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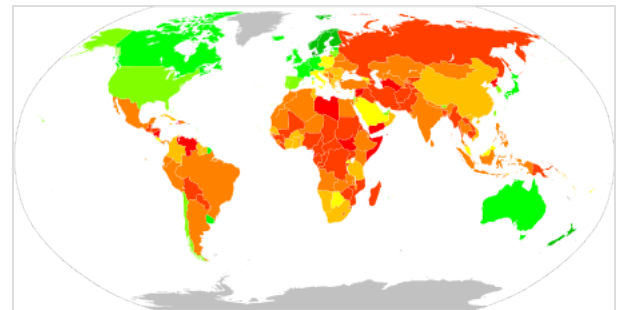
Corruption

Corruption is a form of dishonesty or a criminal offense that is undertaken by a person or an organization that is entrusted in a position of authority to acquire illicit benefits or abuse power for one's gain. Corruption may involve activities like bribery, influence peddling, and embezzlement, as well as practices that are legal in many countries, such as lobbying.^[1] Political corruption occurs when an officeholder or other governmental employee acts in an official capacity for personal gain.

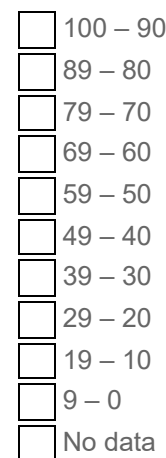
Historically, "corruption" had a broader meaning concerned with an activity's impact on morals and societal well-being: for example, the ancient Greek philosopher Socrates was condemned to death in part for "corrupting the young".^[2]

Contemporary corruption is perceived as most common in kleptocracies, oligarchies, narco-states, and mafia states, however, more recent research and policy statements acknowledge that it also exists in wealthy capitalist economies. In *How Corrupt is Britain*, David Whyte reveals that corruption exists "across a wide range of venerated institutions" in the UK,^[3] ranked as one of the least corrupt countries by the Corruption Perceptions Index (CPI). In a 2022 speech on "Modern Corruption", USAID Administrator Samantha Power stated: "Corruption is no longer just about individual autocrats pilfering their nation's wealth to live large",^[4] but also involves sophisticated transnational networks, including financial institutions hidden in secrecy. Responding to Whyte's book, George Monbiot criticized the CPI for its narrow definition of corruption that surveys mostly only Western executives about bribery.^[5] Similarly, others point out that "global metrics systematically under-measure 'corruption of the rich' - which tends to be legalized, institutionalized, and ambiguously unethical - as opposed to 'corruption of the poor'".^[6]

Corruption and crime are endemic sociological occurrences that appear regularly in virtually all countries on a global scale in varying degrees and proportions. Recent data suggests corruption is on the rise.^[7] Each nation allocates domestic resources for the control and regulation of corruption and the deterrence of crime. Strategies undertaken to counter corruption are often summarized under the umbrella term anti-corruption.^[8] Additionally, global initiatives like the United Nations Sustainable



A map depicting the Corruption Perceptions Index in the world in 2023; a higher score indicates lower levels of corruption.



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Construction project manager

United Kingdom

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Construction project manager salary in United Kingdom

How much does a Construction Project Manager make in United Kingdom?

Average base salary ?

£51,094

Per year

The average salary for a construction project manager is £51,094 per year in United Kingdom. 2.1k salaries reported, updated at 25 January 2025

Job openings in United Kingdom

Construction Project Manager

City of San Antonio 3.8 ★

San Antonio, TX

\$64,097.02 - \$96,145.66 a year

Full-time

View job details

Residential Construction Project Manager

Allied Outdoor Solutions 3.4 ★

San Antonio, TX

\$60,000 - \$100,000 a year

Full-time

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Healthcare Construction Project Manager

KR Wolfe 2 ★

Denver, CO

\$100,000 - \$110,000 a year

Full-time

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Highest paying cities for Construction Project Managers near United Kingdom

Oldham £57,566 per year 4 salaries reported	>
London £56,602 per year 505 salaries reported	>
Manchester £53,558 per year 121 salaries reported	>

Bristol £50,955 per year 98 salaries reported	>
Leeds £50,925 per year 70 salaries reported	>

Show more nearby cities ▾

Where can a Construction Project Manager earn more?

Compare salaries for Construction Project Managers in different locations

Enter first location

Enter a location

vs

Enter second location

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Compare

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What is the 50-30-20 budget rule?



The 50-30-20 rule is a useful guide to help you manage your spending.

It can help you decide if you're happy with where your money's going and see where you could make some positive changes.

What is the 50-30-20 rule?

The idea is you'd aim to spend:

- 50% of your income on needs: essential living expenses, such as rent/mortgage, bills, food, and transport to work



- 20% on savings or debt: paying off debt beyond minimum payments or putting money into a savings account, investment, or pension fund

Budget planner

Our budget planning tool can help you break down your spending into different categories to see where you can make changes.

Try the planner

So, if your monthly income was £1,500 after tax, you might spend:

- £750 on needs
- £450 on wants
- £300 on savings or debts

Remember, everyone's situation is different. If your spending doesn't fit the 50-30-20 rule, that's okay. But, if it's realistic for you, it could give you a good goal to aim for.

Small changes can make a big difference over time. Putting more of your income into savings or paying off debt can help you feel in control and able to make more of your money.

Explore: [9 steps to financial fitness](#)

How to apply the rule

Look at how much money you have coming in regularly. This will primarily be your salary if you're working. If your income changes from month to month, work out the average over the last 3 months.

Then, looking at your bank statements for the last 3 months, work out your average monthly spend. It can help to categorise your expenses so you can see specific areas



~~These categories may include your needs that are regular outgoings like:~~

- Bills
- Rent or mortgage
- Food

Plus your 'wants', such as:

- Eating out
- Shopping
- Subscriptions

Then note any money you're putting towards:

- Savings
- Repaying debt

Once you know how much you're spending in each area, you can work out the percentage:

1. Divide the amount you spend on needs per month by your monthly income. For example: $\text{£}750 \div \text{£}1,500 = 0.5$
2. Multiply that number by 100. For example: $0.5 \times 100 = 50\%$

Once you've worked out the percentages, look at how they compare. Again, it's okay if your spending doesn't fit the 50-30-20 rule. But, if you're looking to save more or repay debts faster, you may be able to make some changes.

If an unexpected expense has knocked you off track one month, don't worry. Just try to get back on track the following month. It can be helpful to have a safety net to cover unexpected costs.

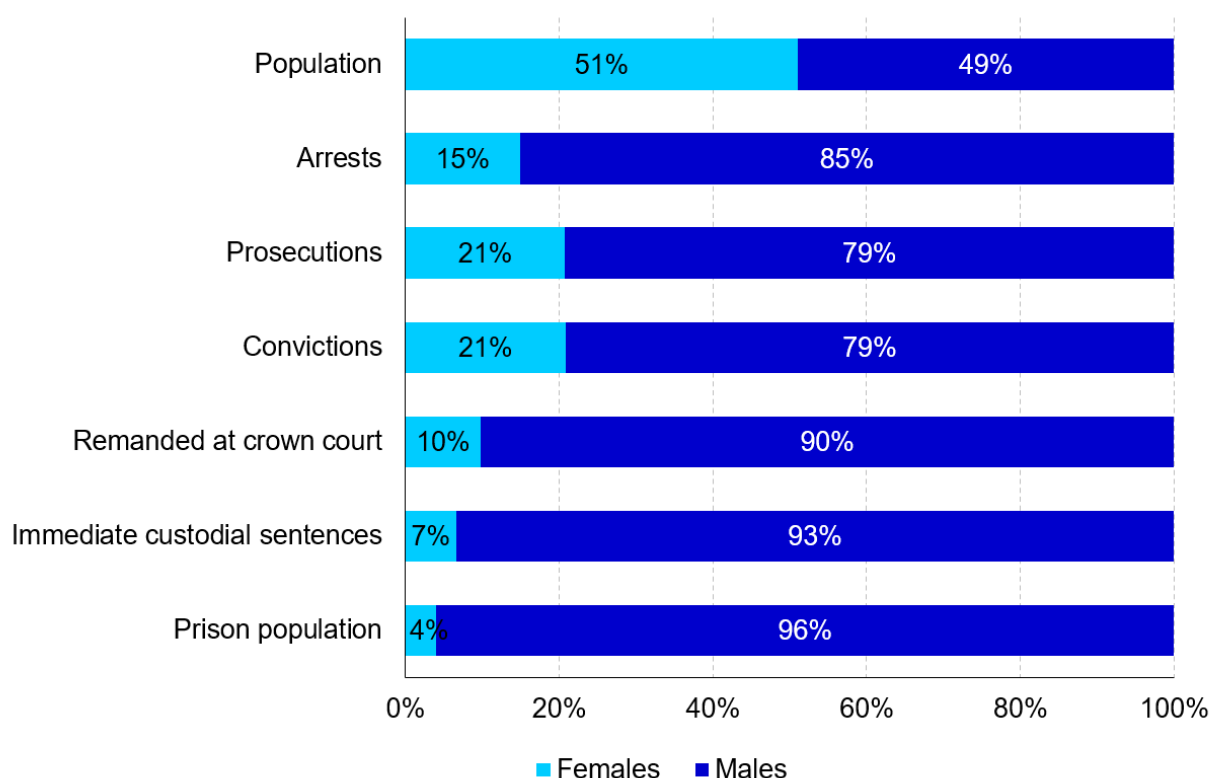
Mobile money management

1. Executive Summary

This publication compiles statistics from data sources across the Criminal Justice System (CJS), to provide a combined perspective on the typical experiences of females who come into contact with it. It considers how these experiences have changed over time and how they contrast to the typical experiences of males. No causative links can be drawn from these summary statistics, differences observed may indicate areas worth further investigation, but should not be taken as evidence of unequal treatments or as direct effects of sex.

In general, females appear to be substantially underrepresented throughout the CJS compared with males. This is particularly true in relation to the most serious offence types and sentences, though patterns by sex vary between individual offences.

Figure 1.01: Proportions of males and females throughout the CJS, 2021, England and Wales



Victims

Males maintain higher risk of being victim to personal crime than females.

In 2021/22, 3.3% of males were victim to personal crime, compared to 2.9% of females.

In 2020/21, 594 homicides were recorded; 70% of victims were male and 30% female.

In over half (54%) of female homicide victims (where the suspect was known), the suspect was their partner or ex-partner.

Police Activity

The majority (85%) of arrests continue to be accounted for by males in 2021/22.

The number of arrests has decreased by 3% when compared to 2019/20 but has increased by 2% in the latest year.

The proportion of Out of Court Disposals (OOCs) issued to females has fallen.

The number of OOCs issued overall has decreased in the latest 5 years. The proportion of Penalty Notices for Disorder (PNDs) issued to females fell from 22% in 2017 to 15% in 2021 and the proportion of cautions issued to females fell from 23% in 2017 to 21% in 2021.

Defendants

In 2021, 79% of individuals dealt with by the Criminal Justice System were male, and 21% were female.

The proportion of females dealt with has decreased from 26% in 2017 to 21% in 2021. This is likely a result of the COVID-19 pandemic and restrictions placed on criminal courts as a result. Between 2017 and 2019, proportions of females and males remained constant.

Females were typically dealt with for less severe offences at court.

Of all female defendants prosecuted at court, 14% were prosecuted for indictable offences compared to 23% of male defendants in the latest year.

In 2021, the average custodial sentence length for male offenders was 22.7 months compared to 14.5 months for female offenders.

A greater proportion of female offenders are sentenced for offences that tend to receive shorter sentences.

Offender Management

The majority (96%) of the prison population were male.

As at 30 June 2022, 4% of the prison population were female, this proportion has remained stable for the last 5 years.

Females were serving shorter custodial sentence lengths.

As at 30 June 2022, 17% of females and 7% of males were serving sentences of less than 12 months.

In the 2021/22 HM Inspectorate of Prisons survey, females reported a high level and breadth of personal need.

Compared to males, a higher proportion of females reported: self-declared mental health problems, physical disability, having drug and alcohol problems, money worries and housing worries.

A higher proportion of female prisoners self-harmed in 2021.

In 2021, the number of individuals who self-harmed per 1,000 prisoners was 350 for females and 135 for males. The number of instances of self-harm per self-harming individual was over twice as high for females at 10.6.

Offender characteristics

Ethnic minority groups accounted for a higher proportion of prosecutions against males compared to females.

In 2021 Black males were particularly over-represented, accounting for 12% of all male prosecutions. This compared to Black females accounting for 7% of all female prosecutions.

A higher proportion of female offenders were first time offenders, than males.	Of all female offenders cautioned/convicted in 2021, 35% were first time offenders (22% for males).
Females had a higher average number of reoffences per reoffender compared to males.	Females had a higher average number of reoffences per reoffender compared to males, at 3.97 and 3.69, respectively.
Across all three measures, the educational attainment of young people who had been cautioned or sentenced for an offence was slightly higher for females than males.	For example, 15% of females achieved 5 or more GCSEs (or equivalents) graded A* to C, including English and Maths, compared to 13% of males. This is considerably lower than the all-pupil population (56%).
More than half of young people who had been cautioned or sentenced for an offence were eligible for FSM.	This was slightly higher for females (57%) than for males (53%). This contrasts with the proportion of pupils in the all-pupil population where 26% were eligible for FSM.

Offence analysis

TV licence evasion was the offence with the highest proportion of female defendants in 2021.	In 2021, 75% of those prosecuted for TV licence evasion were female. This offence accounted for 18% of all female prosecutions.
Theft from shops was the most common indictable offence for female defendants in 2021.	Theft from shops accounted for 21% of all female prosecutions for indictable offences, compared to 8% for males. Of the 19,900 defendants prosecuted for theft from shops, 5,600 (28%) were female.

Practitioners



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10.10.2023 FEATURED < HT <https://fij.ng/category/feature/>

After Gulping \$10b in 43 Years, Ajaokuta Steel Is Still ‘Almost Ready’

Published 10th Oct, 2023

By [Joseph Adeiye](https://fij.ng/author/joseph-adeiye) < <https://fij.ng/author/joseph-adeiye> >



Kashim Shettima, Nigeria’s vice president, said on Sunday that President Bola Tinubu planned to rely on the Ajaokuta Steel Complex to create 500,000 jobs.

Ajaokuta Steel has been a Nigerian attempt to boost industrialisation in the country for four decades. It was initiated by President Shehu Shagari in 1979. This steel processing plant became a point of reference for subsequent heads of state to make promises and bold statements.

Typically, Tinubu’s administration added Ajaokuta Steel to its list of promises at a political campaign rally of the All Progressives Congress (APC) for the Kogi State governorship election in November.

This political promise now has to be taken with a pinch of salt, for it is a promise made too frequently and for so long.

FIJ examines the origin of Ajaokuta Steel, the expense of delayed progress, the place of steel in world economics and the possible completion of Ajaokuta.

READ ALSO: FLASHBACK: Full Text of Ibrahim Babangida’s 1993 Annulment Speech < <https://fij.ng/article/flashback-full-text-of-ibrahim-babangidas-1993-annulment-speech/> >

AJAKUTA STEEL: A SIMPLE ORIGIN STORY

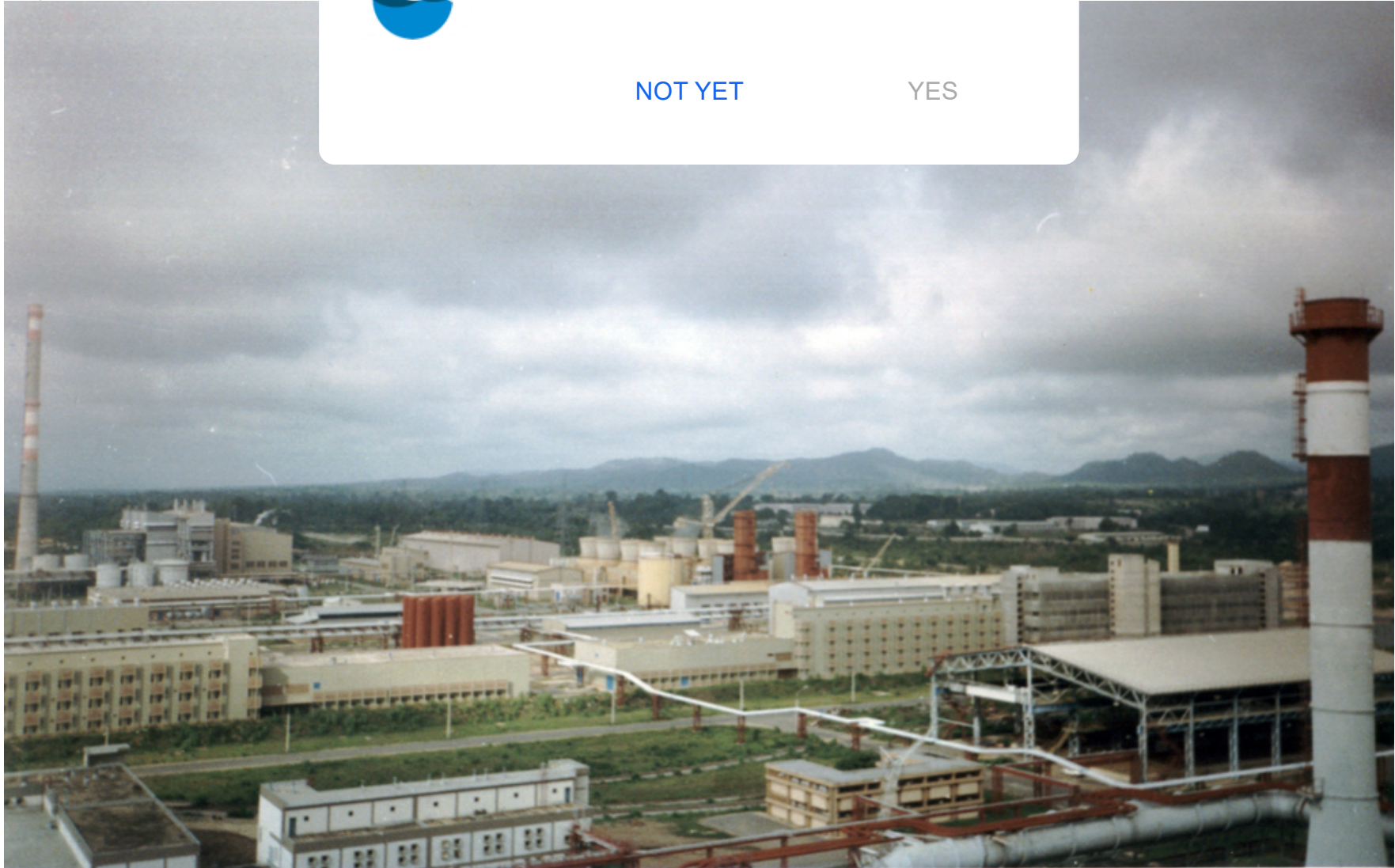




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Ajaokuta metal steel factory in 1994. PHOTO CREDIT: Ilya Volkov

Nigeria had its earliest conceptions of a steel industry a few years before the country’s independence in 1960.

Between 1960 and 1966, Prime Minister Tafawa Balewa and President Nnamdi Azikwe invited steel industry experts from around the world to conduct feasibility studies on steel production.

America, British, Canadian and German teams came to Nigeria in that period, but it was soviet experts who won the attention of Nigerian leaders.

Nigeria and the Union of Soviet Socialist Republics (USSR) signed a technical and economic cooperation agreement. Afterwards, Soviet experts conducted a feasibility study on the establishment of an iron and steel plant in 1967.

In 1968, Soviet geological experts investigated and reported Nigeria had high prospects for richer iron ore and coal deposits.

Nigeria contracted TYAZHPROMEXPORT (TPE), a Russian company, to provide specialised equipment to carry out further geological surveys in 1970. By 1973, enough iron ore deposits were found around the Kabba-Okene-Lokoja region in the Koton Karfe axis of present-day Kogi State.

TPE submitted a detailed project report on a feasible Nigerian steel industry in 1977.

On September 19, 1979, **Ajaokuta Steel Company Limited (ASCL)** < <http://ascl.minesandsteel.com/>> was one of the few steel companies established and incorporated as Limited Liability Companies (LLCs) under Section 2 of the National Steel Council Decree No. 60.

READ ALSO: FG to Lose N96m During Railway Workers’ Three-Day Warning Strike < <https://fij.ng/article/fg-to-lose-n96m-during-railway-workers-three-day-warning-strike/>>

WHY IT TOOK 40 YEARS TO FAIL



Bridge designer and manufacturer Mabey & Johnson was last week fined £3.5M for bribing officials involved in the United Nations (UN) oil for food programme in Iraq and for bribing foreign officials in Jamaica and Ghana.

London's Southwark Crown Court heard that the firm secured overseas contracts totalling £60M by offering sweeteners totalling £1M.

The prosecution followed the discovery of incriminating information during an internal investigation by Mabey & Johnson's solicitor Herbert Smith. This was then passed on to the Serious Fraud Office (SFO) in early 2008.

The company admitted two counts of conspiracy to corrupt in Ghana and Jamaica between January 1993 and January 2001.

It also pleaded guilty to "making funds available" to officials in Iraq working for the UN's oil-for-food humanitarian aid programme. It paid out more than £365,000 between May 2001 and November 2002.

Individuals of influence

The subsequent investigation showed that it had also paid bribes to "individuals of influence" in Madagascar, Angola, Mozambique and Bangladesh.

As well as paying the fine, Mabey & Johnson will also have to pay a total of £3.1M to cover compensation to countries where it had paid bribes, the prosecution's costs, and the cost of employing an independent monitor to oversee and report on its future conduct.

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Five of Mabey & Johnson's directors have stepped down since 2008, and the company appointed Peter Lloyd as its new managing director in the same year. "What our company did in the past is a matter of deep regret," said Lloyd.

"The UK lags significantly behind other countries in the number of cases brought for foreign bribery."

Chandrashekhar Krishnan, Transparency International

“We have said we will pay appropriate compensation as a further expression of our regret. All of our sales and associated systems have been reviewed and will be regularly updated, while all relevant staff have been extensively trained or retrained. We have made a fresh start as a company.” Anti-corruption groups welcomed the conviction.

“This is the first prosecution of a UK company for foreign bribery since the UK ratified the OECD Anti-Bribery Convention in 1999,” said anti-corruption body Transparency International UK executive director Chandrashekhhar Krishnan. “While this is welcome news, the UK lags significantly behind other countries in the number of cases brought for foreign bribery. We hope that this landmark case will encourage other firms to cooperate.”

The prosecution comes as Parliament discusses a draft bribery bill that introduces a new discrete offence of bribery of a foreign public official. It also creates a new corporate liability offence of negligently failing to prevent bribery.

The new offences are in direct response to the difficulty in prosecuting public sector bribery overseas. “British companies may be no more or less corrupt than United States or German companies,” said Krishnan.

“But corrupt companies may be getting away with it in the UK as law and enforcement is not as strong as in other jurisdictions. “In the US there have been 120 cases since

the OECD convention came into force, in Germany the number stands at 110, and France has had 17.

“In the UK we are not yet into double figures,” he said.

Catalogue of corruption
Iraq had contributed a major part of Mabey & Johnson turnover before trade sanctions were imposed following the invasion of Kuwait in the 1990s. The firm got involved in the UN oil for food programme in the mid 1990s and when it was negotiating for a £5.5M contract for 25 bridges, their first Iraqi contract since the mid 1980s, the firm's senior management approved a kickback payment of 10% and inflated the contract price by the same amount. In some countries Mabey & Johnson appointed agents to act on its behalf. Court papers show that in Jamaica and Ghana the company knew its agents were involved in corrupt relationships with public officials. Mabey & Johnson agreed with these agents to pay bribes to those public servants. Prosecutors claimed that the company employed known bribers as agents for commercial gain from the outset, and that corruption was part of the rationale of their employment. The company does not accept this. Bribes known to have changed hands total more than £1M and were made on contracts valued at between £60M and £70M. In Jamaica, Joseph Uriah Hibbert, Minister of State in the Ministry of Transport and Works, was one of the public officials bribed. He received £100,134 between November 1993 and October 2001.



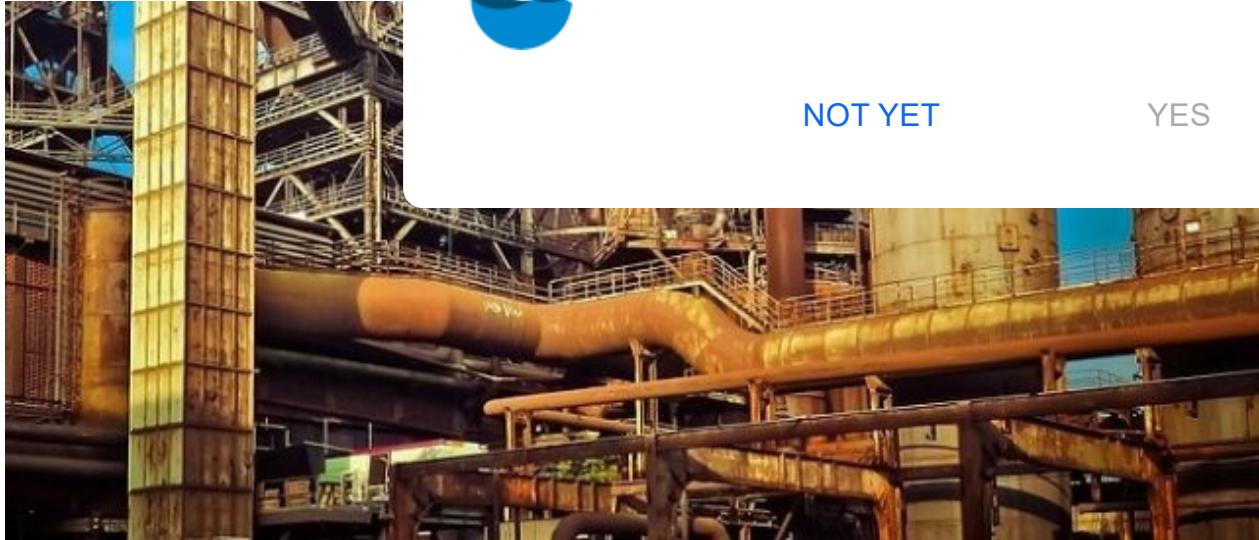
Foundation



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Ajaokuta Steel plant

After Shagari laid the foundations of Ajaokuta Steel on those 24,000 Kogi hectares in 1980, the building moved swiftly. By 1983, Shagari’s government had completed 84 percent of Ajaokuta Steel plants. In fact, the Light Section Mill and the Wire Rod Mill were commissioned earlier than their scheduled dates in 1983 and 1984.

What took four years to reach 84 percent completion took ten years to complete 14 percent worth of the steel plants. At 98 percent completion in 1994, Ajaokuta Steel went into hibernation.

It has yet to commence steel production operations to date, though the company mills and fabricates iron rods.

An on-site Al Jazeera report conducted in 2018 showed that Ajaokuta Steel remained moribund. At the time, the federal government had promised that the steel plant would commence operations in about 18 months (2020).

Sumaila Abdul Akaba, Ajaokuta Steel Company’s administrator, told Al Jazeera that all the plants were in good condition.

“The quality of the plants is still intact. But as at now, what we’ve done is to start to re-engineer the plants, refurbish, and try to make them work,” Akaba said < <https://www.youtube.com/watch?v=FqVyWiYdKQA>> in 2018.

“We have the light mills that produce iron rods that are 100 percent available. Very soon all the plants will be in full operations.”

‘Very soon’ was meant to be 2020, but the plants did not reach full operations. Why?

Previous reports on Ajaokuta Steel all agree that the governments after Shagari grew disinterested in the steel industry project because Nigeria enjoyed massive revenues from crude oil. Nigeria could have completed Ajaokuta Steel at the turn of the century but the successive military governments did not prioritise it.

At the start of Nigeria’s fourth republic, President Olusegun Obasanjo planned to privatise Ajaokuta Steel. Obasanjo gave Messrs SOLGAS Energy, an American company, control of Ajaokuta in 2003 but terminated the 10-year concession contract for its poor performance in 2004.

Global Infrastructure Nigeria Limited (GINL), an Indian company, got a similar contract from Obasanjo around 2005. By 2008, President Umar Yar’Adua terminated the contract for not meeting expectations.

GINL took the federal government to arbitration court for not meeting the requirements of the clauses built into their contractual agreement. The legal battle put Ajaokuta Steel on hold till the federal government settled with GINL in 2016.

Two years later, the National Assembly approved \$1 billion < https://www.youtube.com/watch?v=4H_JoqjDbUk> to complete Ajaokuta Steel. The company needed just \$700 million.

Abubakar Bawa Bwari, Nigeria’s mines and steel development minister in 2018, said, “We want to make sure Ajaokuta is complete before the end of this administration.”

Ajaokuta Steel remains unfinished in 2023.





THE VALUE OF STEEL



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A stack of steel tubes. PHOTO CREDIT: World Steel.

“Steel is the world’s most important engineering and construction material,” World Steel Association, the international industry association for steel-producing countries, **stated** < <https://worldsteel.org/about-steel/about-steel/>> on its website.

The value of steel is mostly tied to its sheer versatility. Steel is used in so many ways in applied engineering and manufacturing. It is used in every aspect of human life. Steel is present in automobile production, appliance manufacturing, cargo ships, aeroplanes, utensils, surgical scalpels, storey buildings and skyscrapers, mobile devices, and the list goes on.

Many grades of steel are easy to recycle, very durable, and use up relatively low amounts of energy during production when compared to other materials. There are also more than 3,500 grades of steel. These innovative lightweight steel saves energy and resources. Little wonder steel is such an important material in demand.

The largest economies have thriving steel production industries, China being the leading crude steel producer in the world. Countries earn decent revenue from steel depending on how much is produced.

America’s annual steel revenue **went** < <https://www.macrotrends.net/stocks/charts/X/united-states-steel/revenue>> from \$20.275 billion in 2021 to \$21.065 billion in 2022. **According to** < <https://www.steel.org/2023/06/aisi-releases-annual-statistical-report-for-2022/>> the American Iron and Steel Institute (AISI), shipments from domestic steel mills in the US measured 89.5 million net tons (NT), while raw steel production was at 94.7 million net tons in 2022.

“The benefits of getting Ajaokuta Steel Complex working again are numerous. It would provide over 500,000 estimated jobs and more than \$1.6 billion (N716 billion) in annual income to the Nigerian economy. Nigerians can rest assured that I remain committed to seeing this process to a logical conclusion before the end of my tenure in office,” Buhari said in a 2022 statement.

Buhari failed to complete the rejuvenation of Ajaokuta Steel, and its potential to return over N700 billion every year remains a waste for every year it stays inoperable.

READ ALSO: How Kogi House of Assembly Candidate ‘Stole N681m’ From Union Bank Accounts < <https://fij.ng/article/how-kogi-house-of-assembly-candidate-stole-n681m-from-union-bank-accounts/>>

WHEN CAN AJAOKUTA STEEL TRULY BE COMPLETED?

Ajaokuta has been almost completed since 1994. ‘Almost completed’ in 2023 does not particularly hold so much promise in that context. What would have cost \$700 million in 2020 is currently estimated at \$2 billion dollars. It really is not a question of ability; it is a test of will.

Previous administrations have approved more than enough funds to complete Ajaokuta Steel in order to make all its plants functional. They have also proved that about half of the entire project can be completed within two years.

Ajaokuta Steel has been reported to be over 95 percent completed multiple times. Reasonably, it should not linger in inactivity for three more years.

It can truly be completed very soon, in a matter of months even, except Ajaokuta Steel remains relevant to the president as a talking point at political party rallies.

Share on Social Media



Construction industry in England: bid-rigging

Office of Fair Trading (OFT) closed Competition Act 1998 case.

From: **Competition and Markets Authority** (</government/organisations/competition-and-markets-authority>)

Published 22 September 2009

Case type: **CA98 and civil cartels** (/cma-cases?case_type%5B%5D=ca98-and-civil-cartels)

Case state: **Closed** (/cma-cases?case_state%5B%5D=closed)

Market sector: **Building and construction** (/cma-cases?market_sector%5B%5D=building-and-construction)

Outcome: **CA98 - infringement Chapter I** (/cma-cases?outcome_type%5B%5D=ca98-infringement-chapter-i)

Opened: 18 November 2004

Closed: 22 September 2009

No. CE/4327-04

The OFT has imposed fines totalling £129.2 million on 103 construction firms in England which it has found had colluded with competitors on building contracts.

Download [table of infringements](https://assets.digital.cabinet-office.gov.uk/media/555de4ce40f0b666a2000160/table-of-infringements.pdf)
(<https://assets.digital.cabinet-office.gov.uk/media/555de4ce40f0b666a2000160/table-of-infringements.pdf>) (PDF, 88KB).

Download [Information Note to procuring entities in the public and private sectors](https://assets.digital.cabinet-office.gov.uk/media/555de4cee5274a7084000166/Information-Note2.pdf)
(<https://assets.digital.cabinet-office.gov.uk/media/555de4cee5274a7084000166/Information-Note2.pdf>) (PDF, 70KB).

Download [Parties and Fines](https://assets.digital.cabinet-office.gov.uk/media/555de4cce5274a74ca000155/parties2.pdf)
(<https://assets.digital.cabinet-office.gov.uk/media/555de4cce5274a74ca000155/parties2.pdf>) (PDF, 77KB) - see also Note 10 below.

The OFT has concluded that the firms engaged in illegal anti-competitive bid-rigging activities on 199 tenders from 2000 to 2006, mostly in the form of 'cover pricing'.

Cover pricing is where one or more bidders in a tender process obtains an artificially high price from a competitor. Such cover bids are priced so as not to win the contract but are submitted as genuine bids, which gives a misleading impression to clients as to the real extent of competition. This distorts the tender process and makes it less likely that other potentially cheaper firms are invited to tender.

In 11 tendering rounds, the lowest bidder faced no genuine competition because all other bids were cover bids, leading to an even greater risk that the client may have unknowingly paid a higher price.

The OFT also found six instances where successful bidders had paid an agreed sum of money to the unsuccessful bidder (known as a 'compensation payment'). These payments of between £2,500 and

£60,000 were facilitated by the raising of false invoices.

The infringements affected building projects across England worth in excess of £200 million including schools, universities, hospitals, and numerous private projects from the construction of apartment blocks to housing refurbishments.

Eighty-six out of the 103 firms received reductions in their penalties because they admitted their involvement in cover pricing prior to the OFT's decision.

The OFT also informed nine companies originally listed in its Statement of Objections that it will not pursue allegations of bid-rigging against them as it considers it has insufficient evidence to proceed to an infringement finding.

Related guidance issued by the OFT in conjunction with the Office of Government Commerce (see Information Note link above) cautions procurers against excluding the infringing firms from future tenders, as the practice of cover pricing was widespread in the construction industry and those that have already faced investigation can now be expected to be particularly aware of the competition rules.

Download the [full Decision \(https://assets.digital.cabinet-office.gov.uk/media/555de4cfe5274a7084000168/CE4327-04_Decision_public_1.pdf\)](https://assets.digital.cabinet-office.gov.uk/media/555de4cfe5274a7084000168/CE4327-04_Decision_public_1.pdf) (PDF, 10.7MB).

Notes

1. In April 2008 the OFT issued a Statement of Objections (SO) against 112 firms in the construction sector in England. See press release [52/08 \(http://webarchive.nationalarchives.gov.uk/20140402142426/http://www.of.gov.uk/news-and-updates/press/2008/52-08\)](http://webarchive.nationalarchives.gov.uk/20140402142426/http://www.of.gov.uk/news-and-updates/press/2008/52-08).
2. Cover pricing arrangements have previously been found by the OFT and the Competition Appeal

Tribunal to be illegal and in breach of the Competition Act 1998 due to the restrictions on competition that arise. (See press notices [46/04](http://webarchive.nationalarchives.gov.uk/20140402142426/http://www.oft.gov.uk/news-and-updates/press/2004/46-04) (<http://webarchive.nationalarchives.gov.uk/20140402142426/http://www.oft.gov.uk/news-and-updates/press/2004/46-04>), [48/05](http://webarchive.nationalarchives.gov.uk/20140402142426/http://www.oft.gov.uk/news-and-updates/press/2005/48-05) (<http://webarchive.nationalarchives.gov.uk/20140402142426/http://www.oft.gov.uk/news-and-updates/press/2005/48-05>), [126/05](http://webarchive.nationalarchives.gov.uk/20140402142426/http://www.oft.gov.uk/news-and-updates/press/2005/126-05) (<http://webarchive.nationalarchives.gov.uk/20140402142426/http://www.oft.gov.uk/news-and-updates/press/2005/126-05>) on five OFT decisions in the roofing sector between 2004 and 2006 and press notices [36/05](http://webarchive.nationalarchives.gov.uk/20140402142426/http://www.oft.gov.uk/news-and-updates/press/2005/36-05) (<http://webarchive.nationalarchives.gov.uk/20140402142426/http://www.oft.gov.uk/news-and-updates/press/2005/36-05>) and [32/07](http://webarchive.nationalarchives.gov.uk/20140402142426/http://www.oft.gov.uk/news-and-updates/press/2007/32-071) (<http://webarchive.nationalarchives.gov.uk/20140402142426/http://www.oft.gov.uk/news-and-updates/press/2007/32-071>) describing appeals of the first and last of those decisions.)

3. Under the Competition Act 1998 and Article 81 of the EC Treaty bid-rigging is prohibited. Businesses found to have been involved in such conduct can be fined up to 10 per cent of their worldwide turnover. In calculating financial penalties, the OFT takes into account a number of factors including seriousness of the infringement(s), turnover in the relevant market and any mitigating and/or aggravating factors. The basis of the OFT's considerations are set out in the [OFT's guidance as to the appropriate amount of a penalty](https://assets.digital.cabinet-office.gov.uk/media/555de4cded915d7ae2000171/oft423.pdf) (<https://assets.digital.cabinet-office.gov.uk/media/555de4cded915d7ae2000171/oft423.pdf>) (PDF, 145KB).
4. 33 parties benefited from discounts on the levels of fines of 35-65 per cent under the OFT's leniency programme and 41 others received up to 25 per cent discount under the March 2007 'fast track' offer. In total fines have been reduced from a pre-discount level of £194.1 million. A further 12 parties received smaller reductions in fines for admissions after receiving the Statement of Objections.

5. The parties have on average been fined £1.25 million, representing on average 1.13 per cent of their annual worldwide turnover.
6. Penalties are normally payable in full within two months of the decision, but given the current economic climate affecting this industry and that the OFT would otherwise face a large number of requests for special payment terms, the OFT is exceptionally offering all parties in this case the option of payment by instalments over three years.
7. The OFT informed nine companies originally listed in its Statement of Objections that following representations it will not pursue allegations of bid-rigging as it considers it has insufficient evidence to proceed to an infringement finding. The nine parties are: Adonis Construction Limited, Chase Norton Construction Limited together with its ultimate parent company, Chase Midland plc, E.G. Carter & Company Ltd, Frank Galliers Limited together with its former ultimate parent company Frank Galliers Holdings Limited, George Law Limited together with its ultimate parent company Bosworth & Wakeford Limited, J. Guest Limited, Piper Construction (Midlands) Limited together with its ultimate parent company Piper Securities Holdings Limited, Robert Bruce Construction Limited and Spicers (Builders) Limited.
8. The OFT's investigation originated from a specific complaint in the East Midlands in 2004, but it quickly became clear from the evidence that the practice of cover pricing was widespread. The range of infringements therefore spans the East Midlands as well as neighbouring areas including Yorkshire and Humberside and also elsewhere in England. The OFT has also received evidence of cover pricing implicating many more companies on thousands of tender processes, but focused its investigation on the alleged infringements included in the Statement of Objections.
9. In response to the OFT's investigation, the UK Contractors Group and National Federation of Builders jointly launched a competition law code of conduct, on 20 August 2009, to help avoid

breaches of competition law by the construction industry.

10. The table of Parties and Fines linked above lists the 103 parties and sets out the fines imposed, after all discounts including for leniency. Note that some fines apply to two or more companies that formed part of the same infringing undertaking. In those circumstances, all named companies will in general be jointly and severally liable for the full amount of the penalty but where this is not the case, the division of liability is set out under the total penalty.

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The New York Times

City Room

Blogging From the Five Boroughs

Construction Company Indicted in Kickback Scheme

By Charles V. Bagli January 27, 2010 1:21 pm

A construction management company was indicted Wednesday on charges that it stole nearly \$7 million from five condominium and office projects in Manhattan and elsewhere as part of a scheme involving fake invoices and kickbacks from electrical and other subcontractors.

The construction manager, the Builders Group, and its three corporate officers — George Figliolia, Isaac Stareshefsky and John Krupa — were each charged with six counts of grand larceny relating to office renovation at Rockefeller Center, a luxury condominium conversion near Madison Square Park and data centers in New Jersey.

The indictment in State Supreme Court in Manhattan highlights the resilience of corruption in the construction industry in New York. A vast investigation of the industry a decade ago that centered on the same sort of allegations ensnared some of the city's biggest interior construction contractors on bid-rigging charges and resulted in three dozen convictions and \$32 million in fines.

The Builders Group, which had an obligation to obtain the lowest prices for its clients, typically submitted inflated bills from subcontractors who were then directed to secretly send the inflated sums back to companies controlled by the company or its principals, according to the indictment. In some cases, the subcontractors were allowed to keep the money on the condition that they perform work on other Builders Group projects for free.

“Thefts like these, involving millions of dollars in false charges passed on to clients, are extremely serious,” the Manhattan district attorney, **Cyrus R. Vance Jr.**, said in announcing his first indictment since taking office this month. “We will continue to vigorously prosecute these crimes in order to level the playing field for the majority of the city’s business owners, who do not rely on deceit to turn a profit.”

Mr. Vance said that fraud of this kind generally increases the already high cost of construction in the city.

“The broader implication of cases like this, and this case, are substantial,” Mr. Vance said. “Even in tough economic times, construction costs in New York City are expected to reach \$25 billion in 2010. Fraud of the type charged in this indictment is estimated by the City of New York to add as much as 10 percent to the cost of construction.”

Although the investigation was begun under his predecessor, **Robert M. Morgenthau**, Mr. Vance signaled last year that a focus of his administration would be on persistent corruption in the construction industry. He said Wednesday that the indictment emerged from investigations by the district attorney’s construction industry strike force and a detail from the special investigations unit of the New York State Police.

Comments are no longer being accepted.



Department of Transport minister Fikile Mbalula.

The Passenger Rail Agency of South Africa's (PRASA's) weak IT and payroll systems have been identified as the root cause of the entity's costly "ghost employees" issue.

Also to blame is the incorrect data capturing of employee information, resulting in a corrupted employee database, as well as weaknesses in PRASA's internal control environment.

This is based on the preliminary findings of Project Ziveze, presented by transport minister Fikile Mbalula yesterday.

Ghost employees are defined as people on the payroll who don't actually work for a company. Through the falsification of personnel or payroll records, fraudsters cause salaries to be generated to a "ghost".

During PRASA's voluntary staff verification project, 3 000 employees failed to come forward to be verified, raising suspicions about their existence, said Mbalula.

See also

Tech helps Gauteng fight 'ghost' government employees

Answers sought for PRASA's electronic signalling system

"We are on course to rid PRASA of all forms of corruption. Those officials who aid and abet these dastardly deeds of corruption will face the full might of the law. We have a duty to ensure public resources are channelled towards delivering services to the citizens in a responsible and cost-effective manner."

Initiated last November, Project Ziveze was introduced to verify employees on PRASA's payroll system, as well as validate whether the employment of foreign nationals is in line with the provisions of the law.

The verification project was informed by material irregularities uncovered within PRASA's ICT systems, human capital management (HCM) and payroll.

A statement notes that during phase one of the project, all employees were invited on a voluntary basis to come forward to be verified with copies of their IDs, qualifications and the HCM employee data forms.

"During this phase, out of the 17 268 recorded employees on PRASA's payroll system, 14 268 employees presented themselves for verification. During the same period, 1 159 employees resigned. Failure by 3 000 employees to come forward for physical verification led to suspicions that there could be a number of ghost employees at PRASA," revealed Mbalula.

These findings resulted in PRASA commissioning the services of an independent service provider, to establish if these were ghost employees, identify weaknesses in the PRASA system, as well as identify culpable officials who may have colluded with people to create ghost employees.

The investigation was conducted with the support of the Department of Home Affairs, South African Revenue Service, [Umalusi](#) and [South African Qualifications Authority](#).

The investigation flagged 2 143 employees, who were then grouped as possible ghost employees, who could not be physically verified; employees masquerading as somebody else, thus possible identity theft; fraudulent qualifications submitted; and employees with serious criminal offences.

“The preliminary investigation revealed that 1 480 employees either cannot be physically verified and their files or documentation are non-existent, while others [1 159] resigned without the necessary supporting documentation at the start of the project. The investigation also revealed a number of instances where ID photos did not match the face of employees. This has triggered further investigations,” stated the minister.

Wage cost reduction

“Through Project Ziveze, we have been able to save PRASA approximately R200 million since the inception of the project in November 2021,” Mbalula revealed.

“Our efforts must translate into PRASA becoming a truly credible and ethical organisation that prides itself on its professional ethos and robust governance systems.”

In terms of the next steps, the minister noted urgent action will be taken to address the findings and challenges identified, to date.

Furthermore, PRASA will initiate:

- A forensic investigation that will conduct a deep dive on critical issues flagged in the preliminary investigation.
- A **digital** fingerprint and photo ID verification process with the assistance of the Department of Home Affairs. The completion of this exercise will then enable PRASA to freeze the salaries of those flagged.
- Digitisation of files and supporting documents.
- Clean-up of the employee database.
- Employees who submitted fraudulent qualifications will be served with letters to explain themselves, failing which stricter action will be taken in line with the applicable prescripts.
- Criminal charges will be laid against those who have committed fraud.

Leadership instability

Meanwhile, the passenger rail agency's board placed former acting CEO David Mphelo on suspension last week, pending investigations.

The board indicated it received a report regarding serious allegations against Mphelo during his stint as acting group CEO, it said in a short statement.

"The allegations against Mr Mphelo involve irregularities in recruitment and procurement, among others. Given the gravity and seriousness of the allegations, the board has resolved it is in the best interest of PRASA that Mr Mphelo be placed on suspension with immediate effect."

A former GM for enterprise sales at MTN Business, Mphelo was among the senior appointments at PRASA in May 2020. He was appointed as PRASA group CIO.

At the time, Parliament's Portfolio Committee on Transport chairperson Mosebenzi Zwane said the committee hoped stability at senior management level would change the entity for the better.

"We are here to support the entity. All attempts aimed at making PRASA realise the vision it was founded for are welcomed. It is the committee's long-held view that a functioning PRASA is desirable for South Africa," he said.

The committee trusts these appointments will not only stabilise corporate governance, but will strengthen COVID-19 passenger rail transport plans for when the country resumes with its economic activity, noted the statement at the time.