Switzerland

Current Developments June/July 2012

A major scandal erupted on 13 June 2012, when an administrative investigation of procurement processes in the Federal Department of Finance (FDF) revealed major and systemic violations of the laws on public procurement.[1] The investigation focused on the procurement of information technology by the Swiss Federal Tax Administration (project INSIEME). INSIEME started in 2005 and soon got a reputation for cost overruns and bad management.

The violations now discovered include splitting of contracts to lower their value as well as disguising contracts as supply of services of personnel instead of contracts for computer services, all of which with the purpose to avoid the application of the WTO Agreement on Government Procurement (GPA). Further, some contracts resulted in unusual high profits for suppliers, which might point to corruption. A criminal investigation has been launched with regard to these contracts against at least one civil servant and the head of the Tax Administration was suspended from duty.

Investigations of the media indicate that, in 2011, contracts amounting to a total of CHF 376 million, each with a value above the current WTO threshold of CHF 230.000 (130.000 SDRs), have been awarded without or limited invitation to tender.[2] However, these limited tenders may have been justified under article XIV GPA.

Peter Hettich
Professor at the University of St.Gallen
Switzerland

1 http://www.news.admin.ch/message/index.html?lang=de&msg-id=45015.

2 http://www.tagesanzeiger.ch/schweiz/standard/Jeden-Tag-ein-freihaendiger-Vertrag/story/18484297.