p>CNM was recently informed by WHO that that since January 2012 three major contributions to the fight against neglected tropical diseases amenable to preventive chemotherapy have been made by three private companies:</p> <ol style="list-style-type: none"> (1) The 1st company has committed to provide up to 2.2 billion tablets of diethylcarbamazine citrate (DEC) 100mg between 2013 and 2020, to be used against lymphatic filariasis. 100 million tablets will be donated in 2013; (2) The 2nd company has committed to provide up to 200 million tablets of mebendazole 500mg per year, to be used against soil-transmitted helminthiasis in children of school age; (3) The 3rd company has committed to donate up to 250 million tablets of praziquantel 600mg per year, to be used against schistosomiasis in children of school age. 50 million tablets will be donated in 2013, 75 million in 2014, 100 million in 2015, and 250 million/year from 2016 onwards. 	<p>The OIG does not agree with CNM’s position on offering “fellowships” or meals. Further, CNM’s reliance on examples in which companies donated medicine in the fight against tropical disease is misplaced. In this report, the OIG provides numerous examples of gifts and trips, often having no connection to legitimate business purposes, from the Suppliers to CNM officials. Such offerings are against the Codes of Ethics and Business Conduct Principles that both Suppliers have, which recognize that the giving of such gratuities could be seen as an attempt to obtain influence or gain other preferential treatment.</p>
8	<p>The VPP agent PSI continued to share information on procurements with the former CNM Director for at least 110 days after 11 May 2011.</p> <p>CNM identified three serious mistakes made by the Global Fund’s VPP agent where information regarding the bidding process was illegally leaked to the former CNM Director.</p> <ol style="list-style-type: none"> 1. On 18 May 2011, the VPP agent leaked the information of Bid Opening Report, Evaluation, and Narrative report [Grant No. CAM-S10-G14-M (CNM) and CAM-607-G10-M (MoH)] to the former CNM Director. After having such information, it would seem that the former Director then forwarded it to VF. 2. On 15 Aug 2011, the VPP agent leaked the information of a comprehensive update on two purchase orders [No. 0975A-ITN-VPP-0035 (CNM), and 0975B-ITN-VPP-0035 (MoH)]. It would seem that the former CNM Director then forwarded it to VF. 3. The VPP agent “continued to leak” the information of a comprehensive update on 06 Sep 2011 on two purchase orders [No. 0975A-ITN-VPP-0035 (CNM), and 0975B-ITN-VPP-0035 (MoH)]. 	<p>OIG agrees that it was a mistake for the VPP agent to continue sending emails to the CNM Director after his retirement. See OIG report ¶ 246 for further discussion.</p>

	CNM comments and/or suggestions for amendment (08 October 2012)	OIG Response
9	<p>The VPP agent was very well informed about the change the Director of CNM and PR-CNM as:</p> <ol style="list-style-type: none"> 1. CNM procurement staff sent at least two emails reminding the VPP agent that the former CNM Director had retired and that there was no need to share any information with him anymore. 2. The ceremony of handing-over of position of CNM director was publicly held on the 06 May 2011 with participation from CNM staff and relevant development partners and media agencies. Information on the change was uploaded to CNM website: http://www.cnm.gov.kh/index.php?action=ID40. 3. Since the 11 May 2011, the current CNM Director's email address was reflected in the cc field of the VPP agent's emails which were sent to CNM Procurement staff (except for one on 22 June 2011 when the VPP agent sent an email concerning the bid evaluation directly addressed to the current CNM Director). <p>CNM strongly suspects that this repeated sharing of information by the VPP agent with the former CNM's Director could be a deliberate violation of procurement procedures/rules, and recommends the OIG to fully investigate the VPP agent before the investigation report.</p>	<p>While OIG concurs that it was a mistake for the VPP agent to continue sending emails to the CNM Director, OIG makes no finding that this mistake was deliberate on the part of PSI. It seems that some PSI employees were aware of the change in command, though, because a PSI employee sent an email to the current, and not the former, CNM Director on 11 May 2011.</p> <p>Although CNM claims that it sent multiple reminders of the former Director's retirement to VPP after 1 May 2011, CNM could not provide OIG with any email examples where CNM staff reminded PSI about the former Director's retirement before 29 September 2011. CNM's Chief of Procurement testified that she informed VPP of this fact "many times sin[c]e May 2011" but did not have the capacity to recover those emails.</p>

ANNEX 3: OIG Response to SCS Comments on Cambodia Investigation Report

	SCS comments and/or suggestions for amendment (07 June 2013)	OIG Response
1	<p>1. If the term "supplier" in paragraph 59 refers to SCS rather than to the Sales Manager, it is incorrect to state that the supplier knew that it could not pay cash to CNM in order to win contracts, as at that juncture, no one else apart from the Sales Manager and the SCS General Manager (defined below) knew about the arrangement with the CNM Director. Whilst there may be a divergence between US law and Singapore law, under Singapore law (and the common law) principles of attribution of liability to a company, the general rule is that for criminal actions such as the payment of kickbacks, an employee must be the “controlling” or “directing mind and will” of the company for such criminal actions to be attributed to the company and for the company to be held liable in equal measure. Given the Sales Manager’s relatively low rank in SCS, his intentions and conduct should not be attributed to SCS as he cannot be considered to be the controlling or directing mind and will of the company.</p> <p>2. The reference to "senior managers" should be changed to the Sales Manager and the SCS General Manager for accuracy's sake and for consistency in terminology.</p>	<p>1. The OIG report attributes knowledge of the inability to make cash payments to CNM to the employee, the SCS Sales Manager, not the company as a whole.</p> <p>OIG makes no criminal findings in its report, nor does it evaluate its findings against criminal evidentiary legal standards. The OIG report findings are based on the contractual relationship between the SR/PR and the Suppliers. Therefore, the analysis of how criminal law addresses the notion of the “controlling mind” is inapplicable in this context.</p> <p>2. Regarding the reference to the SCS Sales Manager and Managing Director as “senior managers”, both individuals represented to the OIG that they were upper-level management and the length and nature of their employment supports this designation. On August 17, 2012, the SCS Sales Manager stated that he has been with the company since 1990 and was presently at the level of second class (out of three) manager. (17/8/12 ROC 3). He stated that he did not need to seek approval for hiring a technical consultant in Cambodia as he’d been a manager for over 12 years and people did not question his decision. (17/8/12 ROC ¶13,4, 22) (He subsequently clarified that he needed authority to execute such an agreement, 20/10/12 ROC ¶11). He was in charge of the Vector Control Staff at SCS. (17/8/12 ROC ¶15). Further, he signed the consultancy contract on behalf of and with the authority of the company. The SCS Sales Manager reports directly to the Regional Director and Head of the Crop Sciences Sector based in Singapore and the Managing Director for the Research and Development in Malaysia.</p>

	SCS comments and/or suggestions for amendment (07 June 2013)	OIG Response
		<p>The SCS Managing Director joined Sumitomo in 2001 and manages a research facility of 30 people. (19/10/12 Managing Director ROC ¶2,4). He is the Business Head of the Environmental Health and Vector Control Division and is fully empowered to run their respective businesses. (19/10/13 Director of Health and Crop Sciences ROC ¶5, 6). He reports directly to the Regional Director and Head of the Crop Sciences Sector. (19/10/12 Managing Director ROC ¶68).</p>
2	<p>1. The two VPP contracts in 2011 should be removed as commission payments ceased once VPP was enacted.</p> <p>2. OIG should add that SCS paid commissions based on forged documents submitted by the Sales Manager.</p>	<p>1. The correct value of the contracts at issue is \$4,627,472 (total value of contracts obtained, less 2011 VPP contracts). See OIG response line 17 for further explanation concerning a dispute over the value of a June 2010 contract. The OIG does not agree to remove reference to the 2011 contracts entered into under VPP as they were contracts in which Sumitomo company provided bednets to CNM during the relevant timeframe covered by this investigation as these contracts fall within the time period examined by OIG during its investigation. Moreover, it is relevant that SCS ceased making commission payments to CNM’s Director once VPP took effect.</p> <p>2. While it is true that SCS paid commission payments pursuant to the consultancy contract that the SCS Sales Manager admitted to forging the signature on, it is not clear to the OIG that this was the only basis for the payments, as there were oral and written representations made by SCS senior managers as described in the OIG report concerning these commission payments. It is noteworthy that the terms of the consultancy agreement were not strictly adhered to either, such as the required reports of market information, product development work, or performance and financial reports (Consultancy Agreement, dated 1 January 2006, Art.1), yet commission payments were made nonetheless. See OIG report Section G.1.4.3.</p>

	SCS comments and/or suggestions for amendment (07 June 2013)	OIG Response
3	SCS did not make the improper commission payments knowingly. It was orchestrated by the Sales Manager. Please refer to comment #1 in line 1 above.	SCS had full knowledge of where the commission payments were being wired as said payments were processed through the appropriate channels by the Finance and Accounting Department.
4	We understand that the Sales Manager's gifts and favors were given to develop a close relationship with the CNM officials and there is no evidence to suggest that he was incentivized by the inside information from the CNM officials, or that he had given gifts and favors in return for inside information. Please refer to comment #1 in line 1 above.	See OIG report Section G.1.4.5 regarding the connection between gifts and favors and the receipt of inside information.
5	<p>1. SCS was established and incorporated on 15 July 1996. Please see the official website of SCS: http://www.scschem.com.sg/aboutus_profile.html and the attached company profile filed with the Accounting and Corporate Regulatory Authority of Singapore. RCB-SCS</p> <p>2. Please see the official website of SCS for details on its MMA production plant in Singapore: http://www.scschem.com.sg/ourplant_mma.html.</p>	Accepted
6	<p>1. SCS was appointed by Sumitomo Chemical Japan to be the regional distributor of the Olyset net within the South East Asia and Oceania regions.</p> <p>2. Please see the official website of Sumitomo Chemical Japan which shows that the patent owner of the Olyset net is Sumitomo Chemical Japan: http://www.olyset.net/olysetnet/.</p>	Accepted
7	<p>1. We are not aware that SCS was the sole supplier of LLINs to CNM between 2006 and 2010. Please provide details or documentary evidence in support of your statement that "SCS was the sole supplier of LLINs to CNM" between 2006 and 2010.</p> <p>2. Reference to the two VPP contracts in 2011 should be removed as commission payments ceased once VPP was enacted.</p>	<p>1. With regard to Global Fund-funded LLIN contracts, SCS was the sole supplier from 2006-2010 (compare chart of contracts between CNM and SCS and between CNM and VF), taking note of the fact that VF's contracts #0002-04-06 and #0002-04-07 were to provide bednets to PSI, not CNM.</p> <p>2. The correct value of the contracts is \$4,627,472. See OIG response lines 2 & 17 for explanation.</p>
8	SCS did not make the improper commission payments knowingly. It was orchestrated by the Sales Manager. Please refer to comment #1 in line 1 above.	See OIG response line 2 regarding SCS's basis for making payments to consultant.

	SCS comments and/or suggestions for amendment (07 June 2013)	OIG Response
9	<p>The Sales Manager reported directly to his operational supervisor whose role in SCS was that of a General Manager ("SCS General Manager"). The SCS General Manager is not the Managing Director of SCS. This is an error of fact which we believe would have adversely affected your treatment of our case given that the involvement of top management would be an aggravating factor in any sanctions determination. The SCS General Manager was never a Managing Director of SCS. Within SCS, the SCS General Manager reported directly to the Director of Health and Crop Sciences (whom you interviewed on 19 October 2012), who in turn reports to the Managing Director of SCS.</p> <p>Similarly, whilst there may be a divergence between US law and Singapore law, under Singapore law (and the common law) principles of attribution of liability on a company, the SCS General Manager's intentions and conduct should not be attributed to SCS as he cannot be considered to be the controlling or directing mind and will of the company.</p>	<p>SCS Sales Manager's supervisor informed the OIG that he was a Managing Director for Sumitomo's Research & Development facility in Malaysia. (19/10/12 Managing Director ROC ¶ 2). See OIG explanation for line 1 above.</p> <p>See OIG report, Due Process, §J, for more complete description of the Sumitomo manager's positions and the OIG's stance on SCS's accountability for its employees.</p>
10	<ol style="list-style-type: none"> 1. The third-party consultancy was orchestrated by the CNM Director and the Sales Manager. 2. For consistency in terminology, please note that the reference to "Sumitomo" should be a reference to "SCS". 	<ol style="list-style-type: none"> 1. Accepted, with the knowledge and approval of the Sumitomo Managing Director and the possible knowledge of other Sumitomo senior managers. See OIG report, §G.1.4.6. 2. OIG refers to SCS when speaking of the entity located in Singapore and uses "Sumitomo" for other locations, such as the entity in Malaysia.
11	The SCS General Manager is not the Managing Director of SCS.	See OIG explanation in lines 1, 9 regarding Managing Director.
12	It is inaccurate to refer to the CNM Director's commission as a "consultant" fund as there was no such fund.	Accepted

	SCS comments and/or suggestions for amendment (07 June 2013)	OIG Response
13	<p>Based on the Sales Manager’s statement to the OIG’s interview on 17 August 2012, the deleted statement in this paragraph is highly speculative in nature. In fact, the Sales Manager did not know who kept the full amount of commission. We set out below the relevant section of the interview notes of your interview with the Sales Manager on 17 August 2012 for your reference:</p> <p>OIG: Have you ever heard that in Cambodia that ministers or directors are required to take up portions of the payments that they've received to higher level officials?</p> <p>Sales Manager: I never asked, I don't want to ask also.</p> <p>OIG: Have you ever heard of that?</p> <p>Sales Manager: I think it's...in conversation, you know, 'Oh I need to give a New Year gift.'</p> <p>OIG: Wait, did you understand, it is a fair amount of money. Did you understand who kept the full amount or did he ever tell you that, hey, you know I need to pay to and so their commission?</p> <p>Sales Manager: No. In fact once...</p> <p>OIG: Did you have any idea how he used the money?</p> <p>Sales Manager: No idea.</p>	Adjustments made to report to reflect full quotation.
14	1. SCS did not make the improper commission payments knowingly. It was orchestrated by the Sales Manager. Please refer to comment #1 in line 1 above.	The consultancy contract was entered into between “Chhounou Kimchenda” and Sumitomo Chemical Singapore Pte. Ltd. SCS authorized all payments of the improper commissions. See also OIG explanation in lines 1, 14.
15	We have not come across the contract number "DVTMO R4 No. 07/11". However, we know that the Buyer's reference number for this contract is P.O. 979/07 C.N.M.	Accepted
16	We have not come across the contract number "DVTMA. R6 No. 08/015". However, we know that the Buyer's reference number for this contract is GFATM/CNM/LLINR6/005.	Accepted

	SCS comments and/or suggestions for amendment (07 June 2013)	OIG Response
17	We have not come across the contract number "DVMTO 10/01 GJ10/44E" with a value of US\$694,220. However, we know that the Buyer's reference number for this contract where a 5.8% commission was paid is PO 200197482, with a contract value of US\$612,000.	CNM's General Journal and Disbursement instructions confirm that \$694,220 was transferred to WHO on or around 30 June 2010. OIG takes note of the fact that the Purchase Order 200197482 with WHO, dated 5 May 2010, was for a total order value of \$612,000.
18	SCS did not have the intention to make the improper commission payments to the CNM's executive officers. It was the Sales Manager - and not SCS - who orchestrated the third party consultancy. Please refer to comment #1 in line 1 above.	1. The Consultancy Agreement had to be approved by senior management, in this case the Managing Director referred to in this report; therefore, it is not accurate to say that this was done without the knowledge of other SCS personnel. (19/10/12 Director of Health and Crop Sciences ROC ¶ 18,20). Further, SCS made all payments, which were processed through the appropriate channels by the Finance and Accounting Department. See OIG explanation in lines 1, 14.
19	1. We understand that the SCS Sales Manager was never hesitant to admit the fact that the consultancy agreement was fictitious.	SCS Sales Manager initially told OIG that he did not know for certain that the consultant was fictitious until 2009 or 2010 and that he facilitated payments of 2-3 commissions before he realized the consultant was fake. (17/8/12 SCS Sales Manager ROC ¶ 25). In a subsequent interview, the SCS Sales Manager admitted that he knew from the beginning when he was executing the consultancy contract that he needed to pay the CNM Director in order to get business in Cambodia. (20/10/12 SCS Sales Manager ROC ¶ 10-11).
20	We are not aware of any other cash payments obtained by the SCS Sales Manager in "Kimchenda's" name other than the 1 February 2008 request for USD 2,100.	Accepted
21	The CNM officials directed the Sales Manager and no one else regarding the payment of commissions to third parties.	Accepted
22	SCS' Code of Ethics prohibits gift-giving to secure business. It was the Sales Manager – and not SCS - who made continuous effort to secure business from CNM by performing the favors requested by the Cambodian government officials. Please refer to comment #1 in line 1 above.	Accepted
23	It was the Sales Manager - and not SCS – who offered to pay for private trips for the WHO employee. Please refer to comment #1 in line 1 above.	Accepted, while noting that the SCS Sales Manager was offering to pay with SCS's corporate funds.

	SCS comments and/or suggestions for amendment (07 June 2013)	OIG Response
24	<p>1. We understand that there was no suggestion from the Sales Manager that he clearly linked the commission payment to obtaining the contracts from CNM.</p> <p>2. Sponsorships per se are not illegal if given in an open and aboveboard manner to no particular individual, as a matter of fostering goodwill between corporations. However, the Sales Manager and SCS General Manager did not adhere to this principle when they offered sponsorships to CNM in the hope of securing business.</p>	<p>1. Evidence suggests connection between paying commission payments and obtaining contracts for SCS from CNM. See OIG report Section G.1.4.1.</p> <p>2. The evidence speaks for itself.</p>
25	<p>We do not have records of expenses on the following dates (as reflected in Annex 1, Figure 39): 10-13 March 2006; June 2006; 28 March – 02 April 2008; 17-18 and 20-21 September 2008; 11-18 October 2009; 9 December 2009; 17-18 June 2010.</p>	<p>OIG has supporting documentation, in the form of emails or proof of payments, for all of these entries. See Annex 1, Figure 39 of OIG report.</p>
26	<p>The first version of the Code of Ethics was introduced on 13 January 2005 and periodic training on the same for employees was conducted. The second version of the Code of Ethics was introduced in 2009. It was subsequently revised in 2011 to introduce the External Speak-Up Helpline.</p>	<p>Accepted</p>
27	<p>It is inaccurate to state that the CNM Director requested for the visa support letter for several CNM employees. We are only aware of one such request for one CNM employee.</p>	<p>OIG is aware of at least two separate CNM employees for whom the SCS Sales Manager provided letters in support of visa applications. See OIG report Section G.1.4.5.</p>
28	<p>1. It was the Sales Manager- and not SCS – who made the gifts and performed the favors requested by the Cambodian government officials. Please refer to comment #1 in line 1 above.</p> <p>2. There is also no evidence to suggest that SCS' management knew or approved the inappropriate business expenditures.</p> <p>3. SCS did not have the intention to make the improper commission payments, gifts and favors to the CNM's executive officers. It was the Sales Manager - and not SCS – who orchestrated the third party consultancy. Please refer to comment #1 at paragraph 2 above.</p>	<p>1. Accepted regarding the individual who performed the favors and offered the gifts, however SCS paid for these gifts and trips out of corporate finances.</p> <p>2. For evidence that SCS management (Managing Director) knew and approved inappropriate business expenditures, see OIG report Section G.1.4.6.</p> <p>3. Agree that SCS Sales Manager as an individual cultivated the relationship with CNM. It is reasonable to conclude that SCS received a benefit as a result of its Sales Manager's efforts to obtain contracts with CNM, including receipt of inside information.</p>

ANNEX 4: OIG Response to VF’s Comments on Cambodia Investigation Report

	VF comments and/or suggestions for amendment (26 May 2013)	OIG Response
1	<p>There is an implication that relations between VF employees and the Director of CNM were improper from the start, in 2002. There is no evidence to support this.</p> <p>There is an implication that VF employees “forged relationships” with more than one top official at CNM. In VF’s understanding, there is no evidence to support this.</p>	<p>The OIG report makes no claims that VF’s relationship with the CNM Director was improper from the start, just that they began cultivating a relationship with him as early as 2002. See OIG report ¶ 46 and corresponding footnote discussing a 24 October 2002 email between VF and CNM Director to schedule a meeting with VF India’s Regional Director.</p>
2	<p>There is an implication that the scheme in which certain individuals at VF’s Indian branch and the CNM Director participated was created because VF was part of a group of suppliers who “knew that they could not pay cash to CNM”. VF refuses to be lumped together with other suppliers in generalizing innuendoes which do not pertain to VF. There is no evidence supporting this statement in relation to VF, and thus the claim seems to be based purely on speculation. In fact, evidence suggests that it was indeed CNM’s Director who took the initiative as early as 2003 to propose to introduce an employee of VF’s Indian Branch to a Cambodian company who could “represent VF in the country and secure govt. business as they would know how to move in the govt. circle”, It should also be noted that the relationship with the agent only started three years or more after the CNM Director’s introduction proposal. Furthermore, no evidence suggests that VF had any intention whatsoever to make any cash payments, nor would it have accepted to engage in such schemes if the scheme had been disclosed to VF’s Swiss management. In fact, all agent commission payments to the Cambodian agent, like any other agent engaged by VF, were made based on valid agent agreements and by means of wire transfers from VF’s corporate bank accounts. Likewise, several compliance measures clearly stressing the Swiss management’s zero tolerance towards such schemes have been put in place since 2008.</p>	<p>Altered to reflect “SCS’s Sales Manager knew they could not pay cash...”</p> <p>The point regarding the idea to hire a consultant/agent applies to more than one supplier.</p>

	VF comments and/or suggestions for amendment (26 May 2013)	OIG Response
3	There is an implication that VF took the initiative to “enact a pay to play scheme” . The facts are that individuals employed by VF’s Indian branch hired a new agent; this relationship does indeed appear to have been part of such a scheme, but there is no evidence supporting the notion that anyone at VF beyond these individuals was aware of this.	This report does not attempt to determine individual liability amongst the various corporate entities and the employees of those entities. From the GF perspective, VF HQ entered into contracts with CNM and also with the agent “Chhou Nou Kimchenda.” See Figure 47 of OIG report (chart indicating that the first Contract (#0002-04-06) was dated 19 July 2006). VF has provided no evidence to support that the amount of commission payments VF made was \$71, 188. To the contrary, OIG has uncovered evidence that shows the amount of improper commissions paid was at least \$154,241, which includes the final commission payment of \$83,054.
4	There is an implication that it might be abnormal that an agent gets a commission “even when procurements take place under the supervision of other entities” . At VF, this is the standard situation, i.e. an agent is commissioned for all sales with any customer within a given territory. In the present case, this is part of what made the relationship look normal to VF’s head office in Switzerland.	Information added to report.
5	It is stated that commission payments went to the Deputy Director of CNM. To VF’s knowledge there is no evidence supporting this claim, at least as far as VF would be involved.	This point pertains to another supplier.
6	It is stated that VF “continued to make payments to CNM” after Cambodia had switched to VPP. There is no evidence that any payments reached the CNM after the switch.	See OIG report § G.1.4.11.
7	It is stated that “These CNM officials, along with other government officials and CNM staff, also accepted gifts and favors from suppliers” . The only circumstantial evidence VF knows about suggests the possible funding of two plane journeys, for a total value not exceeding 1’500 USD, in 2005 and 2010 , respectively to attend a conference in Dubai and to meet with an individual employed by VF’s Indian Branch in Singapore . The statement therefore appears unfitting.	This point is a summary point and is factually accurate in that CNM’s officials did receive gifts from multiple suppliers . The extent to which VF provided favors is discussed in OIG report § G.1.4.11

	VF comments and/or suggestions for amendment (26 May 2013)	OIG Response
8	It is stated that <i>“These improper commission payments directly benefitted CNM’s executive managers, along with the Suppliers who obtained contracts as a result, and were made in consideration for obtaining bednet contracts from CNM.”</i> There is no evidence known to VF supporting that VF payments might have benefitted more than one CNM executive manager, and in the case of VF it seems clear, as exposed previously in the corporate investigation report, that VF obtained no contracts as a result of any payments; to the contrary, VF lost bids despite offering the lowest prices. VF refuses to be lumped together with other market players who may have obtained contracts in exchange for illicit payments and cannot accept wording which implies elements which clearly did not apply to VF.	The scheme described in OIG’s report is that when a Supplier successfully obtained a contract from CNM, an improper commission payment was subsequently made. Moreover, the very nature of this scheme required that said commission be made pursuant to the agency agreement. The fact that VF did not pay commission payments for contracts it failed to win is irrelevant.
9	There is no mention of the fact that VF never obtained any contracts under direct procurement in Cambodia nor from WHO Cambodia, or from WHO Manila under GF funding. VF only received GF funded contracts for Cambodia from WHO Geneva and PSI Washington. In VF’s view, omitting these important facts introduces an unfair bias.	Accepted in part. VF has provided no evidence that its contracts only came through WHO Geneva and PSI Washington. Indeed, the Purchase Order for the 16 July 2010 contract was with WHO Malaysia. See OIG report ¶ 57 for further explanation regarding the roles various WHO entities played in Cambodian procurements. Further, the OIG report refers to “direct” procurement as those where procurements were conducted by MoH or CNM – even where procurements were facilitated by procurement agent WHO. It also is a means to distinguish these procurements from those conducted under the VPP mechanism.
10	It is stated that <i>“CNM’s Director served as an Observer during certain BEC procedures, such as the opening of bidder financial proposals, approved technical evaluations”.</i> VF has only been invited to two bids managed by the BEC, PR or CNM, and the bids in question were won by a competitor of VF. To VF’s understanding, this paragraph can only pertain to one of VF’s competitors, and we believe that this important fact must be stated clearly to avoid introducing an unfair bias. VF does not wish to be lumped together with other suppliers in generalizing descriptions which do not pertain to VF.	VF has provided no evidence to indicate the particular bid to which its suggested amendments refer. Moreover, this report paragraph describes CNM’s BEC and its processes , the significance of which affects other parties besides VF; therefore, OIG declines to accept the suggested amendment regarding VF’s lack of success during a tender.
11	VF was established in 1957 in Denmark.	Accepted

	VF comments and/or suggestions for amendment (26 May 2013)	OIG Response
12	VF has been awarded four net contracts to provide over 1.7 million LLIN products to Cambodia since 2006. The first two were made through PSI Washington in its role as SR of Global Fund funding and the 2010 contract was facilitated by WHO Geneva.	Report amended to reflect that the four contracts (in 7 delivery installments) were to provide almost 1.8 million nets to Cambodia. Regarding the first two contracts, the contract to provide bednets was between and executed by “Populations Services International/Cambodia” –not PSI Washington—and VFSA. Regarding the 2010 contract that was facilitated by WHO, please see OIG’s explanation in line 9.
13	The title for OIG report section G.1.4.8 should state “VF made <u>USD 71,188</u> in improper commission payments ...” as opposed to USD 154,241 in improper commission payments.	This edit is incorrect. VF paid, or made substantial efforts to pay, at least \$154,241 in improper commissions to the CNM Director, including after he left the post as CNM Director in May 2011 and continued working in the Cambodian government in another capacity. See OIG report § G.1.4.8 and G.1.4.10 for more explanation.
14	It is stated that “<i>even though VF did not supply nets to CNM directly until 2010, it began cultivating its relationship with CNM’s Director as early as 2002</i>”. There is an implication that VF employees may thus have been participating in the “pay to play” scheme starting in 2002. To the contrary, it should be noted that, in the SWOT analysis prepared as late as February 2007 by an individual employed by VF’s Indian Branch, the relationship is described in the following terms: “Weak relations with the Director CNM- [REDACTED]. He is pro Olyset”. This puts the sequence of events of the purported “pay to play” scheme in perspective and should not, in VF’s opinion, be omitted from the report in this context.	See OIG explanation in line 3.
15	It is stated that “VF admits to paying commission payments to an “agent” chosen by CNM’s Director for each of these contracts”. There is an implication that the agent was chosen by the CNM with knowledge by VF management, which is not supported by any facts. Likewise, the information in question has been volunteered by VF. And finally, there is no evidence to the effect that more than US\$ 71,188 was paid to the agent related to GF funded contracts. Therefore, the paragraph should be reworded so as to correct these unsupported biases.	OIG made requests for information from VF, which were voluntarily complied with by VF. VF, however, did not proactively disclose any documents or findings to OIG in advance of this request. Regarding the amount of commission payments made by VF as commissions in Cambodia during the relevant period, the correct total is \$154,241. See OIG report Sections G.1.4.8 and G.1.4.10.

	VF comments and/or suggestions for amendment (26 May 2013)	OIG Response
16	VF knows of no evidence supporting the claim that CNM's Director " <i>made it clear [to the Sales Manager for Cambodia] that commission payments were going directly to him</i> " starting in 2004; this may have been the case, but no earlier than 2007. This should be amended accordingly so as to correct this unsupported bias – except if corresponding, reliable evidence is available.	The OIG is in possession of evidence to support this point. See OIG report ¶ 118, fn. 157.
17	It is stated that "<i>The scope of this contract granted "Kimchenda" the right to represent VF in sales to Cambodia for the GF procurement of LLINs</i>". There is an implication, by omission, that the agent only represented VF in relation to GF sales. This is wrong and should be corrected to avoid unfair bias; like most other VF agents, this agent contractually covered any VF customer in the country.	Accepted edits in part. OIG notes that for this, and other times where VF asks OIG to describe commission payments as being arranged at the request of certain individuals, OIG maintains that payments passed through the necessary channels and were ultimately paid by VF from corporate finances. As such, payments to its agent remain the company's responsibility.
18	It is stated that commissions could reach 6.5%. For the type of nets sold into Cambodia, the maximum commission was 3.5%. This should be corrected.	Accepted
19	It is stated that payments made to the agent were made "with the approval of the headquarters office". It is not correct to speak of "approval" in this context. Indeed, as described under point 7.4.1. of the corporate investigation report, payments to agents did not involve head office approval. Regarding the case where the Executive officer became involved, this relates to a case where a 100% payout of the commission was requested despite the fact that VF had only received net funds from the customer of 90% of the contracted value. The current statement is therefore wrong and misleading.	Statements regarding approval process for payments are factually accurate. VF presented evidence that its commission payments were processed and approved by its finance and accounting departments in the headquarters office. This is further validated by the fact that payments were paid from VF's corporate bank account in Switzerland.

	VF comments and/or suggestions for amendment (26 May 2013)	OIG Response
20	<p>It is stated that <i>“The final payment of US\$ 83,054 was ultimately sent to the account of another beneficiary, █████ Capital Limited, at Standard Chartered Bank in Hong Kong for the stated purpose of passing a cash transfer of the commission payment to “Chhou Non Kimchenda’s” husband in Thailand for ‘tax reasons’”</i>. It is important to indicate that there is no evidence that this payment ever reached the agent, her husband, or anyone at the CNM. Indeed, regarding this last payment, it should be noted that:</p> <ul style="list-style-type: none"> – at the time of this payment, and also at the time the underlying order had been awarded to VF, █████ had already left his position as Director of the CNM (5 May 2011 – see also the corporate investigation report); – the payment was made to █████ Capital Limited in Hong Kong; – based on the email exchanged between VF’s Thai agent and the Regional Director for VF’s Indian Branch (31 Jan 2012), the beneficial owner of the account would be a Mr T █████, designated as a friend of the Thai agent; – according to the same email, Mr T █████ would then “carry back to Bangkok time by time”, and not to Cambodia. <p>Based on facts, it can therefore not be concluded that the payment ever reached the Cambodian agent or her husband, let alone the CNM Director.</p>	<p>VF’s suggested edit regarding the fact that there is no evidence confirming receipt of final commission payment to agent is already addressed in OIG report § G.1.4.10.</p>
21	<p>The two individuals at VF’s Indian branch communicated exclusively with the CNM Director on all matters relating to the agency relationship.</p>	<p>OIG disagrees with VF’s statement. The evidence shows that CNM’s Director communicated with individuals at VF’s Indian branch as well as a Director in VF Asia Ltd. Pvt. office on at least 3 occasions beginning in 2003. See OIG report Figure 8 regarding VF’s then-Regional Director, Asia’s meeting with CNM Director in 2003. Language in report correctly reflects: “employees of VF communicated exclusively with CNM’s Director...”</p>
22	<p>When VF authorized the final commission payment in the amount of USD 83,053 on 2 February 2012, it was done pursuant to the agency contract that ended on 30 June 2011. The contract that was connected to this payment was awarded by official note on 27 June 2011, i.e. three days before the agent contract’s 30 June 2011 expiration.</p>	<p>Accepted</p>

	VF comments and/or suggestions for amendment (26 May 2013)	OIG Response
23	<p>It is stated that “<i>it seems that VF’s employees in the regional office, and possibly the VF headquarters, did not scrutinize carefully enough the agency arrangement in Cambodia</i>”. The word “possibly” correctly indicates speculation, which we believe has no place in such a report.</p>	<p>The OIG believes the evidence supports a finding that VF headquarters had opportunity to review and question the agency arrangement in that: 1) there was no valid agency contract in place at the time of the first commission payment; and 2) headquarters approved both the agency agreement and all payments made in association therewith, and on one occasion even questioned the appropriateness of full payment of commission. See OIG report section G.1.4.12.</p>
24	<p>It is stated that “<i>This payment was authorized by an Executive officer in VF headquarters.</i>” This is not correct. As explained above and under point 7.4.1. of the corporate investigation report, payments to agents did not involve head office approval. In this particular case, however, a 100% payout of the commission was requested despite the fact that VF had only received a net payment from the customer of 90% of the contracted value, and so the Executive officer was informed and <i>de facto</i> asked to approve the last 10% of the commission payment, while the full payment had been approved already by individuals employed by VF’s Indian Branch.</p>	<p>OIG added factual clarification regarding the involvement of the Executive Officer in this decision.</p>

	VF comments and/or suggestions for amendment (26 May 2013)	OIG Response
25	<p>It is stated that <i>“Unlike all the other “agent” commission transactions, this payment was not wired directly to “Kimchenda’s” Canadia Bank account. Instead, VF made an urgent request to Credit Suisse to change the name of the beneficiary to “████████ Capital Limited” and asked for confirmation that the funds were credited to the correct beneficiary’s account at Standard Chartered Bank in Hong Kong on 2 February 2012.”</i> Regarding the final payment of USD 83,054, the Regional Director of VF’s Indian branch requested payment of the agent commission at the end of January 2012, which was then initiated by VF’s accounting department with value date 2 February 2012. It is worth noting that this transaction carried the name of VF’s Cambodian agent, that the wire transfer was not marked “urgent” or “express”, and that the Regional Director for VF’s Indian branch had full authorization to request payment of the said amount according to VF’s internal delegation of authority rules. On 7 February 2012 the Regional Director of VF’s Indian branch requested proof of payment, which was provided to him by VF’s Accounting Department. Subsequently, the Regional Director of VF’s Indian branch reverted to the Accounting Department with new payment details which included “████████ Capital Limited” as beneficiary. VF’s Accounting Department did not question the change and provided the updated account holder name to Credit Suisse, who issued a Swift message to the corresponding bank on 13 February 2013. The Swift message carried the word “urgent”, however this related to the fact that the wire transfer initiated on 2 February 2012 had not reached the beneficiary account on 13 February 2013.</p>	<p>OIG removed the word “urgent” from description as it applies to Credit Suisse’s internal priority rating.</p> <p>OIG added clarification to the report regarding VF’s initial request to pay its agent in February 2012.</p>
26	<p>It is stated that <i>“VF further admits that it has no official record that this commission payment of almost US\$ 85,000 ultimately ended up in “Kimchenda’s” possession”</i>. The choice of the word “admits” is misleading, as the reported material is entirely based on information volunteered by VF. The objective facts are simply that there was indeed no official record that this commission payment of approx. US\$ 85,000 ultimately ended up in “Kimchenda’s” possession, and the paragraph should be reworded accordingly.</p> <p>It is stated that <i>“VF has not been able to locate or produce said receipt to date”</i>. To our knowledge, the OIG has not requested VF to do so. The sentence should therefore be deleted.</p>	<p>See OIG report section G.1.4.10 addressing this topic.</p> <p>See also OIG’s explanation in line 15 regarding the voluntary nature of VF’s submissions.</p> <p>OIG made multiple requests for the receipt VF referenced showing that the commission payment was received by the agent’s husband. VF confirmed to OIG in email dated 20 June 2013 that it is not in possession of receipt showing that cash commission was given to agent’s husband (as allegedly requested).</p>

	VF comments and/or suggestions for amendment (26 May 2013)	OIG Response
27	<p>Only due to VF's comprehensive internal investigation and full co-operation with OIG is OIG's report able to state that "Where the "commission" payment ultimately ended up is unclear". Indeed, VF's internal investigation has revealed that the Regional Director of VF's Indian branch, acting entirely on his own and against all internal VF procedures and rules, had arranged a scheme together with a Thai individual where the funds transferred in February 2012 to a Hong Kong account were to be transported in cash to Bangkok. There is no evidence supporting any claims that VF HQ had any other intention than to provide the Cambodian agent with the commission the agent was entitled to according to a valid contract.</p>	<p>The report properly states that it was the company's intention to pay its consultant for this final commission payment. As with all other commission payments discussed in the report, this payment is confirmed by a wire transfer of money from VF's corporate bank account. As such, OIG credits VF with making this commission payment.</p>
28	<p>There is an implication that VF had an active role in obtaining the CNM Director's advice, in 2003, in relation to the identification of a company who could represent VF in Cambodia to "secure govt. business as they would know how to move in the govt. circles". The evidence points in the exact opposite direction, as the relevant email relates to a proposal from the CNM Director, which the VF employee does nothing more than record. There is no indication in this email that such an idea and proposal emanates from the VF employee – the opposite is the case. Therefore, in the context of the investigation, it is not appropriate to employ the tone used in the paragraph, as there may be an implication that VF sought ways to create a "pay to play" scheme on its own initiative, which is the exact contrary of what transpires from the email. It must therefore also be noted that the relationship with the agent only started 3 years or more after the CNM Director wanted to introduce VF to companies who could represent it in Cambodia.</p>	<p>OIG agrees with VF that the email in question records events of a meeting between a VF employee and CNM Director in 2003, but disagrees with VF's interpretation that it was the CNM Director who was trying to solicit VF's business to Cambodia. Even assuming that VF's interpretation is correct, arguably it would mean that CNM's Director is attempting to provide an advantage to VF over other competitors in obtaining government business. OIG's report is edited to be more factually accurate: "VF received the CNM Director's advice on who could represent VF in Cambodia...."</p> <p>OIG declines to add VF's suggested amendment regarding the timing of the agency relationship as it is clearly established in the OIG report, see ¶ 120-121.</p>
29	<p>The Secretary of State under the MoH did not agree to sole source a contract to VF in February 2007.</p>	<p>Accepted. OIG amends report to reflect that VF won the contract but that the Secretary of State did not approve the CNM Director's request to sole source to VF.</p>
30	<p>It is stated that "CNM's Director then forwarded to VF an email between WHO Manila and CNM regarding WHO's questions/concerns about the potential timing of VF's delivery of product and the composition of this product." VF points out that at the time of this email, Sumitomo had confirmed to WHO Manila that it would submit a quotation.</p>	<p>OIG accepts VF's suggestions and clarifies that WHO had already requested for Sumitomo to submit a bid quotation.</p>

	VF comments and/or suggestions for amendment (26 May 2013)	OIG Response
31	<p>A Senior Manager at VF's headquarters reprimanded the VF Regional Director in India when he argued to allow the agent to keep the full USD 83,054 commission despite penalties incurred for late deliveries.</p>	<p>OIG does not agree with VF's interpretation that the senior manager reprimanded the VF Indian branch employee. Moreover, this construal is irrelevant to the point being made. OIG clarifies that senior manager expressed his reservations about future payments being made to agents under similar circumstances.</p>
32	<p>VF requests OIG to delete ¶ 145 of its report because VF the content is irrelevant since VF was awarded the contract being discussed on 27 June 2011.</p>	<p>OIG does not agree with VF's request to delete ¶ 145 based on the fact that VF already won the contract in question. The email's significance is that the (then former) CNM Director is sharing information with VF concerning other competitors and that the CNM Director was informing VF not to share the information with others. These facts further demonstrate a pattern of VF's willingness to accept sensitive and potentially privileged commercial information.</p>
33	<p>It is stated that <i>"VF paid US\$ 83.054 in commission payments to its "agent" in connection with these contracts, despite the complete lack of involvement of the local agent in this international procurement"</i>. In line with the comments above, the sentence should reflect the fact that the payment was effected upon final payment by PSI and corresponding approval by individuals working for VF's Indian Branch, and that the Executive Regional Director's approval, granted after some questioning and with a reprimand, only pertained to the final 10%.</p> <p>OIG should clarify that the payment came at the request of certain individuals at VF's Indian branch.</p>	<p>OIG agrees to clarify that there was one contract resulting in 3 separate deliveries. OIG does not agree to VF's repeated clarification that payment requests were made to VF's headquarters by employees of VF's Indian branch, as that point is already made in throughout the OIG report. Moreover, as already stated herein, it is VF the company who effectuates payment of all agency commissions and is, therefore, responsible for said payments.</p>

	VF comments and/or suggestions for amendment (26 May 2013)	OIG Response
34	<p>It is stated that “<i>Such involvement by multiple high-level managers demonstrates, at the very least, an awareness of this agency arrangement and the financials associated therewith</i>”. There is an implication that VF’s top level management, which is based in Switzerland, was aware of “<i>this agency arrangement and the financials associated therewith</i>”. In reality, all individuals cited, except for VF’s legal department regarding technical review, were employees of VF’s Indian Branch. We believe this important fact must be clearly stated.</p>	<p>VF is incorrect that the only individuals cited in the report were from the Indian branch. Significant contact and decisions were also made by a Director from VF Asia Ltd. Pvt. This indicates that a senior manager and someone outside of the Indian branch had awareness of and involvement in the agency arrangement and financials associated therewith.</p> <p>OIG’s report reflects that VF employees from different offices were aware of the agency agreement and the financials associated therewith. See OIG section G.1.4.12 for OIG’s position that enough information was available for VF’s headquarters to have concerns about the legitimacy of the agency arrangement, which supports an inference that VF senior management should have known about the improper commission payments.</p>
35	<p>There is a reference to “<i>commission payments to said individual under circumstances that do not appear to be normal, e.g. payment for work done under an unexecuted back-dated contract before the identity of the agent was known</i>”. This sentence is misleading, as there is an implication that “<i>payment for work done under an unexecuted back-dated contract before the identity of the agent was known</i>” was done more than once.</p>	<p>OIG disagrees with VF’s interpretation of the language in this paragraph and provides another example of unusual circumstances surrounding payment of the commission (e.g. the lack of monthly marketing reports as required by the contract).</p>
36	<p>There is a reference to payments being made to senior program officials in CNM, namely the Director and Deputy Director. VF had no involvement in payments to any employees besides CNM’s Director.</p> <p>OIG should clarify that the reference to the Deputy Director does not concern VF.</p>	<p>This paragraph is part of a summary of factual findings and does not pertain solely to VF. The OIG report does not indicate that VF made improper commission payments to CNM’s Deputy Director.</p>

	VF comments and/or suggestions for amendment (26 May 2013)	OIG Response
37	<p>It is stated that <i>“CNM officials requested and accepted payment in the form of gifts, trips and favors from the same international suppliers throughout the duration of CNM's relationship with the Suppliers, and that the cost associated with travel alone exceeded US \$20,000”</i>. It is very important to VF that facts that do not pertain to VF are not linked to VF by association. In the present case, the only circumstantial evidence VF knows about suggests the possible funding of two plane journeys, for a total value not exceeding US\$ 1,500 in 2005 and 2010, respectively to attend a conference in Dubai and to meet with an individual employed by VF's Indian Branch in Singapore. There is no evidence that any advantage was sought in this respect. VF insists that these facts be reported separately and not by association, especially in view of the apparently very limited role of VF in the overall picture.</p>	<p>This paragraph is part of a summary of factual findings and does not pertain solely to VF.</p> <p>Further, the report accurately describes the two known instances of the CNM Director and family's trips to Singapore and Dubai – trips that VF's Indian branch Sales Manager offered to have VF pay for.</p>

ANNEX 5: OIG Response to NCHADS Comments on Cambodia Investigation Report

	NCHADS comments and/or suggestions for amendment (19 July 2013)	OIG Response
1	<p>The Senior Procurement Officer was employed by NCHADS from 31 January 2009 to 31 August 2012 (not September 2012) and worked under Round 7 HIV grant, Phase 1. The procurement activity for this grant started mid-2009 (not 01 January 2009).</p> <p>There was an overlapped period from January to May 2009 with R5 for which MoH was PR and not NCHADS.</p> <p>From 2003 to the end of May 2009, the Round 5 procurement activities were managed by NCHADS-SR team (i.e. Manager, Planning Officer, M&E Officer, Procurement Officer and Finance Officer) and this team was directly reporting to MoH-PR.</p> <p>The Senior Procurement Officer had no procurement responsibility or authority to oversee the procurement activities under Round 5. His activities and role as Senior Procurement Officer were to coordinate with the relevant SRs and NCHADS technical units to develop technical specifications and to receive price quotations. He was only a Secretary of the Bid Evaluation Committee (BEC), not a member of the BEC.</p>	<p>The Senior Procurement Officer began working on the Global Fund program at NCHADS as of 1 January 2009. The Round 7 HIV grant technically commenced on 1 December 2008. OIG does not dispute that Round 5 activities, including procurements, were still going on in 2009.</p>
2	<p>Companies who did not win Global Fund contracts during Rounds 7 or 9 should be removed from the list of local vendors who participated in fraudulent schemes with NCHADS under the Global Fund program.</p>	<p>Accepted</p>
3	<p>Infotech Computer System, MEAS Sovuthidy, Ontaracheat, Kuang Hsein Medical Instrument, Deam, Neeka, Great Pharma Co and Biomed Phnom Penh were not awarded any contracts under Global Fund Rounds 7 and 9 grants to Cambodia. Therefore the Senior Procurement Officer could not have received any commission payments from these companies when he was responsible for Global Fund Rounds 7 and 9.</p>	<p>Agreed, while noting that these were still local vendors with whom the Senior Procurement Officer regularly engaged in procurement tampering under the Donor 1 program. Several of these same vendors continued to bid for contracts under the Global Fund program. Their complicity in these schemes is relevant to OIG's findings in connection with Global Fund procurements.</p>

	NCHADS comments and/or suggestions for amendment (19 July 2013)	OIG Response
4	The evidence presented in OIG report ¶ 184 concerning a 2 July 2009 email to a Kuang Hsien employee to build a 15% commission into the contract price relates to the CTAP project, not to the Global Fund grants. Hence, the Senior Procurement Officer could not have received commissions from these companies as he was responsible for Global Fund Rounds 7 and 9 grants.	Agreed, while noting that during the time period of this wrongdoing, the Senior Procurement Officer was in charge of procurements under the Global Fund program. Therefore, this information is relevant to show how he continued to conduct business with local vendors even after moving to the Global Fund program.
5	The evidence of wrongdoing in procurement processes is related to the Donor 1 program which ended before the Senior Procurement Officer became responsible for procurement under Global Fund Round 7 and 9 grants.	The OIG disagrees with NCHADS' argument based on evidence of the improper facilitation payment under the Global Fund program, continued efforts to manipulate bid prices and submissions, and the lack of credibility of the Senior Procurement Officer. See OIG report section – G.2.2.3; see also OIG explanation in line 4.
6	Procurement processes at NCHADS were open and competitive. Since qualified vendors in Cambodia are limited and the National HIV program is a long term program : <ul style="list-style-type: none"> - It is common to see same vendors regularly competing against each other and this does not necessarily imply any wrong-doing; - The development of relationships with vendors is inevitable and does not necessarily imply any wrongdoing. 	In the case of the NCHADS Senior Procurement Officer, his relationships with local vendors was improper due to the facilitation payments he required and the manipulation of bid submissions he requested from vendors, not because they regularly competed against each other.
7	There is no evidence that the Senior Procurement officer would have received commissions from Dynamic Pharma and MIG Group.	See OIG report ¶ 171, 180.
8	The reasons for the back-dating of the quotation discussed in OIG report ¶ 192 was simply to ensure the procurement could be done within Round 7 Phase 1 ending on 31 December 2010, or else it would have been delayed and taken place under Phase 2. Whilst this (along with suggesting an amount for the quotation) is indeed improper procurement practice , there is no evidence of any implication or request for commission or kickback payments to the vendor, especially since the company referred to in the email did not win the contract.	NCHADS recognizes that this sort of tampering with bid quotations constitutes improper procurement practice.

	NCHADS comments and/or suggestions for amendment (19 July 2013)	OIG Response
9	Whilst there is clear evidence of wrong-doing in the case where the Senior Procurement Officer asked Dynamic Pharma to increase its price quotation and back-date its bid so that MIG Group could win the bid (the Procurement Officer has admitted it) OIG report ¶ 180, the draft report does not provide the material evidence or its source of information which proves that he requested or received USD 400 from MIG groups or Infotech Computer system.	The Senior Procurement Officer admitted to doing so. See OIG report ¶ 180.
10	The Round 5 disbursement amount of USD 2,295,954 should be excluded from the total Global Fund grant amount received at the time the Senior Procurement Officer played a role in procurement (USD 54.2 million) – this figure would amount to 51.9 million.	Accepted
11	The amount involved in procurement contracts with third party vendors at the time the Senior Procurement Officer played a role in procurement should exclude the Round 5 related amount of USD 883,682.39 – this figure would finally amount to USD 5,570,768.61.	<p>The OIG agreed to remove the value of any procurements that occurred under Round 5 from consideration in this report. According to the NCHADS general ledger that was provided to the OIG during the course of its investigation, the value of the select local procurements being referred to in this report for Round 5 was USD 217,134, not USD 883,682.39 as NCHADS claims in its response. The reason for this discrepancy may be due to the fact that the OIG selected procurements that fell under the following categories only: Civil construction, drugs, living support, medical equipment, printing materials, vehicles, infrastructure & other equipment.</p> <p>It is possible that NCHADS may have been referring to <u>all</u> Round 5 local procurements in its figure.</p> <p>Because NCHADS did not provide OIG with the transactional details to back up its claim, the OIG has no way to determine the cause of this discrepancy. As such, the OIG report will provide a range for the Round 7 and Round 9 select local procurements that includes NCHADS's and OIG's calculations: between USD 5,570,769 and 6,237,317.</p>

	NCHADS comments and/or suggestions for amendment (19 July 2013)	OIG Response
12	<p>The amount of USD 185,633.43 should be excluded from the total tainted fraud amount. The Senior Procurement Officer was not involved in these procurements and there was no risk he could have influenced them in any way or go any bribe.</p> <p>Breakdown as follows:</p> <ul style="list-style-type: none"> a. The amount of USD 14,963 relates to a contract won by MIG Group under the Global Fund Round 5 grant which the Senior Procurement Officer was not involved in. This amount should therefore be deducted from the total amount of non-compliant expenditure. b. NCHADS reviewed the ledgers sent to the OIG team . Out of the total payment to Dynamic Pharma of USD 26,815 under Round 7, NCHADS paid USD 174.43 for OI drugs for which procurement activities were pooled with and conducted by the MoH-PR (not NCHADS). This amount needs to therefore be deducted. c. Out of the total payment to Dynamic Pharma of USD 198,054 under Round 9, two payments of the amounts of USD 69,120 and USD 101,376 (totaling USD 170,496) were made for Viral Load reagents and its consumables for which the Global Fund had approved the technical specifications, and for which CHAI and the Global Fund/LFA had provided technical assistance for the unit costs. This amount needs to therefore be deducted. 	<ul style="list-style-type: none"> a. Accepted b. Accepted c. The evidence shows that the Senior Procurement Officer manipulated the procurement process through acts such as back-dating bids and providing price quotation information to bidders. The fact that the Global Fund approved the specifications and unit costs is irrelevant to the validation of the process, which was tainted by the above-described acts. Interfering with procurement practices in a way that undermines the transparency and equality of the process works to compromise the entire process.
13	<p>When the OIG verbally alerted the NCHADS Deputy Director about the Senior Procurement Officer's admission of the commission payments, NCHADS took strong action and decided to terminate the Senior Procurement Officer's contract on 31 August 2012 (with one month notice in line with the contractual terms and conditions).</p>	<p>OIG does not dispute the fact that NCHADS terminated the employment of the Senior Procurement Officer at the end of August 2012.</p>

	NCHADS comments and/or suggestions for amendment (19 July 2013)	OIG Response
14	<p>Under Cambodian law, all pharmacies and companies dealing with pharmaceutical imported products have to have a pharmacist on standby as an official reference person.</p> <p>The NCHADS Logistic and Supply Management Officer was a stand-by for Dynamic Pharma, but having no role in the bidding process. NCHADS was not aware of the potential conflict of interest.</p> <p>However, when verbally notified by the OIG in July 2012, NCHADS proactively and rapidly took action as NCHADS offered him to option to either resign at NCHADS or from his standby role. As a result, his contract was terminated by 30 September 2012.</p>	<p>OIG does not dispute the fact that NCHADS terminated the employment of the Dynamic Pharma employee, but maintains that the facts stated in the OIG report, see ¶ 171, are factually accurate and raise a legitimate concern of potential conflict of interest.</p> <p>Indeed, NCHADS shared OIG’s concern as it terminated his contract “given this potential conflict of interest.”</p>
15	<p>In clarifications provided to the NCHADS Management team in early August 2012, the Senior Procurement Officer stated that in his interview with the OIG, he had admitted to some of the facts of wrongdoings exposed in this report which were all related to the Donor 1’s projects (which ended in mid-2008) and in the absence of strong control procedures.</p> <p>However, based on the interview with the Senior Procurement Officer (which was conducted without an interpreter or independent witness) and email communications by the Procurement Officer, which indicated solicitation of kickback commission payments from vendors under Donor 1 project (from 2005-2008), the draft report assumed the Procurement Officer continued the wrongdoings systematically and routinely for all vendors and all contracts under Global Fund Rounds 7 and 9 grants; and this in spite of the fact (which was not mentioned in the report) that the Senior Procurement Officer confirmed this practice was not continued under Global Fund grants (from 2009 to 2012), since the procurement procedures and policies significantly improved, and procurement standards and scrutiny were more strict and robust. Indeed, a Bidding Evaluation Committee was involved (which he was not a member of but only a Secretary) and verification was conducted by a third party (i.e. the LFA).</p> <p>There is no evidence that similar practice (i.e. requests for 15% commission payments) under the Donor 1 program continued under Global Fund grants. No credible evidence that the alleged wrongdoing continued.</p>	<p>See OIG report ¶ 167-168, discussing rationale for concluding that Senior Procurement Officer compromised the integrity of Global Fund procurements beginning in January 2009 due to his established past practices, evidence of an additional facilitation payment, and continued procurement manipulation of Global Fund-financed contracts.</p> <p>The Global Fund makes no claim that the Senior Procurement Officer required 15% commissions for Global Fund contracts, but rather that his actions put USD 317,430 worth of Global Fund procurements at risk during his supervision of the Global Fund program.</p>

	NCHADS comments and/or suggestions for amendment (19 July 2013)	OIG Response
16	The report states that the Senior Procurement Officer indeed made contradictory statements (i.e. first denied ever having solicited or received commission payments and later saying he had been doing so the entire time). This clearly shows that the Senior Procurement Officer was quite confused, inconsistent, frightened and probably under strong pressure and intimidated in the one single interview with the OIG team, especially as it was a sensitive interview conducted in an international hotel room.	OIG maintains its position that the Senior Procurement Officer was not confused, but rather disingenuous in his responses to OIG and only admitted what he could not deny once confronted with hard evidence of his wrongdoing.
17	<p>It is unclear whether the individual was informed and was asked for his written consent to have the interview recorded, and whether the individual was given a copy of the written statement in both English and Khmer language.</p> <p>Having the person's interview recorded and having him sign a written statement directly after the interview in those conditions is a questionable practice not meeting the usual international standards and practice for testimonies, and not fully respecting legal rights</p>	<p>The Senior Procurement Officer met with OIG staff voluntarily, spoke in English, and did not request an interpreter at any point. He was aware his interview was being recorded and voiced no objection.</p> <p>OIG emphasizes that it did not conduct a criminal investigation triggering legal liability. This was an administrative inquiry concerning the management of grant funds pursuant to the Global Fund's rights under the Standard Terms and Conditions of the Program Grant Agreements.</p>
18	NCHADS has serious concerns about the incorrect, inconsistent and even at times contradictory facts, scarce evidence and overgeneralization and extrapolation of findings presented in the draft report, in particular as they excessively and mostly rely on the interview of the Senior Procurement Officer.	See OIG explanation discussed in line 15 and OIG report section G.2.3, ¶183 for further discussion of the ramifications of the Senior Procurement Officer's actions on the procurement process and, in particular, to USD 317,430 worth of procurements with compromised vendors that he managed under the Global Fund program.
19	<p>"NCHADS compromised the integrity of the Global Fund procurements":</p> <p>The general allegation and accusation about NCHADS' integrity based on one individual's wrongdoings within a limited time duration and cope is unsupported and unacceptable.</p> <p>In addition to this, the tainted amount represents a relatively limited amount compared to the significant Global Fund funding managed by NCHADS over the many years.</p>	<p>The OIG perceives the Senior Procurement Officer's wrongdoing as being pervasive throughout his work as procurement officer under the Donor 1 program and continuing into his time managing Global Fund procurements under Rounds 7 and 9.</p> <p>The OIG considers activities that put Global Fund grants at risk in any amount to be a serious matter.</p>

ANNEX 6: OIG Response to MEDiCAM’s Comments on Cambodia Investigation Report

	MEDiCAM comments and/or suggestions for amendment (08 October 2012)	MEDiCAM response and/or suggestions for amendment (17 July 2013)	OIG Response
1	<p>Staff Member A (who has currently left the organization) worked to support training (such as preparing announcements, receiving applications/registrations from trainees, following up with participants, logistical arrangements, material preparation, assisting in training facilitation, etc.) as well as information sharing and advocacy work.</p> <p>As such, Staff Member A’s monthly salary was USD 800 out of which the Global Fund financed USD 575 from the Training Assistant budget line (which was paid from February to December 2009), and Donor B financed USD 225.</p>	<p>Staff Member A worked for MEDiCAM as Advocacy Coordinator from 02 February 2009 – 15 January 2010 with a monthly salary of USD 800 (out of which USD 575 was charged from the budget line of Training Assistant of the Global Fund HIV Round 7 grant and USD 225 from the budget line of Health Information Officer of the Donor X grant).</p>	<p>MEDiCAM intentionally misled OIG in its 8 October 2012 comments in which it informed OIG that Staff Member A was paid out of the Training Assistant budget line and performed training-related tasks.</p> <p>In its 17 July 2013 response, MEDiCAM claimed Staff Member A was the Advocacy Coordinator despite its 8 October contention that Staff Member B filled this role (and provided a contract to demonstrate that fact).</p> <p>Moreover, the OIG investigation uncovered two contracts signed by Staff Member A for the same time period (2 February 2009 until 31 January 2010) for the positions of Training Assistant and Advocacy Coordinator. Since MEDiCAM never claims that she held two positions simultaneously, and in fact admits that she was only the Advocacy Coordinator, one of these documents is false. Notably, MEDiCAM did not provide the “Training Assistant” contract to OIG directly; this was obtained from Donor B whom MEDiCAM provided it to.</p>

	MEDiCAM comments and/or suggestions for amendment (08 October 2012)	MEDiCAM response and/or suggestions for amendment (17 July 2013)	OIG Response
2	<p>Staff Member B was the Advocacy Coordinator from 03 April 2008 to December 2009 and his position was financed by Donor B. His salary was revised and the second contract was signed from 01 October 2008 to December 2009.</p>	<p>Staff Member B worked with MEDiCAM from 03 April 2008 to 31 October 2011 occupying four different positions:</p> <p>Staff Member B worked as an Advocacy Coordinator from 03 April to 31 August 2008, and although his contract for the post of Advocacy Coordinator financed by Donor X was effective till 31 March 2009, Staff Member B got promoted to Information Sharing Manager after 5 months.</p> <p>As Information Manager from 01 September to 31 December 2008, Staff Member B had an additional workload related to the information sharing unit (writing articles, coordinating and facilitating monthly MEDiCAM Membership meetings), but also continued to be responsible for all advocacy work. Thus, his salary continued being charged to the budgetary line of Advocacy Coordinator from Donor B.</p> <p>Once the Global Fund HIV Round 7 grant started on 01 January 2009 and financed one more Health Information Officer (Staff Member D), MEDiCAM decided to re-assign Staff Member B to lead the Research Unit in the position of Research Coordinator, a post funded by Donor X. As Staff Member B continued supporting advocacy work in this position, his salary continued being charged to the budgetary line of Advocacy Coordinator under the Donor X grant.</p> <p>As of January 2010, Staff Member B continued working as Research Coordinator, this time funded by Donor Y, before finally resigning on 31 October 2011 to pursue his studies in Japan.</p>	<p>MEDiCAM intentionally misled OIG in its 8 October 2012 comments in which it informed OIG that Staff Member B was the Advocacy Coordinator for the entire year in 2009 (and provided a contract to that effect).</p> <p>In its 17 July response, MEDiCAM admits that Staff Member B only served as Advocacy Coordinator until 31 August 2008 and that Staff Member A took over the position in February 2009.</p> <p>Regardless of what budget lines MEDiCAM charged Staff Member B salary to, the fact remains that MEDiCAM created a fake contract signed by Staff Member B to support the story that he was the Advocacy Coordinator while Staff Member A was the Training Assistant.</p>

	MEDiCAM comments and/or suggestions for amendment (08 October 2012)	MEDiCAM response and/or suggestions for amendment (17 July 2013)	OIG Response
3		<p>The budget line for Advocacy Coordinator under the Donor B grant was for a monthly salary of USD 900, which corresponds to the yearly Provident Fund of the staff member</p> <p>Another monthly salary received by Staff Member B in the amount of USD 1,000 as mentioned in the table (Annex 1, Figure 73) was a short-term contract with specific deliverables.</p> <p>There was no other donor budget line that supported position of Advocacy Coordinator for USD 450.</p>	<p>Accepted with respect to the amount of the Donor B grant.</p> <p>OIG can neither confirm nor contradict MEDiCAM's contentions with respect to the other sources of payment.</p> <p>Records obtained by OIG during its investigation reveal that an average of approximately USD 481 per month was charged to Donor C for advocacy work performed in 2009.</p>
4		<p>Advocacy is one of the cross-cutting core businesses of MEDiCAM and cannot be implemented by just one staff member. Staff Members A and B worked together in assisting coordinating members and stakeholders. The Management Team including the Executive Director, Program Manager, and others were also actively involved.</p> <p>Assigning Staff Member A to the Advocacy Coordinator position gave her the opportunity of going beyond the role of Training Assistant and to lead and implement the advocacy capacity building for CSOs and MEDiCAM's advocacy plan development and implementation.</p>	<p>Regardless of whether Staff Members A and B worked together, MEDiCAM still intentionally misled the Global Fund to believe that she was filling the post of Training Assistant, as allocated for in the Global Fund budget.</p>

	MEDiCAM comments and/or suggestions for amendment (08 October 2012)	MEDiCAM response and/or suggestions for amendment (17 July 2013)	OIG Response
5		<p>Staff Member C, M&E and Capacity Building Manager, was managing all health related training activities from the beginning of the program (01 January 2009) till 30 November 2011.</p> <p>From 01 January 2009 until end March 2010, his monthly salary was fully charged from the HIV/AIDS Coordinator post.</p> <p>From April 2010 to November 2011, his salary was charged from the Health-related trainer post budget, with some shared cost from MEDiCAM.</p> <p>The HIV/AIDS Coordinator was not recruited from the beginning because the Management team decided to allocate the post's budget to the M&E and Capacity Building Manager which was occupied by Staff Member C.</p>	<p>MEDiCAM admits that Staff Member C never fulfilled the role of HIV/AIDS Coordinator, yet it charged the Global Fund for this post as such. Moreover, OIG identified two different contracts for this individual on MEDiCAM's hard drive – again, for two separate jobs during the same time period (1 January 2009 through 31 December 2009).</p> <p>A covered witness informed the OIG that Staff Member C did not perform any HIV/AIDS coordination work at MEDiCAM. See OIG report ¶ 203.</p> <p>The job Staff Member C actually filled was that of “M&E Coordinator”, which was budgeted for under another international donor's grant.</p>

	MEDiCAM comments and/or suggestions for amendment (08 October 2012)	MEDiCAM response and/or suggestions for amendment (17 July 2013)	OIG Response
6		<p>It is incorrect to say that there no work was conducted in relations to HIV/AIDS Coordination of CSOs.</p> <p>MEDiCAM's Executive Director, Program Manager, Health Information Officer (also supported by the Global Fund HIV Round 7 grant) and the M&E and Capacity Building Manager worked very much together to support the implementation of all activities in the work plan of the grant. Almost all activities in the work plans were implemented (except for one which was requested to be undertaken the following quarter).</p>	<p>OIG's report states that a covered witness stated that Staff Member C did not perform any HIV/AIDS coordination work related to the Global Fund Round 7 grant. See OIG report ¶ 203.</p> <p>Indeed, the 2009 MEDiCAM organizational chart corroborates this fact as he is listed therein as the M&E Capacity Building Manager and not the HIV/AIDS Coordinator.</p> <p>The OIG report makes no findings with respect to the quality of the programs. OIG's investigation reports on the misleading and conflicting information MEDiCAM provided it with when asked to explain how Global Fund money was used to fund certain positions.</p>
7		<p>MEDiCAM did not double-bill another donor for Staff Member C's salary as it did not charge this M&E position to another bilateral donor during 2009.</p> <p>It was only in early 2010 that MEDiCAM recruited another M&E Officer whose salary was then charged from that bilateral donor.</p>	<p>The OIG did not conduct an inquiry into the other international donor's grant, but the investigation determined that an amount of money was charged to that donor's grant during 2009 under the "M&E Coordinator" staff description.</p>

	MEDiCAM comments and/or suggestions for amendment (08 October 2012)	MEDiCAM response and/or suggestions for amendment (17 July 2013)	OIG Response
8		<p>MEDiCAM agrees that it did not sufficiently and timely inform its respective donors of any changes to the budget line, and should have requested authorization from NCHADS-PR prior to doing so.</p> <p>MEDiCAM recognizes this is “mismanagement” or “missteps in the right direction”; however, it disagrees with OIG’s conclusion that MEDiCAM was intentionally defrauding OIG.</p> <p>MEDiCAM acknowledges some weaknesses in its financial management system in past years but a lot of things have improved such as separate company in their Quickbooks, separate vouchers, segregation of duties in financial team, improved internal control and some more. Furthermore, MEDiCAM continues to improve its system in order to ensure the safeguard of its donors’ funds and the transparent system.</p>	<p>See OIG report section J.1.4 discussing MEDiCAM’s production of conflicting explanations and false documentary evidence as a way to intentionally mislead OIG to believe that the staff members were holding the positions for which MEDiCAM was charging the Global Fund.</p>

Annex 7A: OIG Investigations Unit

1. The Investigations Unit of the OIG is responsible for conducting investigations of alleged **fraud, abuse, misappropriation, corruption and mismanagement (collectively, “fraud and abuse”)** within Global Fund financed programs and by PRs and SRs, (collectively, “grant implementers”), CCMs and LFAs, as well as suppliers and service providers.¹
2. While the Global Fund does not typically have a direct relationship with the recipients’ suppliers, the scope of OIG’s work² encompasses the activities of those suppliers with regard to the provision of goods and services. The authority required to fulfill this mandate includes **access to suppliers’ documents and officials**.³ The OIG relies on the cooperation of these suppliers to properly discharge its mandate.⁴
3. OIG investigations aim to: (i) identify the specific nature and extent of fraud and abuse affecting Global Fund grants, (ii) identify the entities responsible for such wrongdoings, (iii) determine the amount of grant funds that may be compromised by fraud and abuse, and (iv) place the Organization in the best position to obtain recoveries through identification of the location or uses to which the misused funds have been put.
4. OIG conducts administrative, not criminal, investigations. Its findings are based on facts and related analysis, which may include drawing reasonable inferences based upon established facts. Findings are established by a preponderance of credible and substantive evidence. All available evidence is considered by the OIG, including inculpatory and exculpatory information.⁵
5. The OIG finds, assesses and reports on facts. On that basis, it makes determinations on the compliance of expenditures with the grant agreements and makes risk-prioritized recommendations.
6. Such recommendations may notably include identification of expenses deemed non-compliant for considerations of recovery, recommended administrative action related to grant management and recommendations for action under the Code of Conduct for Suppliers⁶ or the Code of Conduct for Recipients of Global Fund Resources⁷ (**the “Codes”**), as appropriate. The OIG does not determine how the Secretariat will address these determinations and recommendations. Nor does it make judicial decisions or issue sanctions.⁸
7. Recommendations to the Secretariat primarily aim to help identify, mitigate and manage **risks to the Global Fund and its recipients’ activities**. The OIG defers to the Secretariat and, where appropriate, the recipients, their suppliers and/or the concerned national law enforcement agencies, for action upon the findings in its reports.

¹ Charter of the Office of the Inspector General (19 March 2013), available at http://theglobalfund.org/documents/oig/OIG_OfficeOfInspectorGeneral_Charter_en/, accessed 01 November 2013 2013.

² Ibid., § 2, 9.5 and 9.7.

³ Ibid., § 17.1 and 17.2.

⁴ Global Fund Code of Conduct for Suppliers (15 December 2009), ¶¶ 17-18, available at http://theglobalfund.org/documents/corporate/Corporate_CodeOfConductForSuppliers_Policy_en/, accessed 01 November 2013.

⁵ These principles comply with the Uniform Guidelines for Investigations, Conference of International Investigators, June 2009, available at <http://www.un.org/Depts/oios/pages/uniformguidelines.html>, accessed 01 November 2013.

⁶ See fn. 4, supra.

⁷ Code of Conduct for Recipients of Global Fund Resources (16 July 2012), available at http://theglobalfund.org/documents/corporate/Corporate_CodeOfConductForRecipients_Policy_en/, accessed 01 November 2013.

⁸ Charter of the Office of the Inspector General (19 March 2013), § 8.1

8. The OIG is an administrative body with no law enforcement powers. It cannot issue subpoenas or initiate criminal prosecutions. As a result, its ability to obtain information is limited to the rights conferred under the grant agreements, the terms of the Codes, and on the willingness of witnesses and other interested parties to voluntarily provide information.

9. The OIG may also provide the Global Fund Board with an analysis of lessons learned for the purpose of understanding and mitigating identified risks to the grant portfolio related to fraud and abuse.

10. Finally, the OIG may make referrals to national authorities for prosecution of any crimes or other violations of national laws, and supports such authorities as necessary throughout the process, as appropriate.⁹

⁹ See Code of Conduct for Recipients of Global Fund Resources (16 July 2012), § 8.3.

Annex 7B: Applicable Concepts of Fraud and Abuse

11. As outlined in the previous section, the OIG bases its investigations on the contractual commitments undertaken by recipients and suppliers. It does so under the mandate set forth in its Charter to undertake investigations of allegations of fraud and abuse in Global Fund supported programs. As such, it relies on the definitions of wrongdoing set out in the applicable grant agreements with the Global Fund and the contracts entered into by the recipients with other implementing entities in the course of program implementation.

12. Such agreements with SRs must notably include pass-through access rights and commitments to comply with the Codes. The Codes clarify the way in which recipients are expected to abide by the values of transparency, accountability and integrity which are critical to the success of funded programs. Specifically, the Code of Conduct for Recipients prohibits recipients from engaging in corruption, which includes the payment of bribes and kickbacks in relation to procurement activities.¹⁰

13. The Codes notably provide the following definitions of the relevant concepts of wrongdoings:

(i) **“Anti-competitive practice” means any agreement, decision or practice which has as its objective or effect the restriction or distortion of competition in any market;**

(ii) **“Collusive practice” means an arrangement between two or more persons or entities designed to achieve an improper purpose, including influencing improperly the actions of another person or entity;**

(iii) **“Corrupt practice” means the offering, promising, giving, receiving, or soliciting, directly or indirectly, anything of value or any other advantage to influence improperly the actions of another person or entity;**

(iv) **“Fraudulent practice” means any act or omission, including a misrepresentation that knowingly or recklessly misleads, or attempts to mislead, a person or entity to obtain a financial or other benefit or to avoid an obligation; and**

(v) **“Misappropriation” is the intentional misuse or misdirection of money or property for purposes that are inconsistent with the authorized and intended purpose of the money or assets, including for the benefit of the individual, entity or person they favor, either directly or indirectly.**

14. The International Financial Institution Anti-Corruption Task Force provides similar definitions.¹¹

¹⁰ Ibid., § 3.4.

¹¹ Uniform Framework for Preventing and Combating Fraud and Corruption, International Financial Institutions Anti-Corruption Task Force, September 2006, available at <http://siteresources.worldbank.org/INTDOI/Resources/FinalFITaskForceFramework&Gdlines.pdf>, accessed 01 November 2013.

Annex 7C: Determination of Compliance

15. The OIG presents factual findings which identify compliance issues by the recipients with the terms of the STCs¹². Such compliance issues may have links to the expenditure of grant funds by recipients, which then raises the issue of the eligibility of these expenses for funding by the Global Fund. Such non-compliance is based on the provisions of the STCs. The OIG does not aim to conclude on the appropriateness of seeking refunds from recipients, or other sanctions on the basis of the provisions of the grant agreement.

16. Various provisions of the STCs provide guidance on whether a program expense is eligible for funding by the Global Fund. It is worth noting that the principles described in this section apply to SRs as well as PRs.¹³

17. **At a very fundamental level, it is the PR's responsibility "to ensure that all Grant funds are prudently managed and shall take all necessary action to ensure that Grant funds are used solely for Program purposes and consistent with the terms of this Agreement."**¹⁴

18. In practice, this entails abiding by the activities and budgetary ceilings proposed in the Requests for Disbursement, which in turn must correspond to the Summary Budget(s) attached to Annex A of the Program Grant Agreement. While this is one reason for expenses to be ineligible, expending grant funds in contravention to other provisions of the grant agreement also results in a determination of non-compliance.

19. Even when the expenses are made in line with approved budgets and work-plans, and **properly accounted for in the Program's books and records, such expenses must be the result of processes and business practices which are fair and transparent.**

20. The STCs specifically requires that the PR ensures that: (i) contracts are awarded on a **transparent and competitive basis, [...] and (iv) that the PR and its representatives and agents do not engage in any corrupt practices as described in Article 21(b) of the STCs in relation to such procurement.**¹⁵

21. The STCs explicitly forbid engagement in corruption or any other related or illegal acts when managing Grant Funds:

"The Principal Recipient shall not, and shall ensure that no Sub-recipient or person affiliated with the Principal Recipient or any Sub-recipient [...] participate(s) in any other practice that is or could be construed as an illegal or corrupt practice in the Host Country."¹⁶

22. Amongst prohibited practices is the rule that the PR, and any person affiliated with the PR, shall not **"engage(s) in a scheme or arrangement between two or more bidders, with or without the knowledge of the Principal or Sub-recipient, designed to establish bid prices at artificial, non-competitive levels."**¹⁷

23. The **Global Fund's Code of Conduct for Supplier and Code of Conduct for Recipients (the "Codes") further provide for additional principles by which recipients and contractors must abide, as well as remedies in case of breaches of said fundamental principles of equity, integrity and good management. The Codes also provide useful definitions of prohibited conducts.**

¹² **Global Fund's Standard Terms and Conditions of the Program Grant Agreement ("STCs")** (2012.09), available at http://www.theglobalfund.org/documents/core/grants/Core_StandardTermsAndConditions_Agreement_en/, accessed 01 November 2013. References are made to the current version of the STC for convenience and clarity. Different article numbers, or specific language, may have been applicable to the recipients at various times.

¹³ *Ibid.*, Art. 14(b).

¹⁴ *Ibid.*, Art. 9(a) and Art 18(f).

¹⁵ *Ibid.*, Art. 18(a).

¹⁶ *Ibid.*, Art. 21 (b).

¹⁷ *Ibid.*, Art. 21(b).

24. As of 2010, the Code of Conduct for Suppliers has been integrated into the STCs through Article 21(d) under which the PR is obligated to ensure that the **Global Fund's Code of Conduct** for Suppliers is communicated to all bidders and suppliers.¹⁸ It explicitly states that the Global Fund may refuse to fund any contract with suppliers found not to be in compliance with the Code of Conduct for Suppliers. Similarly, as of 2012, Article 21(e) provides for communication of the Code of Conduct for Recipients to all Sub-recipients, as well as mandatory application through the SR agreements.

25. Principal Recipients are contractually liable to the Global Fund for the use of all grant funds, including expenses made by SRs and contractors.

26. The factual findings made by the OIG following its investigation and summarized through this report can be linked to the prohibited conducts or other matters incompatible with the terms of the Program Grant Agreements.

¹⁸ Ibid., Art. 21(d).

Annex 7D: Reimbursements or Sanctions

27. The Secretariat of the Global Fund is subsequently tasked with determining what management actions or contractual remedies will be taken in response to the **OIG's** findings.

28. Such remedies may notably include the recovery of funds compromised by contractual **breaches. Article 27 of the STCs stipulates that the Global Fund may require the PR “to immediately refund to the Global Fund any disbursement of the Grant funds in the currency in which it was disbursed [in cases where] there has been a breach by the Principal Recipient of any provision of this (sic) Agreement [...] or the Principal Recipient has made a material misrepresentation with respect to any matter related to this Agreement.”**¹⁹

29. **According to Article 21(d), “in the event of non-compliance with the Code of Conduct, to be determined by the Global Fund in its sole discretion, the Global Fund reserves the right not to fund the contract between the Principal Recipient and the Supplier or seek the refund of the Grant funds in the event the payment has already been made to the Supplier.”**²⁰

30. Additional sanctions, including with respect to Suppliers, may be determined pursuant to the Sanctions Procedure of the Global Fund, for breaches to the Codes.

¹⁹ Ibid., Art. 27(b) and (d).

²⁰ Ibid.