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WORLD BANK GROUP  
**SANCTIONS SYSTEM**

**ANNUAL REPORT**  
FISCAL YEAR  
**2021**

**The World Bank Group's commitment to fighting corruption** is reflected in robust mechanisms across the institution that enhance the integrity of our operations. We take very seriously any allegation of fraud, corruption, or other sanctionable practices in the programs we finance.

### **HOW TO REPORT FRAUD OR CORRUPTION**

Anyone can visit [www.worldbank.org/fraudandcorruption](http://www.worldbank.org/fraudandcorruption) to fill out the online integrity complaint form. The World Bank Group reviews all complaints it receives, including those submitted anonymously. All information provided will be treated in the strictest confidence. The World Bank Group will not disclose any information that may reveal your identity without your consent.

**FURTHER INFORMATION:** For further information on the World Bank Group's sanctions system and links to useful documents, please visit:

- [www.worldbank.org/integrity](http://www.worldbank.org/integrity)
- [www.worldbank.org/sanctions](http://www.worldbank.org/sanctions)
- [www.ifc.org/anticorruption](http://www.ifc.org/anticorruption)
- [www.miga.org/integrity](http://www.miga.org/integrity)

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# TABLE OF CONTENTS

<b>Abbreviations &amp; Acronyms</b>	<b>iii</b>
<b>Message from the World Bank Group President</b>	<b>1</b>
<b>Remembering the Legacy of James D. Wolfensohn</b>	<b>3</b>
<b>Fiscal Year 2021 Summary Results</b>	<b>4</b>
<b>The Sanctions System: An Integral Part of the World Bank Group's Anticorruption Efforts</b>	<b>6</b>
<b>The Integrity Vice Presidency</b>	<b>8</b>
Introduction by Mouhamadou Diagne, Integrity Vice President	8
Who We Are	9
What We Do	11
DETECT: INT's Investigations	12
DETER: Sanctions, Referrals, and Integrity Compliance	18
PREVENT: Prevention, Risk & Knowledge	21
20 Years of Detecting, Deterring, and Preventing Fraud and Corruption: The Integrity Vice Presidency's First Two Decades	24
<b>The Office of Suspension and Debarment</b>	<b>27</b>
Introduction by Jamieson A. Smith, Chief Suspension and Debarment Officer	27
Who We Are	28
What We Do	29
OSD Case Summary	29
Fifth International Debarment Colloquium	34
Other Events and Outreach	35
The Global Suspension & Debarment Directory	36
Sanctions Imposed by the SDO Pursuant to Notices of Uncontested Sanctions Proceedings	37
<b>The WBG Sanctions Board</b>	<b>42</b>
Introduction by Giuliana H. Dunham Irving, Executive Secretary to the WBG Sanctions Board	42
Who We Are	43
What We Do	44
Knowledge Sharing and Engagement with Stakeholders	48
Summary of Precedent in FY21	49
<b>Annexes: Fiscal Year 2021 Sanctions System Data</b>	<b>53</b>

## TABLES & FIGURES

<b>TABLE 1:</b> External Investigation Cases by Allegation, FY17-FY21	53
<b>TABLE 2:</b> Internal Investigation Cases, FY21	54
<b>TABLE 3:</b> Overview of Internal Investigation Outcomes, FY17–FY21	54
<b>TABLE 4:</b> Sanctions Cases, FY17–FY21	55
<b>TABLE 5:</b> Settlement Agreements, FY17–FY21	55
<b>TABLE 6:</b> Sanctions Results, FY17–FY21	55
<b>TABLE 7:</b> Firms/Individuals Debarred in FY21	57
<b>TABLE 8:</b> Other Sanctions Imposed in FY21	59
<b>TABLE 9:</b> Cross-Debarments Recognized by the World Bank Group in FY21	59
<b>TABLE 10:</b> Vendors Declared Ineligible in FY21	61
<b>TABLE 11:</b> Referrals Made in FY21	62
<b>TABLE 12:</b> Integrity Compliance Data, FY20-FY21	62
<b>TABLE 13:</b> Firms/Individuals Released from WBG Sanction upon Satisfaction of Compliance Conditions, FY21	63
<b>FIGURE 1:</b> Offices of the WBG Sanctions System	6
<b>FIGURE 2:</b> INT Management Structure (effective May 2021)	11
<b>FIGURE 3:</b> Regional Breakdown of External Investigations Started in FY21	13
<b>FIGURE 4:</b> Duration and Regional Breakdown of Active External Investigations at the end of FY21	13
<b>FIGURE 5:</b> Duration and Regional Breakdown of Completed External Investigations in FY21	13
<b>FIGURE 6:</b> Subjects of Internal Investigations in FY21	16
<b>FIGURE 7:</b> Outcomes of INT’s Closed Internal Investigations in FY21	16
<b>FIGURE 8:</b> Number of cases and settlements reviewed by OSD	29
<b>FIGURE 9:</b> SDO findings of sufficient/insufficient evidence (by case)	29
<b>FIGURE 10:</b> Percentage of cases & settlements reviewed by OSD by type of sanctionable practice*	30
<b>FIGURE 11:</b> Regional Origin of Respondents Sanctioned by the SDO and the WBG Sanctions Board (173 Respondents) (FY17–FY21)	32
<b>FIGURE 12:</b> Regional Origin of Respondents Sanctioned via Settlement (124 Respondents) (FY17–FY21)	32
<b>FIGURE 13:</b> Location of Misconduct Sanctioned by the SDO and the WBG Sanctions Board (173 Sanctions) (FY17–FY21)	32
<b>FIGURE 14:</b> Location of Misconduct Sanctioned via Settlement (124 Sanctions) (FY17–FY21)	32
<b>FIGURE 15:</b> SDO Application of Aggravating Factors from WBG Sanctioning Guidelines (453 Respondents*) (Sept. 2010–June 2021)	34
<b>FIGURE 16:</b> SDO Application of Mitigating Factors from WBG Sanctioning Guidelines (453 Respondents*) (Sept. 2010–June 2021)	34
<b>FIGURE 17:</b> Trend in the type of misconduct alleged in cases contested to the Sanctions Board (by case): FY 17–FY21	43
<b>FIGURE 18:</b> Outcome for Respondents: Comparison Between the First and Second Tiers of Review FY17–FY21	45
<b>FIGURE 19:</b> Type of Sanctions Imposed on the Respondents by the Sanctions Board: FY17–FY21	47
<b>FIGURE 20:</b> Decisions issued by the Sanctions Board: FY17–FY21	47
<b>FIGURE 21:</b> Type of Sanctions Imposed by the SDO, the WBG Sanctions Board, and Pursuant to Settlement (Total of 300 Sanctions Imposed) (FY17–FY21)	56
<b>FIGURE 22:</b> Length and Type of Debarments Imposed by the WBG Sanctions Board, FY17–FY21*	56
<b>FIGURE 23:</b> Length and Type of Debarments Imposed by the SDO, FY17–FY21*	56
<b>FIGURE 24:</b> Length and Type of Debarments Imposed via Settlement, FY17–FY21*	56
<b>FIGURE 25:</b> Firms and Individuals Released from WBG Sanctions Upon Satisfaction of Compliance Conditions, by Source of Original Sanction, FY17–FY21	62



## ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank	IDA	International Development Association
AfDB	African Development Bank	IDB	Inter-American Development Bank
AFE	Africa Eastern and Southern Region	IFC	International Finance Corporation
AFR	Africa Region	IFI	International Financial Institution
AFW	Africa Western and Central Region	INT	Integrity Vice Presidency
CDU	Complaint Development Unit	LCR	Latin America and the Caribbean Region
EAP	East Asia and Pacific Region	MDB	multilateral development bank
EBC	WBG's Ethics and Business Conduct department	MIGA	Multilateral Investment Guarantee Agency
EBRD	European Bank for Reconstruction and Development	MNA	Middle East and North Africa Region
ECA	Europe and Central Asia Region	NGN	Nigerian Naira
EO	Evaluation and Suspension Officer	OSD	Office of Suspension and Debarment
EPPO	European Public Prosecutor's Office	PIU	Project Implementation Unit
FCV	Fragility, Conflict, and Violence	PSU	Preventive Services Unit
FIR	Final Investigation Report	PwC	PricewaterhouseCoopers
GIA	Group Internal Audit	SAE	Statement of Accusations and Evidence
HOI	Heads of Integrity	SAR	South Asia Region
HR	Human Resources	SDO	Chief Suspension and Debarment Officer
HRDVP	WBG's Vice President for Human Resources	SPADR	Director of Strategy, Performance and Administration
IBA	International Bar Association	STC	short-term consultant
IBRD	International Bank for Reconstruction and Development	US\$	United States dollars
ICHA	International Corruption Hunters Alliance	VND	Vietnamese Dong
ICO	Integrity Compliance Office	WBG	World Bank Group
ICSID	International Centre for Settlement of Investment Disputes		



## MESSAGE FROM THE WORLD BANK GROUP PRESIDENT



Since the beginning of the global pandemic, the World Bank Group has deployed more than \$157 billion in critical assistance to developing countries. The crisis has required us to be rapid and innovative in mobilizing this historic support. Yet, for these resources to have the needed

development impact on the hundreds of millions of people who live in extreme poverty, we must ensure that resources are used efficiently, effectively, and for their intended purposes. And that means remaining vigilant to the scourge of corruption and ensuring that we promote the highest integrity and transparency standards in public finance.

The negative impacts of corruption on lives and livelihoods are well known. Corruption diverts scarce development dollars from the people who need them most and corrodes the systems and services that are integral for reducing extreme poverty. Entrenched corruption also comes with greater economic costs for countries, as it distorts public expenditures and leads to inefficient allocations of financing away from productive investments toward rent-seeking activities. And corruption increases the costs of doing business and deters foreign investors from entering new markets. As the world moves toward recovering from the pandemic's damaging impacts, these costs can also restrict the private sector, which plays an important role in revitalizing economic growth and development in our client countries.

Last December, we mourned the loss of former World Bank Group President Jim Wolfensohn, one of my esteemed predecessors, who shined a bright light on the "cancer of corruption" during his tenure. The force of his words carried through to the creation of more robust tools for combatting corruption by the World Bank Group. This year, we recognize

his legacy, in part, by commemorating the 20th anniversary of the first independent unit charged with investigating fraud and corruption in World Bank Group projects, which we know today as the Integrity Vice Presidency.

Two decades later, the World Bank Group remains committed to placing governance, anticorruption, and transparency front and center in our work. An important piece of our anticorruption efforts is the World Bank Group's sanctions system. The offices that comprise the sanctions system, including the Integrity Vice Presidency (INT), the Office of Suspension and Debarment (OSD), and the Sanctions Board, work to ensure that allegations of fraud and corruption arising from the projects we finance are investigated thoroughly, reviewed fairly, and resolved effectively. When evidence of misconduct is proven, the World Bank Group acts firmly to sanction the offending parties. These sanctioning determinations can lead to the debarment of companies and individuals by not just our institution but also our partner multilateral development banks. Together, we send a clear signal that there is no tolerance for fraud or corruption in development.

In the time since INT's founding, the global anticorruption landscape has changed greatly. Our sanctions system has grown and evolved along with it, becoming one of the premier accountability and oversight mechanisms in development and a leader in global anticorruption efforts. INT not only investigates matters of fraud and corruption but also works to share its knowledge and insights across our institution and with our international partners on preventing and mitigating corruption risks. OSD has strengthened the transparency of the sanctions system and reinforced its efficient and objective review of cases brought by INT, providing more public information on its determinations while maintaining due process for those accused. The Sanctions Board continues to clarify and refine the reach and bounds of the

sanctions system through its publicly available and fully reasoned decisions. And our Integrity Compliance Office within INT strives to promote better business practices and higher standards for companies and individuals who work with the World Bank Group.

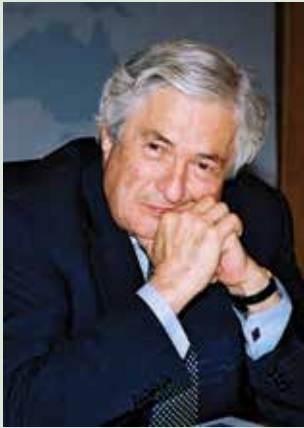
As frontier challenges of corruption continue to change, these teams will continue to evolve in equal measure to meet them. I commend the vigilance and efforts of the dedicated professionals across the World Bank Group's sanctions sys-

tem and the courage of those who bring forward allegations, often at great personal risk. As we look ahead, we know that the world will continue to need the robust financing and resources of the World Bank Group, and we can trust that our sanctions system will continue to promote high standards, accountability, and transparency needed to combat corruption around the world.

**David R. Malpass**

President of the World Bank Group





## REMEMBERING THE LEGACY OF **JAMES D. WOLFENSOHN**

Throughout his career, James D. Wolfensohn (1933-2020) pursued his own path with a seemingly boundless energy that made him a dynamic force in the fields of international finance and development. As the ninth President of the World Bank Group, over two terms from 1995-2005, he set out a vision to revitalize the institution to be even more proactive on pressing global challenges and more responsive to the hopes, needs, and views of people in developing countries.

**“And let’s not  
mince words:  
we need to deal  
with the cancer  
of corruption.”**

World Bank Group President  
**James D. Wolfensohn**  
Speech at the 1996 WBG-IMF  
Annual Meetings

From his first days leading the institution, President Wolfensohn confronted issues at the Bank Group in terms that were shocking in their directness. In his famed speech at the 1996 Annual Meetings, he called out the “cancer of corruption” as a major obstacle to any development effort and offered the Bank Group’s assistance to governments who would implement national programs to discourage corrupt practices.

His tone on corruption broke through what had up to then been a taboo for the institution and marked a new era for the World Bank Group. Under his watch, the Bank Group placed combating corruption squarely in the midst of its development operations, its engagement with country governments, and its multilateral coordinating efforts.

Wolfensohn also moved the institution to strengthen internal efforts for preventing fraud and corruption within its operations. By 1999, Wolfensohn had established an Anti-Corruption and Fraud Investigation Unit with the power to review matters and issue sanctions against firms and individuals. In 2000, Wolfensohn asked former United Nations Under-Secretary General Richard Thornburgh to head a panel to consider the mechanisms available to the Bank Group to address fraud and corruption. Following the panel’s report, Wolfensohn consolidated the Bank Group’s investigative responsibility in a new Department of Institutional Integrity, the precursor to today’s Integrity Vice Presidency and sanctions system.

Through his words and actions, Wolfensohn demonstrated his belief in how corruption undermines the core development mission of the World Bank Group. An important part of his legacy is the path he set the institution on for confronting corruption, setting a tone of seriousness, professionalism, and vigor that remains central to the institution’s sanctions system still today.

## FISCAL YEAR 2021 SUMMARY RESULTS

This annual report covers Fiscal Year 2021 (FY21)—from July 1, 2020 to June 30, 2021—and was prepared by the offices of the World Bank Group’s (WBG) sanctions system, which comprises the Integrity Vice Presidency (INT), the Office of Suspension and Debarment (OSD), and the Sanctions Board.

In FY21:

- INT received **4,311** complaint submissions, opened **347** new external preliminary investigations, and started **40** new and closed **28** existing external investigations. INT submitted **17** sanctions cases, and **18** settlements to OSD.
- OSD reviewed **20** cases and **18** settlements, temporarily suspended **19** firms and four individuals, and sanctioned **29** respondents via uncontested determinations.
- The Sanctions Board published **5** fully-reasoned decisions resolving **6** contested sanctions cases against **8** respondents. The Sanctions Board convened virtual hearings in **4** of those cases. In addition, the Sanctions Board published **1** fully-reasoned decision on a request for reconsideration of a previous Sanctions Board decision.
- The Integrity Compliance Office (ICO) sent **58** notices to newly sanctioned parties<sup>1</sup> on their conditions for release from sanction and engaged with **118** sanctioned parties towards meeting their conditions for release. In addition, the ICO determined that **30** enti-

ties had met their conditions for release from sanction and that **2** entities had met the conditions for the conversion of their debarments with conditional release to conditional non-debarments.

Beyond the mandate of the WBG’s sanctions system, in FY21:

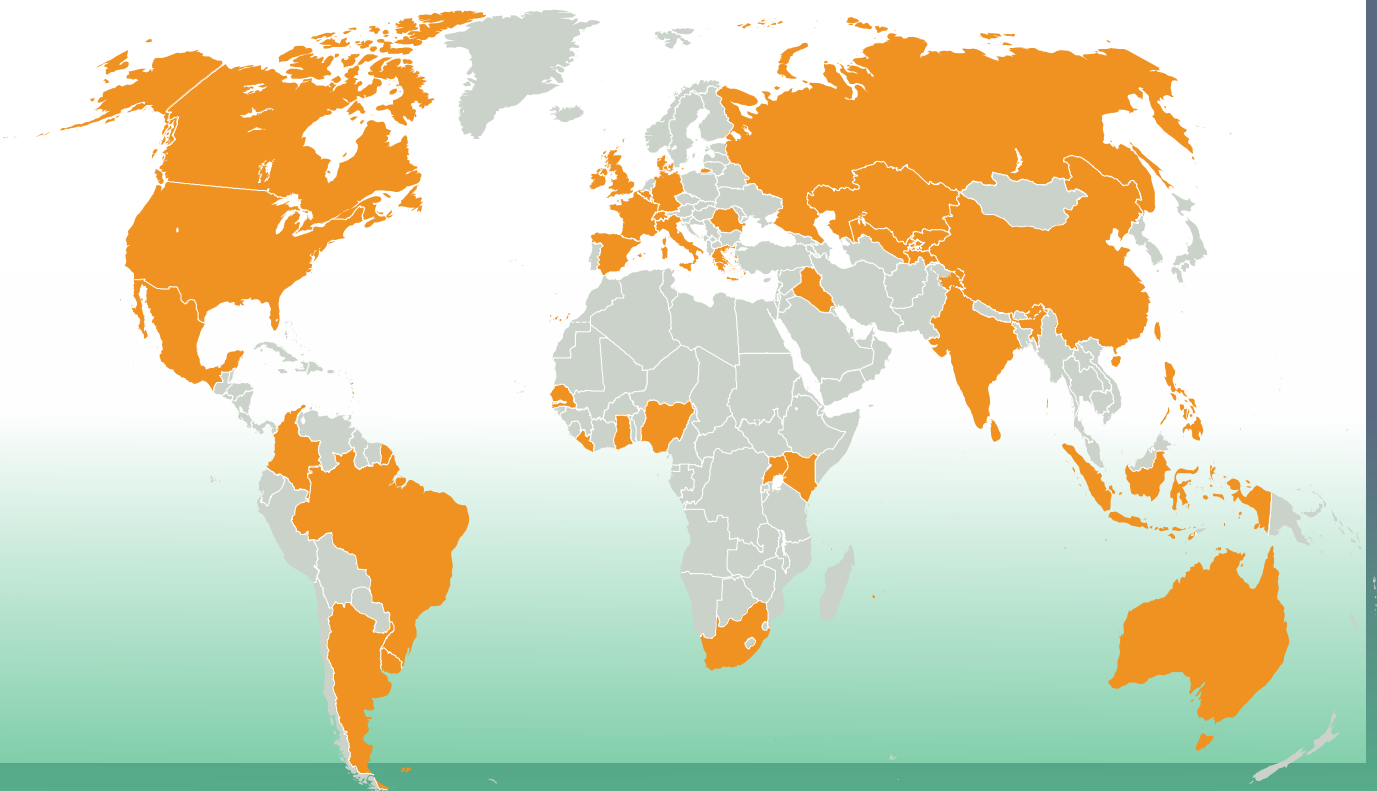
- INT pursued **45** cases of alleged fraud and corruption involving WBG staff and **14** cases involving corporate vendors. INT substantiated misconduct allegations in **5** WBG staff cases and in **3** corporate vendor cases.
- INT provided **preventive support** to WBG operational teams delivering COVID-19 emergency projects and financial assistance by preparing a series of thematic COVID-19 Advisory Notes as well as reaching out with proactive advice to all project team leads working on COVID-19 tagged operations.
- INT hosted the biannual meeting of the **Heads of Integrity** from across the five multilateral development bank (MDB) member institutions of the Cross-Debarment Agreement, plus the European Investment Bank, which helps to share best practices and strengthen the network of partners across the MDB integrity units.

- In September and October 2020, OSD adapted its flagship biennial **International Debarment Colloquium** into a series of 5 virtual panels, hosting conversations regarding recent trends in suspension and debarment at the national, international, and multilateral levels.
- OSD published the **Global Suspension & Debarment Directory**, the first ever consultative resource that captures data and information on the exclusion systems of **23** different countries and institutions.
- The Sanctions Board Secretariat authored **timely thought pieces** that were published on a widely read international forum for commentary on anticorruption. In one piece, the Secretariat made the case that bold ideas are needed to tackle the 'demand side' of corruption. In the other piece, the Secretariat highlighted that the diverse composition of the Sanctions Board is central to the credibility and fairness of the sanctions system.

- Marking **ten years** since the signing of the Cross-Debarment Agreement, the Secretariat co-organized with OSD the inaugural workshop between the first and second tiers of the sanctions systems across the multilateral development banks. The workshop covered a range of areas of mutual interest and provided an opportunity for the institutions to learn from each other's experiences and practice.

The staff across the WBG sanctions system bring diverse experiences, skills, and backgrounds that reflect the shared commitment to principles of diversity, equity, and inclusion by the offices of the sanctions system. Including the Sanctions Board members, staff across the sanctions system come from **38** countries spanning the world.

Their ability to be adaptive, agile, and flexible under the challenging circumstances of the past year reflect their professionalism and dedication to the mission of the WBG and its sanctions system.



# THE SANCTIONS SYSTEM

## An Integral Part of The World Bank Group's Anticorruption Efforts

Corruption undermines development objectives, interferes with the World Bank Group's (WBG<sup>2</sup>) fiduciary responsibility, and damages the reputation of the WBG and its clients. As such, the WBG takes seriously all allegations of fraud and corruption in the projects it finances. The sanctions system is a key component of the WBG's anticorruption efforts. It ensures that fraud and corruption impacting WBG operations are addressed efficiently and fairly for the benefit of the member countries and that a strong deterrence message is complemented with a focus on prevention and integrity compliance programs.

The WBG's sanctions system is one aspect of an institution-wide approach to anticorruption that encompasses external and internal activities by the WBG to confront corruption at the project, country, and global levels. These include external activities such as efforts to detect, diagnose, and measure fraud and corruption; to support national anticorruption strategies, policies, and practices; and to help design oversight and accountability mechanisms to prevent corruption, as well as internal efforts to prevent and mitigate integrity risks in operations along with strengthening sanctions.<sup>3</sup>

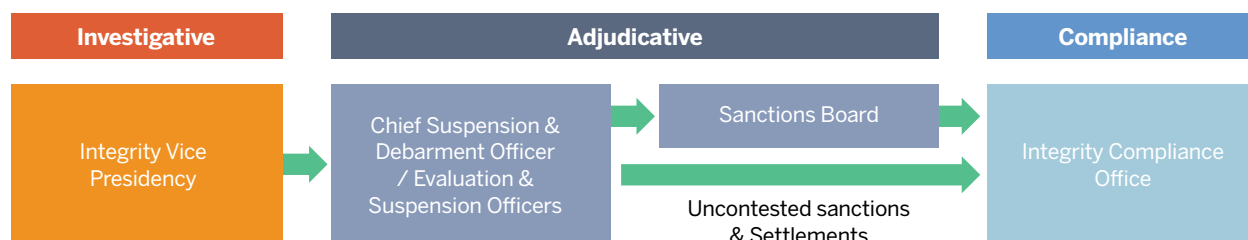
### How the WBG Sanctions System Works

The WBG sanctions system addresses allegations of fraud, corruption, collusion, coercion, and obstruction (collectively known as the "WBG sanctionable practices") by firms and individuals involved in WBG operations in three stages: (i) **investigating** whether there is sufficient evidence of the allegations to seek sanctions; (ii) **adjudicating** whether there is sufficient evidence to sanction the firm or individual and what the proper sanction should be; and (iii) **engaging** with firms and individuals sanctioned with **integrity compliance** conditions to assist them and ultimately determine whether they have satisfied the conditions imposed for their release from sanction.

### Investigation

The Integrity Vice Presidency (INT) opens new investigations based on those allegations for which a preliminary review indicates that a full investigation is warranted. When INT completes an investigation and determines it has found credible and sufficient evidence of sanctionable conduct, INT can seek sanctions against the firms and individuals involved by either submitting a sanctions case to the first tier of review in the sanctions system or by negotiating a settlement.

**FIGURE 1: Offices of the WBG Sanctions System**



Note: Investigations into WBG staff and corporate vendors are adjudicated outside the sanctions system (see pg. 15).



## What are the WBG Sanctionable Practices?

- A **corrupt** practice is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party.
- A **fraudulent** practice is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.
- A **coercive** practice is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.
- A **collusive** practice is an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.
- An **obstructive** practice is (a) deliberately destroying, falsifying, altering, or concealing evidence material to an investigation or making false statements to investigators in order to materially impede a WBG investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to an investigation or from pursuing the investigation, or (b) acts intended to materially impede the exercise of the WBG's contractual rights of inspection and audit.

Source: Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants (revised as of July 1, 2016).

## Adjudication

**First Tier of Review.** At this stage, a first-tier review officer—the Chief Suspension and Debarment Officer (SDO) for cases that involve public sector IBRD/IDA financing, or the relevant Evaluation and Suspension Officer (EOs) for cases relating to IFC, MIGA, and IBRD/IDA Guarantees and Carbon Finance Operations—assesses the evidence presented by INT. If the evidence is sufficient, the first-tier officer will issue a formal notice to the accused respondent, recommend a sanction, and if the recommended sanction includes a minimum period of debarment of at least 6 months, will immediately suspend the respondent from eligibility to engage in WBG operations until the conclusion of sanctions proceedings. The first-tier officer also considers INT requests for early temporary suspensions, reviews proposed settlement agreements, and imposes sanctions on respondents that do not contest their case to the Sanctions Board. In FY21, all sanctions cases and settlements submitted by INT were submitted to the SDO.<sup>4</sup>

**Second Tier of Review.** The WBG Sanctions Board is an independent body comprising seven judges who are entirely external to the WBG. It is the second tier of review for all sanctions cases involving IBRD, IDA, IFC, or MIGA projects,

financing, and guarantees. A case reaches this stage if the respondent chooses to contest liability or the sanction recommended by any of the first-tier review officers. The Sanctions Board reviews cases *de novo* without reviewing decisions made at the first tier. The Sanctions Board considers the entire case record and affords the parties an opportunity to make any additional arguments, furnish new evidence, and be heard at a hearing if one is so convened. Sanctions Board decisions are final and unappealable.

## Integrity Compliance

Most entities are sanctioned with integrity compliance conditions that must be met before they can be released from the WBG sanction. To demonstrate this, they must engage with the WBG Integrity Compliance Office, which works with sanctioned entities to help explain the integrity compliance conditions, recommend enhancements to their internal controls to best satisfy those conditions, and monitor their progress toward meeting the conditions. This engagement culminates with the WBG Integrity Compliance Officer determining whether the conditions have been met for the entities' release from the WBG sanction.

## THE INTEGRITY VICE PRESIDENCY

Supporting the WBG's anticorruption agenda through investigations into fraud and corruption, strengthening integrity compliance, and providing insights into integrity risk prevention.



### Introduction by Mouhamadou Diagne, Integrity Vice President

This was a uniquely challenging year in the history of the Integrity Vice Presidency (INT). In the midst of global crises that required unprecedented support from the World Bank Group, our team had to overcome numerous obstacles to ensure that INT carried out its critical duties without interruption. I am pleased to share, as this annual report shows, that INT's dedicated staff did not waiver in their mission to prevent, detect, and deter fraud and corruption in WBG-supported operations.

In FY21, INT continued to provide strong support to the WBG's institutional priorities. In particular, INT was fully engaged on the Bank's emergency pandemic response, from preparing tailored guidance on integrity risks in development sectors most impacted by COVID-19 to assisting on integrity matters related to the operational shift toward vaccine support. This proactive and close engagement was an important element in the broader institutional effort to ensure that the WBG delivered an unprecedented rapid response while maintaining its high standards of integrity and fiduciary safeguards.

Although pandemic-related restrictions have had a clear adverse impact on both the duration and closure of our investigations this year, INT has nevertheless been able to

conclude impactful investigations that provide insights into areas that will make our teams more effective. This report highlights a few: from uncovering trends in fraud and corruption schemes in WBG projects, to maintaining INT's oversight in the most challenging operational environments, to adapting our work and continuing to deliver in the face of ongoing pandemic-related constraints. And, to help reduce the risk of future misconduct, INT also continued its active engagement with sanctioned entities working to improve their business practices and meet their conditions for release from WBG sanction.

This has also been a year of transition for INT, with a new leadership team and management structure in place. Yet, what remains consistent is the dedication of everyone within INT to combating corruption in the WBG's development operations. We remain well positioned to support the institution through INT's robust and timely response to integrity issues; proactive engagement with operations to help identify and address integrity risks before they materialize; an increased focus on insightful knowledge products to feed lessons learned into project design and program delivery; and a more targeted focus on risk and impact.

Recognizing that global corruption challenges are becoming more complex, INT continued to implement improvements that will make us more effective. For example, we have been agile in prioritizing our resources to maintain strong delivery even in times of pandemic-related constraints. As such, we have continued to build up a robust infrastructure that enables us to leverage technology, analytics, and data

to monitor and respond to risks in real-time. We have also introduced internal structural changes aimed at reducing silos and fostering collaboration and learning across INT's functional teams. And we have renewed our engagements with our peers across the multilateral development banks and the broader anticorruption community to both assert the World Bank's strong voice on the topic and to bolster our collective efforts. Underpinning these efforts, INT has also sharpened its focus on building a positive and enabling work environment, resting atop a foundational emphasis on staff growth and development, diversity and inclusion, and a culture of engagement and collaboration.

In many ways, we are simply building upon the instrumental work of those who came before us. This year, INT will mark its 20<sup>th</sup> anniversary as an independent accountability and oversight unit within the WBG. The institution has come a long way since former President Wolfensohn's "Cancer of Corruption" speech, but it remains no-less true today that corruption undermines development and can have a devas-

tating impact on the lives and livelihood of the poor. As we begin our third decade, INT remains committed to ensuring that the resources managed by the WBG are used effectively and for their intended development purposes.

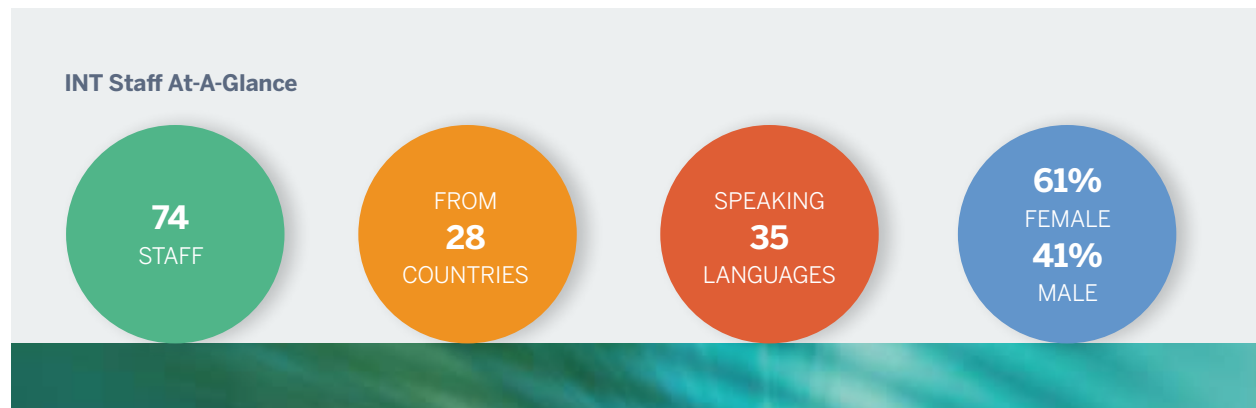
In the face of a constantly evolving and ever more complex landscape of global fraud and corruption risks, INT will continue to draw upon the lessons learned from its first two decades and enhance its ability to support the WBG's anti-corruption agenda. Those past experiences combined with our current efforts for improvement, along with our constant partnership with our sanctions system colleagues, position INT well to deliver on its mission for the next twenty years and beyond.

**Mouhamadou Diagne**  
Integrity Vice President

## Who We Are

The Integrity Vice Presidency is an independent unit within the WBG that investigates allegations of fraud and corruption in WBG-financed contracts and by WBG staff and corporate vendors. Our staff consists of a global cadre of professionals who are dedicated to the anticorruption mis-

sion of INT. They consist of investigators, lawyers, forensic accountants, economists, risk specialists, data scientists, and information system specialists. As of the end of FY21, INT had 74 full-time staff, along with 34 consultants, secondees, and interns.



## INT Staff Profiles

### Anna-Mari Ektova, INT Investigator

Anna-Mari Ektova is one of INT's newest staff and brings diverse experience in corporate, anti-fraud, and financial crime investigations. A Certified Fraud Examiner, she also holds a Master's degree in Banking from Kyiv National Economic University. Prior to joining the WBG, Anna-Mari investigated allegations of corruption and fraud at a major beverage company in the Eurasia region.



#### **What drew you to come work for INT?**

*Working for INT is a great opportunity to do something meaningful for society, increasing the chances that our future generations will find themselves living in a better world. It also gives me an opportunity to curb corruption and other sanctionable practices at a higher multinational level, not just within one company. The fact that my day-to-day work in some way contributes to making our world a better place inspires me and gives me strength to keep up the good work. And, I have the privilege to learn from colleagues with bright minds and diverse backgrounds, share my experiences, and grow both personally and professionally.*

#### **What do you see as INT's impact on anticorruption efforts in development?**

*INT has a tangible positive impact on anticorruption efforts in development. INT not only conducts investigations and interacts with our colleagues in the sanctions system to impose sanctions on firms and individuals that are engaged in sanctionable practices, but it also does a proactive job in combating corruption by partnering with operational teams and client countries to share information learned from past investigations, as well as putting practical preventive measures in place.*

### Joe Scafidi, Senior INT Investigator

Joe Scafidi is one of INT's longest-tenured staff, bringing more than twenty years of experience in conducting financial investigations around the world. Joe began his career at the WBG with INT's predecessor, the Anti-Corruption and Fraud Investigations Unit.



#### **Over the last 20 years, what have been some of positive evolutions that have strengthened INT's effectiveness?**

*In my career, I have witnessed INT constantly reinvent itself and develop its in-house abilities to adapt to new challenges of fraud and corruption. We have staff from around the world with diverse and complementary skills. With backgrounds from numerous countries, for example, INT's staff can operate in an ever-increasing number of languages and local contexts. And our staff's expertise in specific areas, from digital forensics to data science, means that we can approach investigations in multiple ways. The world has also changed around us. Many more people and institutions are now comfortable talking about—and taking on—corruption as an obstacle to development. Across the board, there are more opportunities—in both the public and private sectors, as well as academia—for people to make it their career's mission to address issues of fraud and corruption. INT is at the center of that.*

#### **What do you see as INT's impact on anticorruption efforts in development?**

*The WBG has been a leader and pioneer in confronting corruption in development. Looking back, we really have former-President Wolfensohn to thank for it. He created the platform for the WBG to recruit world-class talent and gave our leaders the space to take risks and advance our anticorruption efforts—that is still the same today. We've also built up our collaborative efforts across multilateral development organizations. Over two decades, INT has leveraged the Bank's convening power to share information, disseminate lessons learned, and build networks with other international organizations and development agencies. Collectively, INT's reach through the wider international integrity community has grown exponentially. It's hard to think that the global anti-corruption landscape would be the same today without the leadership of the WBG and INT.*



## What We Do

INT’s mission is to support the development efforts of the WBG by fighting fraud and corruption and promoting integrity to maximize development effectiveness and ensure that WBG resources are used for their intended purposes. INT supports the WBG’s anticorruption efforts by detecting, deterring, and preventing fraud and corruption in WBG operations.

**Detect**—Through investigations, INT ascertains whether firms or individuals have engaged in one of the WBG’s five sanctionable practices. This also includes investigating allegations involving WBG staff and corporate vendors, which are adjudicated via administrative processes outside the sanctions system.

**Deter**—When firms or individuals are found to have more likely than not engaged in sanctionable practices within WBG operations, INT pursues sanctions via settlement or proceedings in the sanctions system. Sanctions hold wrongdoers accountable for their misconduct and help deter others from engaging in similar behavior. In addition, through the Integrity Compliance Office, the WBG engages with sanctioned firms and individuals to promote better business practices and support higher integrity standards in the countries where it operates.

**Prevent**—INT turns the unique knowledge gained from its investigations and diagnostic and analytical activities into practical advice and targeted training for identifying and mitigating fraud and corruption risks in WBG operations.

In FY21, INT undertook a review of its internal structure and constituted a new permanent management team (effective as of May 2021). Changes to INT’s structure were imple-

mented to position the unit to deliver even greater impact for the WBG. The new structure and management team maintain INT’s core mandate for carrying out fraud and corruption investigations, while also positioning the unit to provide greater preventive support to WBG operations.

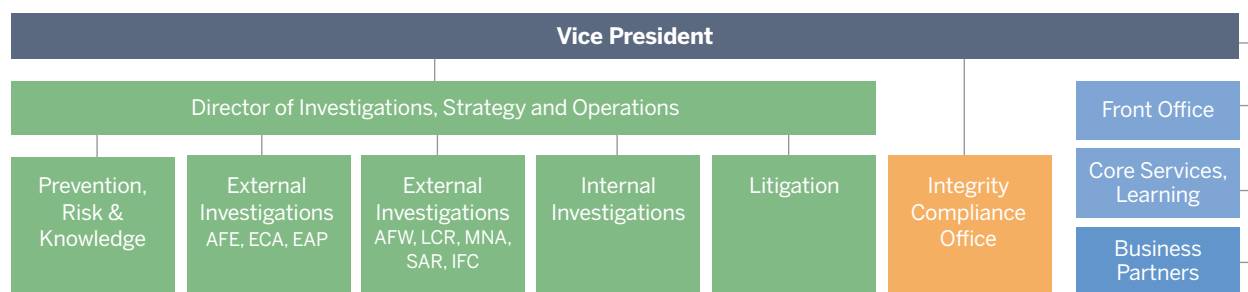
Notably, the new structure brings together the Preventive Services, Forensic Audits, Digital Forensics, Integrity Risk Assessment, and Data Analytics functions of INT under a new Prevention, Risk & Knowledge (PRK) team, with the aim of building a more robust knowledge base and analytic support for integrity risk mitigation in WBG operations. The PRK team, along with INT’s External and Internal Investigative teams and Litigation team, reports to INT’s Director for Investigations, Strategy and Operations. The Integrity Compliance Office, which is also housed within INT, continues to carry out its work independent of INT’s investigations.

### Reviews of INT in FY21

In FY21, INT underwent two separate independent reviews that were carried out by the WBG’s Group Internal Audit (GIA) and by PricewaterhouseCoopers (PwC). Both reviews were in support of INT management’s stocktaking to identify key strengths to build on and potential priority areas to incorporate into INT’s strategic planning and operational delivery.

The primary focus of GIA’s internal audit was to assess the design and operating effectiveness of INT’s processes to support WBG operations in integrity risk management. The audit highlighted INT’s strengthened controls around its coordination with WBG counterparts on integrity risk in operations; its handling of confidential and disclosure-related issues; and its case management system. The audit also identified opportunities to strengthen INT’s preventive function; its risk-based approach to the investigation

**FIGURE 2: INT Management Structure (effective May 2021)**



Notes: AFE = Africa Eastern and Southern Region; AFW = Africa Western and Central Region; EAP = East Asia and Pacific Region; ECA = Europe and Central Asia Region; LCR = Latin America and the Caribbean Region; MNA = Middle East and North Africa Region; SAR = South Asia Region; IFC = International Finance Corporation.

process; the capture and dissemination of lessons learned; working arrangements with WBG counterparts; and its IT access controls. All issues were deemed moderate.

The focus of PwC's external review was to assess INT's performance in relation to key efficiency metrics and identify opportunities for improvement in its delivery model and effectiveness. The review noted several INT strengths, including the skills and qualifications of its investigative staff; its robust investigative procedures and quality review of deliverables; and the enhancements in INT's technology platforms. The review also identified opportunities for improvement, such as clarifying INT's mandate for prevention and non-investigation activities; enhancing its Key Performance Indicators framework to better balance quantitative metrics and qualitative indicators; identifying career progression channels for staff; and making improvements to processes across INT's functions. The benchmarking analysis against 11 external comparators revealed no material gaps although enhancement opportunities were identified.

INT developed and agreed with GIA on a detailed Management Action Plan to address the internal audit recommendations. Likewise, actions to address recommendations from PwC's external review will be developed during the first quarter of FY22.

## **DETECT: INT's Investigations**

Detecting fraud and corruption is a cornerstone of INT's mandate. Investigations are the primary means used by INT to fulfill this mandate and represent a majority of INT's annual work program. While INT is an independent unit, it does not operate in a vacuum, and its investigations—both internal and external—are conducted within the broader operational context of the WBG and in service of the institution's mission to end extreme poverty and promote shared prosperity.

### **EXTERNAL INVESTIGATIONS**

By detecting fraud and corruption in WBG operations, INT's external investigations help bring accountability for misconduct and create a more predictable, transparent, and fair business environment. This improves competition among the companies and consultants that implement Bank-financed projects, enhances the quality of goods and services provided to member countries, and maximizes the impact of Bank financing.

### **Complaint Intake**

INT received more than four thousand (4,311) complaint submissions in FY21. Most of these were received through an online form that is available to the public and that provides for whistleblower safeguards, including the ability to submit allegations anonymously.

The volume of submissions has increased since 2019 as part of an upward trend since 2014 when the online reporting form was launched and made available in multiple languages. The increase in the total number of submissions has not generated a notable increase in the number of complaints that are relevant to WBG activities and actionable by INT or by other parts of the WBG, however. The intake function performed by the Complaint Department Unit (CDU) plays a key role in the investigative process since it determines which allegations should proceed towards a preliminary investigation and then possibly a full investigation, and which are not actionable by INT, including those that are referred to other units within the WBG, such as the Grievance Redress System.

When INT receives a submission, the CDU assesses the submission to determine whether it relates to a Bank-financed activity and falls within INT's jurisdiction, as defined by the WBG sanctionable practices. Submissions that meet these criteria are assessed based on risk and the potential negative impact on development outcomes, among other factors, and are developed as 'complaints.'

Complaints then undergo a preliminary investigation process, which often includes gathering documents and developing leads in preparation for opening a full investigation. Both investigative and operational considerations influence the decision to open a full investigation, which helps ensure that investigations will yield impactful and efficient outcomes. In FY21, INT opened 347 new external preliminary investigations.

### **Investigations**

In FY21, INT opened 40 full investigations, each addressing one or more sanctionable practice. While the number of investigations opened is roughly on par with previous years, like many other organizations, INT was not immune from the disruptions caused by the COVID-19 pandemic.

Travel restrictions impacted INT's investigative process and demanded flexibility and creativity in adopting new investigative techniques and tools. The urgency with which the WBG mobilized to meet the needs of its member countries during the pandemic fueled INT's adaptation, and led to an unprecedented application of technology to facilitate the

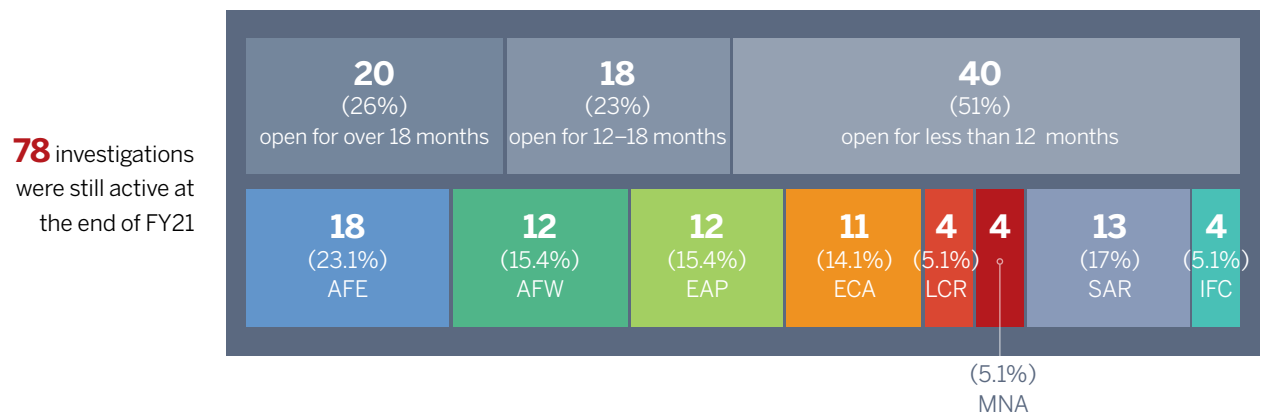
investigative process. Many of the lessons learned during this adaptation process will serve INT well in the coming years as the enhanced experience in conducting remote interviews and audits will create new opportunities to streamline investigations and re-think when, where, and how to allocate on-the-ground resources. At the end of FY21, INT had 78 active external investigations across all of the WBG regions as well as involving IFC operations.

If INT concludes that an investigation has uncovered sufficient evidence of one or more sanctionable practice, the relevant allegations are deemed substantiated. INT will then produce a Final Investigation Report (FIR) summarizing the findings of the investigation for submission to the appropriate operational staff, and, ultimately, to the WBG President. In FY21, INT completed 28 investigations, 19 of which it deemed substantiated.

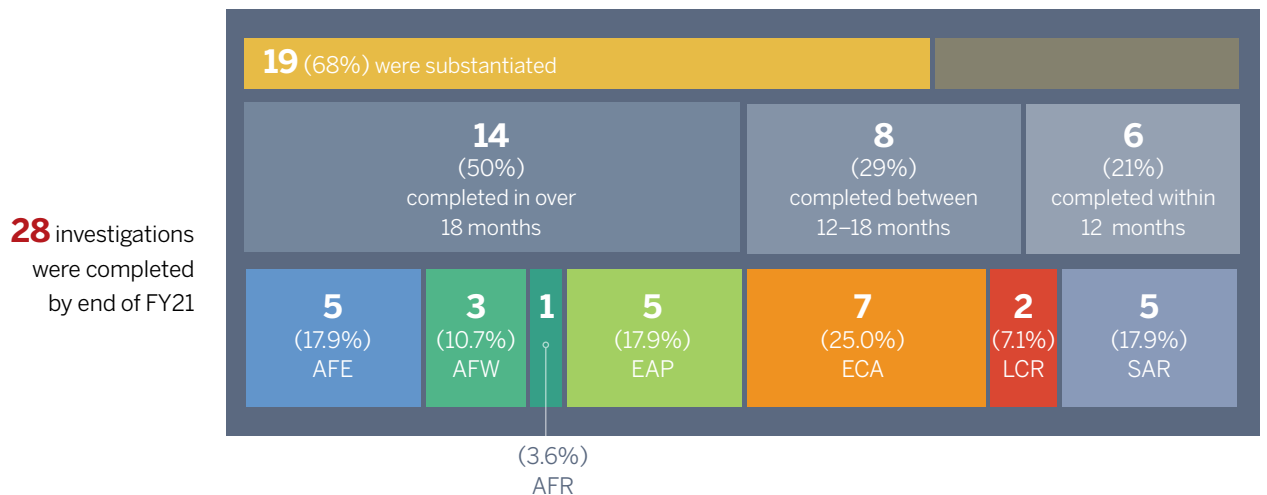
**FIGURE 3: Regional Breakdown of External Investigations Started in FY21**



**FIGURE 4: Duration and Regional Breakdown of Active External Investigations at the end of FY21**



**FIGURE 5: Duration and Regional Breakdown of Completed External Investigations in FY21**



While the nature and complexity of investigations can vary widely, INT strives to ensure that all its investigations are impactful. This impact can be seen throughout the lifecycle of a WBG project. For example, information obtained through the investigative process is shared with WBG management and operational counterparts who are then better equipped to consider risks during project preparation and mitigate risks during project implementation. Public sanctions arising from INT investigations not only remove debarred actors who have engaged in fraud or corruption from WBG-funded activities but also provide a clear and powerful deterrent to misconduct and help strengthen and enforce accountability in public tenders in countries and sectors receiving WBG financing.

Once an investigation has been substantiated, INT may seek sanctions against the firm or individual involved in the misconduct. Sanctions can be imposed either through a sanctions proceeding or a negotiated settlement. In sanctions proceedings, INT prepares a Statement of Accusations and Evidence (SAE) that presents in detail the evidence of sanctionable conduct. The decision whether INT's accusations against a respondent are supported by sufficient

evidence to sanction a respondent and, if so, what sanction should be imposed is part of the two-tier sanctions system.

In certain cases, INT may conclude that a negotiated settlement is an appropriate way to address sanctionable misconduct. Settlements often include three parts: a sanction, a set of integrity compliance conditions, and ongoing cooperation requirements. The specific terms of a settlement take into account, among other factors, the nature and gravity of the misconduct and the degree of cooperation provided by the respondent to INT during the investigation. All settlements must be cleared by the WBG General Counsel and then reviewed by OSD.

Sanctions that may be imposed through a negotiated settlement or sanctions proceedings include: debarment with conditional release; fixed-term debarment; conditional non-debarment; letter of reprimand; and restitution. The WBG's baseline sanction for firms and individuals is debarment with conditional release, though there is flexibility to determine the length, sequencing, and terms of a sanction to suit the specific facts and circumstances of a case.

## Impactful Investigations

In FY21, INT's investigators faced unique challenges and restrictions. They nevertheless continued to pursue their work and, as the examples here demonstrate, concluded investigations that will impact INT's future efforts—through new insights into fraud and corruption schemes; lessons for conducting oversight in challenging areas; and ways to ensure business continuity through technology—as much as they ensure that those who engage in sanctionable misconduct in WBG operations will be held to account.

### ***Uncovering a Widespread “Brand-for-Management-Fee” Scheme***

In FY21, INT completed an investigation into allegations of corruption, fraud, and obstruction under a US\$80 million project in China. INT opened the investigation after learning of local media reports about criminal investigations involving government officials associated with the project. In contrast to the investigation conducted by national authorities, INT's investigation focused on five companies that were allegedly improperly awarded Bank-financed contracts worth more than US\$45 million.

Through its investigation, INT uncovered evidence of a widespread pattern of illicit “brand-for-management-fee” arrangements between well-established construction companies and well-connected individuals. Under such schemes, brand-name companies allow their credentials to be used by individuals who submit bids on the companies' behalf and bear all bidding-related expenses. Those individuals then pay bribes to secure the contracts. Once awarded, contracts are subcontracted to the individuals who submitted the bids in return for a “management fee” to the brand-name company. These schemes undermine the basic principles of fair and transparent public procurement and create a substantial risk of poor contract implementation, due to the implementing company's lack of qualifications—a particular concern given the health and safety considerations in the construction industry.

In this case, in addition to pursuing sanctions, the World Bank has used the findings from the investigation to safeguard funds by stopping disbursement involving all tainted contracts. This investigation represents the first substantiated allegation of corruption in China in

*continued*



## Impactful Investigations, *continued*

ten years and produced actionable information about “brand-for-management-fee” schemes that can be used to detect and address similar integrity risks in other projects, sectors, and countries.

### ***Ensuring INT Oversight in Challenging Environments***

In FY21, INT concluded its first two settlements under Alternative Implementing Arrangements in the Republic of Yemen. These arrangements involve a third party implementing a World Bank project under Bank supervision and are often used in places affected by fragility, conflict, and violence (FCV) where the Bank does not have a permanent on-the-ground presence. An important aspect of the development agenda in FCV countries includes ensuring that these Bank projects are free from fraud and corruption.

INT reached a settlement with one Yemeni company in October 2020 (debarred 10 months for fraudulent practices) and another Yemeni company in June 2021 (debarred 6 months followed by 12 months of conditional non-debarment for fraudulent practices). Both cases were aided by the extensive cooperation of the United Nations Office for Project Services in its role as the Bank’s implementing agency for these respective projects. These settlements marked a milestone for INT, as they demonstrate that INT can continue to monitor and enforce anticorruption measures for World Bank projects, even when they are implemented by third party organizations in challenging FCV settings.

### ***Ensuring Proper Use of Funds in Even the Most Challenging of Times***

INT completed an investigation into allegations of collusion and fraud under a US\$250 million project

in Colombia. Through its investigation of two of the project’s contracts, INT uncovered evidence of collusion by a company with public officials aimed at disqualifying a competitor, as well as fraud through the misrepresentation of an advance payment. Furthermore, INT substantiated fraud during the tender for the expansion of a water treatment plant under the project, as a consortium of three companies misrepresented the entity that would execute the contract. Such schemes create a substantial risk that the contract will be implemented by unqualified contractors and will be poorly executed, thereby undermining the WBG’s development goals. The misuse of advance payments also diverts development funds from their intended purpose.

In FY21, INT reached settlement agreements with two of the entities, which were debarred with conditional release for periods of 18 months and 24 months, respectively. Based on the facts and circumstances of the case, the latter also undertook to pay US\$5 million in restitution to the client country. As a result of the COVID-19 pandemic, however, sanctions proceedings involving the third entity in the consortium faced novel challenges. Unable to conduct an in-person hearing, the Sanctions Board Secretariat worked closely with INT and the respondent entity to conduct a remote sanctions hearing. The WBG Sanctions Board concluded that INT presented sufficient evidence of sanctionable conduct and imposed a 15-month debarment with conditional release. The remote hearing and subsequent sanctions determination illustrate the WBG’s commitment to business continuity and ensuring the proper use of funds in even the most challenging of times.

## **INTERNAL INVESTIGATIONS**

Ensuring the integrity of the WBG’s own staff is critical to maintaining the institution’s credibility in the global anti-corruption arena. Through its internal investigations, INT investigates allegations of fraud and corruption involving WBG staff occurring in WBG operations or supported activities (i.e., operational fraud and corruption) or affecting the WBG administrative budgets (i.e., corporate fraud and corruption). Examples of allegations against staff within INT’s

investigative mandate include abuse of position for personal gain, misuse of WBG funds or trust funds, embezzlement, fraud, corruption, collusion, coercion, and attendant conflicts of interest or lesser included acts of misconduct. INT also investigates allegations against corporate vendors involving the sanctionable practices in support of the WBG’s corporate vendor eligibility determinations, leading to possible ineligibility and, in some cases, debarment from WBG operational contracts as well.

Upon receipt of a complaint, INT internal investigations follow a similar three-stage process as its external investigations: intake and evaluation; preliminary inquiry; and investigation. An internal investigation entails gathering, weighing, and analyzing facts, assessing the credibility of the parties to a case, and producing a comprehensive report that provides a complete and balanced account, including all known material facts and circumstances, relevant evidence, analysis and evaluation of the evidence, and objective fact-based conclusions. During the course of a preliminary inquiry or full investigation, INT may establish sufficient evidence to show the allegations are unfounded, thus clearing a staff member or corporate vendor of any wrongdoing. This is an equally important outcome for both the WBG and the staff member or corporate vendor.

During FY21, INT pursued 45 cases involving WBG staff and 14 cases involving corporate vendors. Fifty-three percent of INT's investigations involved WBG operations, 32% involved WBG corporate administrative matters, and 15% were a combination of both. In addition, INT assessed 154 complaints related to WBG staff and corporate vendors.

It is critically important that the WBG meets the highest standards and addresses all material risks when it comes to the integrity of its own staff and entities it directly does business

with. As a result, INT undertakes preliminary inquiries of *all* credible allegations against WBG staff and corporate vendors and does not triage cases according to risk factors and other strategic priorities as is done for external investigations. Because of this, proportionally more allegations in internal investigations are unsubstantiated following preliminary inquiries.

#### Investigations of WBG Staff

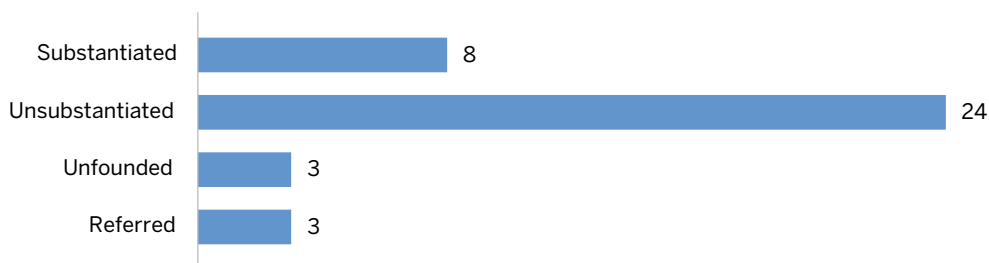
INT's procedures for investigating allegations of staff misconduct are governed by the policies set forth in Staff Rule 8.01 and are further informed by the judgments issued by the WBG's Administrative Tribunal. These procedures are designed to protect and respect the rights of all staff members, including those who are accused, those who report allegations, and those who serve as witnesses in a case.

If the investigation establishes sufficient evidence,<sup>5</sup> INT prepares a final investigative report, inclusive of all evidence, and provides it to the implicated staff member for comment. INT then finalizes the report, incorporating the staff member's comments and any INT rebuttal to those comments, and submits the report to the WBG's Vice President for Human Resources (HRDVP) for decision. If the HRDVP finds misconduct, discipline can range from an oral reprimand to termination of the staff member's WBG

**FIGURE 6: Subjects of Internal Investigations in FY21**



**FIGURE 7: Outcomes of INT's Closed Internal Investigations in FY21**



Notes: **Substantiated case:** A determination that, based on the results of the investigation, the evidence supports a finding of misconduct. **Unfounded case:** The results of a preliminary inquiry or investigation established sufficient evidence supporting a conclusion that misconduct, as alleged, did not occur. **Unsubstantiated case:** The preliminary inquiry or investigation, due to a lack of evidence, did not establish a reasonable basis to warrant further investigation or a reasonable belief to substantiate that misconduct was committed. Some credible information may have been present, which if corroborated would have established a reasonable belief, but as it stands does not rise above the suspicion level. In other words, there was insufficient evidence to warrant an investigation or to prove or disprove that misconduct was committed, and the decision then falls in favor of the staff member. **Referred case:** A determination that the case involved issues more suitably addressed by other venues within the WBG (e.g., EBC, HR, SPADR).

employment. A staff member has the right to appeal the HRDVP's disciplinary decision to the WBG's Administrative Tribunal, whose judgments are binding.

In FY21, INT conducted 12 Staff Rule 8.01 full investigations and substantiated staff misconduct in 5 cases. One substantiated case involved a former staff member barred from rehire by the HRDVP who will remain barred unless and until the staff member cooperates with INT's investigation as required under Staff Rule 8.01. Two staff members were

terminated from employment and permanently barred from rehire by the HRDVP, and two staff members resigned under the terms of an Options Letter<sup>6</sup> following INT investigations.

#### **Investigations of WBG Corporate Vendors**

INT's investigations of allegations against WBG corporate vendors support the institution's vendor eligibility reviews.<sup>7</sup> The Director of Strategy, Performance and Administration (SPADR) makes determinations of non-responsibility of corporate vendors to exclude them from eligibility to receive

### **Hybrid Investigations: Historical Examples of Staff Misconduct Benefitting External Companies<sup>8</sup>**

INT's multi-pronged approach to investigations (external investigations of firms and individuals involved in WBG-financed contracts, and internal investigations of WBG staff or corporate vendors) allows for more focused and efficient outcomes. In certain instances, hybrid cases occur, which combine subjects of both internal and external investigations. Historical examples of such cases, below, show their inextricable linkage and have led to both the termination of WBG staff and the debarment of companies bidding on WBG operations.

1. During an external investigation of a World Bank-financed contract, INT found evidence that a short-term consultant (STC) leaked confidential procurement information to several bidders on a project in order to provide them with an unfair competitive advantage. Prior to the STC's appointment, the individual had been a Bank-financed consultant during the project's preparation stage and had also been a board member and shareholder of one of the bidders on the project. While employed by the WBG, the STC was concurrently employed by another bidder first as managing director, then later as a consultant. INT's internal investigations established that the STC had multiple conflicts of interest and engaged in abuse of the STC's position for the gain of the implicated companies leading to the misuse of WBG funds. INT's internal investigation into the STC's misconduct resulted in a permanent bar from rehire, and INT's external investigations into the con-

tractors led to several settlement agreements and Sanctions Board-issued debarments.

2. An STC hired on multiple Bank-financed projects repeatedly and systematically engaged in corrupt and collusive practices in concert with multiple Bank-financed contractors. Over a period of five years, the STC tainted the procurement processes of more than 40 tenders worth over US\$20 million in coordination with nine corrupt companies willing to pay the STC a percentage of contract value in exchange for real or perceived assistance in securing contract awards. While INT's case against the STC determined that the STC received more than US\$500,000 from one contractor, subsequent findings by national law enforcement officials to whom INT referred the case determined that the scope of the illicit activities was much larger. In fact, the STC held several million dollars in various bank accounts in two countries which derived from the illicit activities connected to the STC's work on Bank-financed projects. INT's internal investigation into the STC's misconduct resulted in a permanent bar from rehire, and INT's external investigations into the contractors led to several Sanctions Board debarments. In addition, in collaboration with national judicial authorities, INT was able to recover almost all the bribes the STC had received and return these stolen assets to the client countries from whose projects the money was misappropriated.

contract awards from the WBG and/or bid on WBG corporate solicitations. Implicated vendors are provided an opportunity to respond to the allegations before the Director of SPADR makes a determination. Potential sanctions imposed range from a letter of reprimand to ineligibility for a specified or indefinite period. Determinations by the Director of SPADR cannot be appealed.

In FY21, the internal investigations team closed 7 corporate vendor cases, 3 of which were substantiated. The SPADR declared 4 corporate vendors ineligible for WBG corporate vendor contracts,<sup>9</sup> three of them for a period of three years, and one for a period of four years.

### **Disclosures Made by WBG Staff**

During FY21, 17 WBG staff (i.e., regular staff, former staff, extended- and short-term consultants, and temporaries) made protected disclosures related to internal investigations by raising misconduct allegations to INT's attention, including staff qualifying for whistleblower protection under Staff Rule 8.02.<sup>10</sup> In addition, 92 preliminary external investigations that were opened in FY21 were based on information provided to INT by WBG staff. INT is grateful to those staff members who have forwarded to INT concerns of suspected misconduct, including allegations that may threaten the operations or governance of the WBG, and INT appreciates the assistance and cooperation provided by many staff members in the resulting investigations.

## **DETER: Sanctions, Referrals, and Integrity Compliance**

INT's sanctions cases, and the resulting decisions of OSD and the Sanctions Board, are one way in which the WBG gives effect to INT's investigative findings. Debarments protect WBG projects by excluding firms and individuals that have engaged in sanctionable misconduct from those projects. Referrals to national authorities or other organizations, when appropriate and necessary, can help prompt actions that increase the impact of INT's investigative work. The WBG's standard conditions for release from sanction, which include the development and implementation of an integrity compliance program, further enhance debarment's deterrent value. Sanctioned firms and individuals may only pursue new WBG-supported work after they have taken concrete steps, satisfactory to the WBG, to improve their business practices.

### **SANCTIONS**

In FY21, INT submitted 17 sanctions cases, and 18 settlements to OSD for review. As a result of these and earlier INT-submit-

ted cases and settlements, the WBG debarred, or otherwise sanctioned, 57 firms and individuals. For more information on the decisions underlying these sanctions, please see the OSD and Sanctions Board sections of this report.

The WBG increases awareness of sanctions and bolsters their deterrent impact by making its decision transparent and public. Cross-debarment—under which the African Development Bank (AfDB), Asian Development Bank (ADB), European Bank for Reconstruction and Development (EBRD), Inter-American Development Bank Group (IDB), and WBG recognize one-another's debarments of more than one year's duration—further increases that deterrent effect. Firms and individuals know that engaging in sanctionable misconduct under a WBG project carries consequences beyond just the WBG. In FY21, the WBG recognized 92 cross-debarments from other MDBs and 45 WBG debarments were eligible for recognition.

Settlements provide a complementary way for the WBG to resolve cases of sanctionable misconduct. Under WBG settlements, settling parties acknowledge wrongdoing, agree to a sanction, commit to develop and implement an integrity compliance program, and agree to cooperate further with INT. This cooperation provides INT with information that can be used to advance additional investigations and cases. For example, one of the Sanctions Board decisions issued this year involved misconduct by three firms; two settled and cooperated with INT, which aided INT's sanctions case against the third firm. Through their efficient resolution of cases and detailed compliance and cooperation provisions, settlements provide a valuable tool to promote higher integrity standards in WBG-supported projects.

### **REFERRALS**

INT sends referral reports to relevant WBG counterparts in member countries when evidence indicates that a WBG member country's laws may have been violated and INT assesses that a referral could be impactful. INT also shares information with counterparts in other MDBs, and other international institutions, when that information may be relevant to their operations. In FY21, INT made 13 referrals to 13 different recipients. (A list of these referrals, omitting two cases where INT is aware of ongoing law enforcement action, is provided in Annex D of this report.)

Referrals are both a means for INT to cooperate with other authorities, and a manifestation of the fiduciary duty that underlies INT's mandate and work. Through referrals, INT can help prompt independent national authority investigations and aid INT's own inquiries by facilitating the exchange

of information with investigative counterparts. Since INT enhanced its focus on referrals in the 2010s, INT has striven to make referrals in cases and at times likely to provide maximum value for their recipients. To this end, in FY21, INT adopted a refreshed, risk-based approach to referrals that draws on INT's experience to focus referrals on situations most likely to benefit INT or national investigations.

Upon the completion of all related sanctions cases, INT also issues redacted reports discussing its investigative findings. Redacted reports are provided to the WBG's Board of Executive Directors<sup>11</sup> for information, and then made public on INT's website. In FY21, INT published 15 such reports.

INT began posting redacted reports in 2005 to provide transparency when information about INT investigative find-

ings was limited. Today, INT's redacted reports supplement public sanctions decisions and settlement press releases by providing insight into INT investigations. They provide details about the allegations, methodologies, and factual findings of INT investigations, as well as any actions taken by the WBG. In so doing, redacted reports contribute to public knowledge of fraud and corruption risks and schemes.

### **INTEGRITY COMPLIANCE**

The Integrity Compliance Office (ICO) had another active year of engagements with sanctioned entities working to meet their conditions for release from WBG sanction. In that regard, the ICO notified 58 newly sanctioned entities<sup>12</sup> of their conditions for release and actively engaged with 118 sanctioned entities during FY21.<sup>13</sup> The ICO also notified 29 entities

## **Promoting the Highest Integrity Compliance Standards**

Included among the entities released from WBG sanction in FY21 were the SNC-Lavalin Group Inc. companies (collectively, the SNCL Group). Under the terms of the negotiated resolution agreement entered into between SNC-Lavalin Group Inc. and the Bank, the subsidiary SNC-Lavalin Inc. and its controlled affiliates were debarred with conditional release for a minimum period of ten years, with the remaining SNCL Group entities conditionally non-debarred for the same period of time. The sanctions were imposed in connection to misconduct relating to the Bank-financed Padma Multipurpose Bridge Project in Bangladesh and Rural Electrification and Transmission Project in Cambodia. However, the agreement allowed that the period of sanction could be reduced to eight years if the SNCL Group had met the imposed conditions for release at that time. In accordance with that provision and the applicable Bank Sanctions Procedures, the WBG Integrity Compliance Officer determined that, the SNCL Group had met the conditions for early release and the companies therefore were released from WBG sanction effective as of April 17, 2021.

From the perspective of the ICO, to address its integrity compliance gaps, the SNCL Group indeed undertook a significant "integrity journey"—as self-described by the company—that was facilitated by ongoing, meaningful engagement with the ICO and the third-party integrity compliance monitor that the company retained in accordance with its agreement with the Bank. Notably, the SNCL Group was receptive to recommendations for

enhancement to the integrity compliance program and related structures, from both the monitor and ICO, and many recommendations were adopted by the company. The SNCL Group also incorporated into its integrity compliance program interesting technological innovations, such as an integrity app and dedicated AI ChatBot to assist employees on integrity matters.

Today, the SNCL Group has implemented an integrity compliance program that presents a comprehensive framework that reflects the principles set out in the WBG Integrity Compliance Guidelines,<sup>14</sup> with evidence of program usage having been provided to the ICO. The SNCL Group also has established a global compliance network led by an independent Chief Integrity Officer who reports directly to the Board of Directors and operationally to the General Counsel, and who is supported by a team of compliance professionals and local Integrity Ambassadors.

This case serves as a good example of the potential developmental impact of the ICO's collaborations with sanctioned entities. It demonstrates how the integrity compliance standards championed by the WBG can help support the positive rehabilitation of large international companies, as well as support the promotion of preventative measures more widely—such as across supply chains, among SMEs as mentors, and through industry organizations. The ICO looks forward to continuing its engagement with the SNCL Group toward the advancement of integrity compliance principles around the globe.



## The Impact of Integrity Compliance

Companies that work with the WBG ICO find real business value in strengthening their internal integrity compliance standards. For example, two companies that were recently released from WBG sanction share here the operational benefits realized from their efforts and their experience of engagement with the WBG ICO team (in their own words and without endorsement on the part of the WBG ICO):

### **Innovative Consulting & Technical Services (ICTS), Myanmar Co., Ltd.**

*"The compliance program we enacted according to the procedures set by the WBG has provided us preventative measures to mitigate the likelihood of such misconduct of a similar or varying nature occurring in the future. It has been a great success overall, and employees within our company all have a 100% passing rate in our internal compliance training program.*

*Given our company's size, nature, and the environment we operate under, circumstances that call for an integrity compliance program of this magnitude are noticeably rare. We've taken it as an opportunity to streamline our risks and potential compliance issues and to successfully implement a compliance program that met the ICO's conditions of release. Our new due diligence procedures for new partnerships and human resources have been in effect since the conception of their framework and have allowed us to mit-*

*igate potential compliance risks and positively impact the team here, as the clear goals and ethical standards of the program were set for not only the board of directors but our personnel, too.*

*The mentorship support we received from Schneider Electric proved to be impactful for our circumstance. These open discussions with a mentor helped a lot in developing and adopting our own version of an ethical program at ICTS (Myanmar) LTD. We are glad to have gone through this experience, as there was a steep learning curve for our board of directors as well as employees. But we feel that we are now better equipped to navigate through times of an everchanging business environment in Myanmar while complying to international standards of ethical conducts."*

**Arkar Than Aye**, Director of ICTS, Myanmar Co., LTD.

### **SNC-Lavalin Group, Inc.**

*"Integrity is one of the four core values at SNC-Lavalin. Through a rigorous review process and insightful recommendations under the agreed-upon mentorship, along with a constructive relationship developed over the years with the Bank's ICO, the WBG has contributed significantly to SNC-Lavalin reaching its goal of developing a best in industry class integrity program in line with its values and commitment to continued excellence in Integrity."*

**Jean Hoffman Zukowski**, Head, Mentorship, Cooperation and Regulatory Compliance; Integrity Officer, SNC-Lavalin Group, Inc.

that their sanctions would be continued beyond the initial period of sanction until such time as they meet the conditions imposed for their release from such sanction. At the end of FY21, 400 entities were sanctioned with conditional release, 72 of which were actively engaging with the ICO at that time. The ICO also reviewed the integrity compliance materials of several entities in connection with INT's pre-sanction interactions with respondents and settlement discussions.

Notably, during FY21 the ICO determined that 30 entities had met their conditions for release from sanction and that 2 entities had met the conditions for the conversion of their debarments with conditional release to conditional non-debarments. The released entities ranged from large multinational companies to state-owned enterprises to small companies operating in fragile and conflict-affected situations.

During FY21, the ICO also leveraged technology to conduct numerous virtual site visits to speak with relevant sanctioned company personnel and assess the implementation of their integrity compliance controls. While it typically is preferable to meet in person, the ICO was able to conclude successful discussions, training activities, and systems testing remotely.

### **Private Sector Outreach**

The ICO also continued its efforts to promote integrity compliance principles beyond sanctioned entities. The ICO advocates that all companies consider implementing integrity compliance programs and other controls as a good business practice, i.e., as a preventive tool rather than as a reaction when something goes wrong. To that end, ICO team members participated, as presenters, in various (virtual) conferences and events throughout FY21. Some highlights include:

- The Africa Business Ethics Conference, which was hosted by the Center for International Private Enterprise and Lagos Chamber of Commerce.
- An International Bar Association, International Construction Projects Committee, Webinar titled “Bribery and Corruption in the Construction Industry.”
- A seminar on Capacity Building on Administrative Sanctions Systems organized for Brazilian state-owned enterprises.
- The launch event of the Women in Compliance in Africa network titled “Women in Compliance in Africa: Challenges & Opportunities, Navigating in the Era of COVID-19,” which was hosted by the AfDB and Coalition for Ethical Operations.

Through its engagement with sanctioned entities working to meet their conditions for release from WBG sanction, the ICO promotes rehabilitation and advances integrity compliance principles among companies of all sizes, across multiple operating sectors, and throughout the world. Ongoing collective efforts of the ICO and sanctioned entities to broaden impact include released entities mentoring sanctioned entities and speaking at integrity compliance outreach events.

## **PREVENT: Prevention, Risk & Knowledge**

The Prevention, Risk & Knowledge function in INT came into effect in May 2021 with the aim of building a more robust knowledge base and analytic support for integrity risk mitigation in WBG development operations. The goals of the new structure also include:

- Strengthening the risk analytic and impact assessment approach to case selection to focus investigative resources on the most significant cases, while generating a wider range of advisory, analytic, and knowledge products to help prevent and mitigate all kinds of operational risks.
- Create structures and processes to strengthen complementarities between preventive work and core investigative functions, including the use of cross-cutting skills like forensics and data analytics, while maintaining functional boundaries.
- Strengthen the depth and quality of knowledge and advisory products by ensuring that they leverage insights from complaints, data analytics, and investigative activities and outcomes.

The strategy for the Prevention, Risk and Knowledge function is under development. A priority, initiated in FY21, has been the creation of new work processes for complaint intake, response and case development, and the development of data-driven tools to support and help prioritize preventive engagements.

During FY21, INT has continued to use information gathered through the receipt of complaints and INT’s investigative work in its analytic and preventive work program. The process of mining and sharing risk-relevant information with operational counterparts in the WBG is a growing area of emphasis for INT and an important way in which INT’s work can support the broader mission of the WBG.

### **Advisory Work**

The Preventive Services Unit provides advisory support and integrity risk mitigation advice to operational units and teams. This year, to support WBG operational teams in delivering projects and financial assistance in response to the COVID-19 emergency, the Preventive Services Unit prepared a series of COVID-19 Advisory Notes (on Pharmaceuticals, Medical Supplies, and a broader Integrity Issues Note). The team also provided proactive advice to all project team leads working on COVID-19 tagged operations along with early checks for integrity risks in proposed operations (known as Volcker Triggers). The aim was to proactively reach out to all operations in the first wave of the response and thereafter follow up as necessary. Since then every new and restructured operation has been assessed for risks as they have been prepared. The response from operations was very positive, as many staff appreciated the timely support on operations that were being processed at a high speed in response to the crisis. The inclusion of actual examples of integrity risks and mitigation actions gave them a starting point for considering and preventing integrity risks.

### **Corporate Integrity Due Diligence**

INT also supported the WBG’s COVID-19 emergency response with integrity due diligence reports on proposed providers of medical disposables and durable equipment. In FY21, INT delivered 21 customized reports, which allowed greater confidence in the integrity of companies providing essential health supplies to the WBG’s clients.

### **Forensic Audits**

INT’s forensic audit team provides expert forensic accounting support to INT’s external and internal investigations teams; the ICO to help assess internal and financial controls that form part of integrity compliance programs; WBG operations as part of joint in-depth fiduciary reviews and

other forensic accounting support; INT's Preventive and data teams; and INT or WBG-led capacity building initiatives related to the forensic accounting skillset.

During FY21, due to COVID-19 travel restrictions, INT contracted a number of forensic audit and due diligence engagements to third party firms, under close oversight of INT staff. Forensic audit and due diligence work was outsourced in relation to investigations in the AFE, AFW, EAP, ECA, MNA, and SAR regions, as well as one internal investigation, and consisted mainly of document and information gathering that enabled INT investigations to move forward during a challenging period.

INT worked with the World Bank's Corporate Procurement team to procure framework agreement contracts for Investigations, Forensic Audit, Due Diligence, and Digital Forensics Services. These agreements will provide INT with a roster of qualified firms who can provide Forensic Audit and other services to INT as needed, while COVID-19 restrictions are still in place and beyond.

INT also finalized the development of a World Bank Guidance document on Integrity Audits in FY21, with the objective to provide clarity on the nature and scope of the Bank's audit clause as it applies to INT forensic audits. The document was issued on the Bank's Policy and Procedure Framework in early FY22.<sup>15</sup>

### **Digital Forensics**

Electronic evidence has become a component of virtually all INT investigations, and the volume of electronic data collected and analyzed by INT continues to increase over time. As such, INT has been gradually developing its digital forensic capabilities over the last several years. In FY21, INT continued to invest in both human resources as well as equipment in this area to expand its capacity to acquire, process, and analyze electronic evidence and enhance the impact and efficiency of INT investigations. During FY21, INT's digital forensics team, which currently consists of two digital forensics experts, invested in updated, best-in-class digital forensics tools to acquire and analyze evidence from computers, smartphones, and other devices. INT also worked with the WBG's Office of Information Security in order to enhance the functionality and security of INT's digital forensics infrastructure within the INT cloud. Through these investments, INT is now well positioned to manage the large volumes of electronic evidence that its internal and external investigations now routinely generate.

### **Data Systems Modernization**

The core objective of INT's systems modernization strategy launched in FY19 has been to gain more agility in its response to an everchanging operational environment and increasingly leverage data and analytic insights for greater development impact. To that effect, the technology investments INT has made over the last several years aim to enhance the quality and delivery of its mandate by streamlining its processes while further developing capacity to detect, and more systematically address, integrity risks in WBG operations.

In FY21, INT focused on further modernizing its systems and underlying information technology infrastructure. With cloud computing technology at the center of its digital transformation initiative, INT has accelerated lead times for developing, testing, and deploying new in-house information technology applications. The rapid elasticity afforded by cloud services will enable INT to deploy new applications and tools quickly and easily as needs change.

As part of its response to the COVID-19 pandemic, for example, INT developed, piloted, and deployed within a span of two weeks several online tools designed to monitor integrity risks on complaints and investigative activities related to Bank-funded COVID-19 operations. The use of Application Programming Interface<sup>16</sup> to pull and combine data from systems in Bank Operations with data from INT's case management systems has enabled INT to quickly integrate real-time data sources and surface them for monitoring, reporting, and analysis through mobile-friendly dashboards.

### **Analytical Products**

INT has also been focusing on testing various approaches to improve its capacity for real-time risk analytics, developing algorithms to detect integrity risks recorded in key Bank supervision documents and applying machine learning to summarize and organize relevant content for review. Initial testing of pattern recognition systems that combine Artificial Intelligence with visualization engines to support the analysis of procurement activities in Bank-funded operations has also rendered promising results for detecting integrity hotspots and more proactively addressing those risks.

### **Training and Capacity Building**

Drawing from lessons learned from its investigations and preventive analytical works, INT provides training to WBG clients to raise awareness of the key risks posed by fraud and corruption to the effectiveness of WBG operations and educate WBG staff on their role in reporting and mitigating integrity issues that can arise in their work. These trainings

aim to strengthen practical skills such as the ability to recognize recurring integrity risks; take remedial measures should fraud or corruption issues occur; and introduce practical, preventive controls. INT delivers training in partnership with Country Management Units, other WBG units and fiduciary staff, Human Resources (HR), and in response to specific requests.

In FY21, INT's trainings reached more than 1,200 WBG staff. These included INT's participation in the corporate onboarding programs for new staff that are organized by HR, as well as specialized onboarding sessions for the incoming Board of Executive Directors, recruits to the WBG's Young Professional Program, and staff working in FCV contexts. INT also conducted integrity clinics for WBG regional staff, including presentations for staff based in the WBG's country offices across South Asia, as well as for the Malaysia country office. Critically in the context of this year, INT co-organized four joint clinics with the Bank's Operations Policy and Country Services unit that focused on anticorruption considerations in the context of Human Development and COVID-19 response operations.

INT also participated in training aimed at building the capacity of staff working for client project teams and government counterparts to identify and mitigate integrity risks. This year, these programs reached nearly 1,000 project staff and government officials across the AFE, AFW, LCR, and ECA regions. The workshops highlighted the risks of fraud and corruption; discussed specific risks for country and sector contexts; and identified available preventive and mitigation measures.

### ***Engaging with MDB Partners***

INT hosted a virtual meeting of the Heads of Integrity (HOI) from across the five MDB member institutions of the Cross-Debarment Agreement, plus the European Investment Bank, in May 2021. Over the course of two half days, the participants exchanged views on best practices as well as challenges arising from the group's collective anticorruption work. Among the agenda items, INT presented on the use of technology and data analytics to support integrity in development operations. In addition, INT also co-hosted with the International Fund for Agricultural Development the so-called "HOI-plus" meeting, which brings together the parties of the Cross-Debarment Agreement along with some dozen other MDBs and IFIs who have a strong interest in the investigation and sanctioning of fraud and corruption in development activities. These engagements help to strengthen networks of partners across the MDB integrity units, and INT looks forward to its ongoing participation in these meetings.

# 20 YEARS OF DETECTING, DETERRING, AND PREVENTING FRAUD AND CORRUPTION

## The Integrity Vice Presidency's First Two Decades

In 2001, the WBG established its first independent office for investigating fraud and corruption allegations in its operations. Two decades later, this office has evolved into a **robust and effective** unit mandated not only to investigate fraud and corruption, but to also help the institution better design its operations to prevent such risk from occurring and to engage with the private sector to strengthen business standards and practices around the world. Today, INT is a leader among international institutions in combating corruption.

### **Supporting the WBG Sanctions System**

Throughout its 20 years, INT has aided the evolution of the WBG sanctions system, addressing vulnerabilities and adapting to changes to better protect the WBG's development funds. During INT's first years, WBG sanctions were decided by an internal Sanctions Committee that made recommendations to the WBG President. In 2006, following a review led by former United Nations Under-Secretary General Richard Thornburgh, the WBG reformed its sanctions system to adopt its current, two-tier structure. This permitted both **swifter case outcomes** through the imposition of uncontested sanctions and **greater deterrence impact** through public debarment lists. INT supported these changes, which took effect in 2007, and established a dedicated litigation team to enable it to work effectively in this new system.

In 2009, INT played a leading role in introducing a new approach to handling sanctionable misconduct when, together with the WBG's Legal unit and Operations and Country Services unit, it negotiated the WBG's first sanctions case settlement in an agreement that also marked the WBG's first use of restitution as a sanction. INT has since entered into more than 180 settlement agreements, with parties ranging from individuals, to microenterprises, to large multinationals. Today, INT continues to use all its deterrence tools—from referrals and cooperation, to settle-

ments, to sanctions cases—to enhance the **efficacy and impact** of its investigative work.

### **Taking a Multilateral Approach to Sanctions in Development**

Since the early 2000's, INT and its counterparts in other international financial institutions (IFIs) have demonstrated **the power of a united front**. Perhaps the most dramatic example of how far coordination among IFIs has progressed can be seen in the signing of the *Agreement for Mutual Enforcement of Debarment Decisions* (the Cross-Debarment Agreement) in 2010. The Cross-Debarment Agreement ushered in a new era of **accountability** for firms and individuals participating in projects sponsored by IFIs in nearly every country in the world. Under the agreement, each participating IFI agreed to recognize and enforce most debarments imposed by other participating IFIs, subject to certain criteria and conditions. This agreement filled a critical gap by protecting multiple MDBs, not just one, from parties found to have engaged in significant misconduct. This trend towards **collective action** has grown in recent years as many bilateral aid agencies and other national authorities have chosen to reflect IFI sanctioning decisions in their own procurement systems.

### **Deterring Fraud and Corruption through Investigations**

Sanctions arising from INT investigations are designed to **deter fraud and corruption** in the countries in which the WBG operates. Over two decades of work, INT has concluded numerous high profile and complex cases from those involving well-known multinational firms to projects with contracts worth hundreds of millions of dollars. INT approaches all of its investigations with a determination to reduce the harm of corruption in WBG operations and to deter firms and individuals from engaging in these practices. Over time, investigative teams in INT have interacted more closely with WBG operational staff, along with the preventive and forensics experts in INT, to ensure that corrective actions are taken



and operational risks mitigated even while sanctions are pursued against responsible individuals or entities.

Beyond the sanctions system, INT is also responsible for carrying out investigations into allegations of misconduct by WBG staff and corporate vendors. These internal investigations are equally important as external matters in maintaining the WBG's anticorruption credibility and are carried out **diligently, comprehensively, and with fairness** to all parties involved. In 2008, the WBG significantly strengthened its whistleblower protection policy (Staff Rule 8.02), clarifying the rights and obligations of staff in reporting misconduct that may threaten the WBG's operations or governance. The policy expanded the channels available to staff for reporting concerns and strengthened protections against retaliation. Since its inception, INT has handled hundreds of cases in which WBG staff have "blown the whistle"—indeed, staff remain one of INT's primary sources of complaints and we are grateful for their partnership.

#### ***Building the WBG's Capacity to Prevent Integrity Risks***

In 2007–08, the WBG conducted another review of INT, this time led by former U.S. Federal Reserve Chairman Paul Volcker. The report produced by the "Volcker Panel" contained recommendations for strengthening the department's operations, its internal organization, and its working relationships across the WBG. Significantly, it led to the creation of INT's Preventive Services Unit (PSU) to interact with operations teams in the WBG and inform new projects of relevant risks based on information from INT's investigative activities. This preventive approach has now become mainstream and has increased INT's focus on helping WBG staff to **anticipate, detect, and guard** against fraud and corruption.

Two INT-related risk flags can be applied to the WBG's project data: the so-called 'Volcker Trigger' flag for proposed operations, and the 'Integrity Concern' flag for ongoing operations. These further focus attention on possible areas of risk. Since the creation of the PSU, INT has provided critical advisory support, analysis, and integrity risk mitigation advice to WBG operations. For more than a decade, the PSU has monitored the WBG portfolio, developed guidance and tools to help

staff detect and manage signs of fraud and corruption, and provided training to WBG staff, to project implementation units, and on specialized subjects to WBG clients. By collaborating with WBG sectoral, fiduciary, and procurement staff, the PSU has contributed to designing WBG operations to **prevent integrity risks** from occurring and to the WBG's approach to integrity risk management.

#### ***Supporting Integrity Compliance in the Private Sector***

Another major shift for INT came in 2011, with the establishment of the Integrity Compliance Office (ICO) and issuance of the WBG Integrity Compliance Guidelines. At that time, the WBG changed its baseline sanction from debarment for a finite period to debarment with conditional release. This converted the driving purpose of debarment from a strictly punitive consequence to one with an **emphasis on rehabilitation** of the firms and individuals under sanction. By helping sanctioned entities to improve their own internal policies and business practices through their engagement with the ICO, the WBG can foster a cleaner and fairer business environment in the places it operates.

In the past decade, the ICO has actively engaged with around 250 sanctioned parties in connection with their efforts to fulfil their requirements for release from WBG sanction, such as by implementing strengthened integrity compliance programs. The ICO now engages with more than 100 sanctioned parties annually in its ever-growing portfolio and has developed a global network of companies that have benefited from adopting these **better business practices**. Many now participate in mentorship programs to share their experiences with peer companies across sectors and regions around the world.

#### ***Strengthening Forensic Audits and Digital Forensic Services***

INT identified early on the strategic value of adding forensic audit capacity to its investigative toolkit in order to increase the **effectiveness and impact** of its investigations. Over the years, INT has built a dedicated team of experienced forensic auditors who collaborate with investigators throughout the complaint assessment, investigation, and post-investigation stages. INT's forensic auditors also sup-



## 20 YEARS . . . *continued*

port: the ICO to help assess how sanctioned companies have improved their internal controls and transaction monitoring activities; Bank operations by providing forensic input to help mitigate the risk of fraud and corruption; and INT- or Bank-led capacity building and training initiatives. More recently, INT has developed its digital forensic capabilities, investing in both human resources as well as best-in-class equipment in this area to expand its capacity to acquire, process, and analyze electronic evidence and enhance the efficiency of investigations.

### **Modernizing INT for a Digital World**

Electronic evidence has become a component of virtually all INT investigations, and the volume of electronic data collected and analyzed by INT continues to increase. In recent years, INT has **modernized its systems** and underlying information technology infrastructure to ensure it has the tools necessary to combat fraud and corruption in an increasingly digital world. For example, by adopting cloud computing technology into its systems, INT can more readily develop and deploy digital tools to meet changing needs. In addition to developing analytic dashboards to support the analysis of complaints, INT is enhancing its ability to analyze large amounts of text from disparate data sources for patterns or key words, to evaluate the sentiment of information in documents, and to identify patterns among clusters of bidders and beneficial ownership mapping.

Over a challenging period in 2020–21, these investments, paired with greater technology use by the WBG overall, have allowed INT to **maintain its work** remotely in the face of restrictions caused by the global COVID-19 pandemic. Such web-based tools also made it possible for INT to **fully support** the WBG's emergency response operations to the pandemic, and allowed it to develop, pilot, and deploy several digital solutions to monitor integrity risks in these COVID-19 operations in real time.

### **Building Strong Anticorruption Partnerships**

One of the most visible changes to the global anticorruption landscape has been the proliferation of anticorruption laws, regulatory bodies, and enforcement actions that have sought to keep pace with the increasingly transnational nature of fraud and corruption. An equally impactful development during this time has been the strengthening of coordination and collaboration between many of these burgeoning anticorruption actors. INT's second decade has been marked with **greater attention to cooperation** with anticorruption counterparts, including through an increased use of Memoranda of Understanding and referrals to national authorities.

Recognizing the potential for amplifying its efforts through partnerships with other national and transnational actors, INT has positioned itself as a advocate for **strengthening relationships among anticorruption actors** around the world. In 2010, INT led an initiative to convene the first biennial meeting of the International Corruption Hunters Alliance (ICHA), which has convened leading anticorruption practitioners from over 120 countries to share experiences and forge partnerships in the fight against corruption. This initiative is a model for how the WBG can leverage its convening power to engage the correct stakeholders to tackle problems at the national level and that extend beyond national boundaries and jurisdictions.

### **Continuing INT's Mission into a Third Decade**

As INT looks ahead to the start of its third decade, the challenges of fraud and corruption are becoming more digital, transnational, and complex. Yet, as it works to detect, deter, and prevent known as well as new integrity risks, **INT remains committed as ever** to its anticorruption mission and to supporting the development goals of the WBG.

## THE OFFICE OF SUSPENSION AND DEBARMENT

The first tier of the World Bank's adjudicative sanctions system



### Introduction by Jamieson A. Smith, Chief Suspension and Debarment Officer

I am pleased to present the WBG Sanctions System Annual Report for FY21 to our internal and external stakeholders. The Office of Suspension and Debarment (OSD) is an integral part of the WBG's systematic efforts to safeguard development funds from fraud and corruption and support global development. Despite particular challenges brought by the COVID-19 pandemic, OSD has continued to reinforce the importance of maintaining a robust sanctions system.

OSD continues to successfully perform its key mandate to adjudicate World Bank sanctions cases impartially and efficiently. In every case, OSD carefully reviews the evidence before it and issues a fully-reasoned determination that explains key findings of the Chief Suspension and Debarment Officer (the SDO). This process preserves the sanctions system's integrity and objectivity while also holding to account those firms and individuals found to have engaged in misconduct in WBG operations.

To that end, a key focus of OSD's work is maintaining the transparency of the sanctions system and ensuring that accused respondents are afforded sufficient due process and an opportunity to be heard. I am proud of the office's efforts to raise awareness of the sanctions system, its procedural safeguards, and the consequences of engaging in misconduct. In its determinations, OSD always considers whether respondents have been afforded opportunities to be heard. OSD notifies respondents when sanctions proceedings are initiated, provides a copy of the evidentiary

record, and includes comprehensive instructions on how to contest the Integrity Vice Presidency's (INT) accusations. To provide additional transparency, OSD has supported the WBG's coordinated efforts to publish information on sanctions decisions. During the past year in particular, the WBG revised its posting practices to more clearly describe in its public list of sanctioned entities the type of misconduct engaged in by each listed entity. OSD also revised its Notices of Uncontested Sanctions Proceedings to provide more detail about the underlying misconduct.

OSD engages extensively with its counterparts and other stakeholders around the globe. OSD hosted the Fifth International Debarment Colloquium, which this year consisted of a series of webinars focusing on topics such as harmonizing the various international exclusion standards and the importance of transparency in exclusion decisions. The office also participated in other events, such as the International Anti-Corruption Conference, where OSD emphasized how internal and external stakeholders can leverage the sanctions system's publicly available data to enhance their integrity efforts.

In the near future, the pandemic and the many efforts to respond to its effects may increase the risks of fraud and corruption globally, particularly in emerging economies. Notwithstanding these difficulties, OSD will always strive to uphold the WBG's fiduciary duty to ensure that its funds are used only for development purposes, promote the sanctions system with stakeholders, and share knowledge and experiences with its partners from around the globe.

I am excited to present this overview of our ongoing work in the global fight against corruption.

**Jamieson A. Smith**  
Chief Suspension and Debarment Officer



*Pictured:* World Bank Office of Suspension and Debarment (left to right): **Matthew Raab**, Legal Intern; **Muslima Maksudzoda**, Legal Consultant; **Collin Swan**, Senior Counsel; **Gaukhar Larson**, Counsel; **Jamieson Smith**, Chief Suspension & Debarment Officer; **Caroline Wachtell**, Program Assistant (Outgoing); and **Nikolaos Doukellis**, Legal Consultant. (*Not pictured:* **Alexandra Manea**, Counsel, Haiyue “Stephanie” Xue, Paralegal, and **Riya Gavaskar**, Program Assistant (Incoming)).

## Who We Are

The Office of Suspension and Debarment is the first tier of the World Bank’s two-tiered adjudicative system and functions similar to an administrative judicial office of first instance. It is tasked with impartially reviewing accusations against respondent firms and individuals that are brought by INT and determining whether there is sufficient evidence that a respondent has engaged in sanctionable misconduct. If there is sufficient evidence of misconduct, OSD commences sanctions proceedings against the respondent and recommends an appropriate sanction.

OSD is an independent unit within the World Bank and is headed by the Chief Suspension and Debarment Officer (SDO), who is appointed by and reports to the Managing Director and WBG Chief Administrative Officer on matters related to budget and management. The SDO is required

to evaluate each sanctions case solely on its merits and in accordance with the *Bank Procedure: Sanctions Proceedings and Settlements in Bank Financed Projects* (the Sanctions Procedures). In deciding a case, the SDO is entirely independent and does not take instructions or recommendations from any other person or unit.

The SDO is supported by three staff attorneys, two legal consultants, one paralegal, one program assistant, and up to two legal interns. OSD’s staff members and consultants have diverse regional backgrounds—hailing from China, Denmark, Greece, Kazakhstan, Romania, Tajikistan, and the United States—and bring solid expertise in international development, anticorruption, corporate law, public procurement, and compliance. All of OSD’s staff are normally based in Washington, DC.

## OSD Legal Internship Program

Every year, OSD offers up to four highly-motivated law students an opportunity to be exposed to the mission and work of OSD and the World Bank through a legal internship. The candidates are selected on a competitive basis, ensuring diversity of backgrounds and nationalities. The objective of the program is to introduce interns to practical aspects of the efforts against corruption via experience in the day-to-day operations of the sanctions system, while working closely with OSD and other WBG staff. OSD’s legal interns have contributed new perspectives, ideas, and knowledge to OSD and are able to improve their legal skills while working in a multicultural environment.

## What We Do

The specific functions of the SDO include:

- Evaluating the sufficiency of the evidence presented by INT in each case in a comprehensive, fully-reasoned determination that analyzes factual, procedural, and legal matters in detail.
- Determining if the evidence supports a finding that the alleged sanctionable misconduct more likely than not occurred, and if so, recommending an appropriate sanction against the respondent. This sanctioning recommendation is based on the public WBG Sanctioning Guidelines.
- Issuing a Notice of Sanctions Proceedings to each respondent, which includes the allegations and corresponding evidence, as well as the SDO's recommended sanction.
- Temporarily suspending respondents from eligibility to be awarded WBG-financed contracts pending the final outcome of the sanctions proceedings.
- Reviewing any written Explanation submitted by a respondent in response to a Notice of Sanctions Proceedings and deciding if the Explanation warrants a revision or withdrawal of the recommended sanction.
- Imposing the SDO's recommended sanction on each respondent that does not appeal to the WBG Sanctions Board and publishing a Notice of Uncontested Sanctions Proceedings on the WBG's public website.
- Considering requests from INT for the early temporary suspension of respondents that are subject to ongoing investigations. The SDO will impose an early temporary

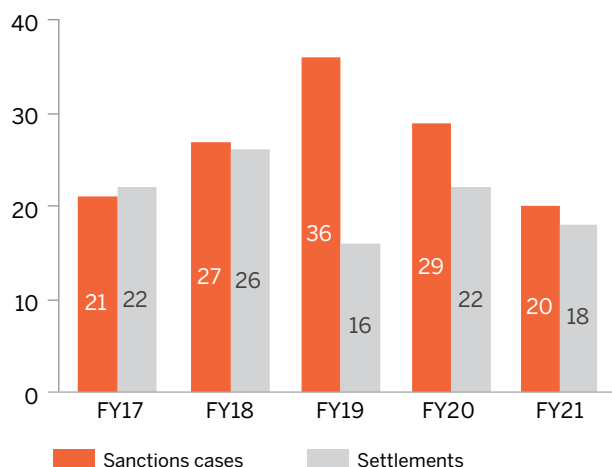
suspension if there is sufficient evidence to support at least one accusation of sanctionable misconduct that, if presented in a regular sanctions case, would have resulted in a debarment of two or more years.

- Reviewing settlement agreements entered into between the World Bank, through INT, and respondents to ensure that they were entered into voluntarily and that their terms do not manifestly violate the WBG Sanctioning Guidelines.
- Handling incoming and outgoing cross-debarment notifications issued pursuant to the Agreement for Mutual Enforcement of Debarment Decisions.
- Contributing to the continuous development of the WBG's overall sanctions policy.
- Organizing outreach and knowledge-sharing activities to inform internal and external stakeholders about the mission, processes, and results of the WBG's sanctions system.

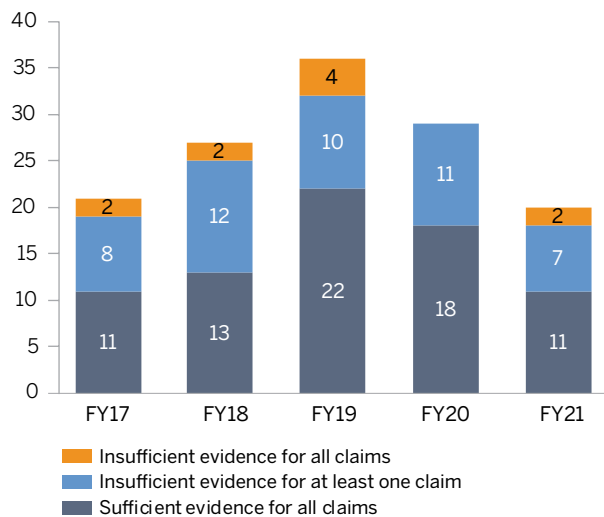
## OSD Case Summary

In FY21, OSD received 17 sanctions cases, reviewed 20 cases (including several cases submitted in the previous fiscal year), and issued a fully-reasoned determination with respect to whether INT presented sufficient evidence for each sanctionable practice in each case. OSD also reviewed 18 settlements that the World Bank, through INT, entered into with respondents. Any given case may take a shorter or longer period of time to review depending on the number of pending cases, the amount of evidence provided, the number of respondents involved, the complexity of the accusations made by INT, and any procedural issues.

**FIGURE 8: Number of cases and settlements reviewed by OSD**



**FIGURE 9: SDO findings of sufficient/insufficient evidence (by case)**







In FY21, OSD received **17** cases and reviewed **20** cases.



In FY21, OSD temporarily suspended **19** firms and **4** individuals.



In FY21, **29** out of **35** firms and individuals did not appeal and were sanctioned via an uncontested determination of the SDO.

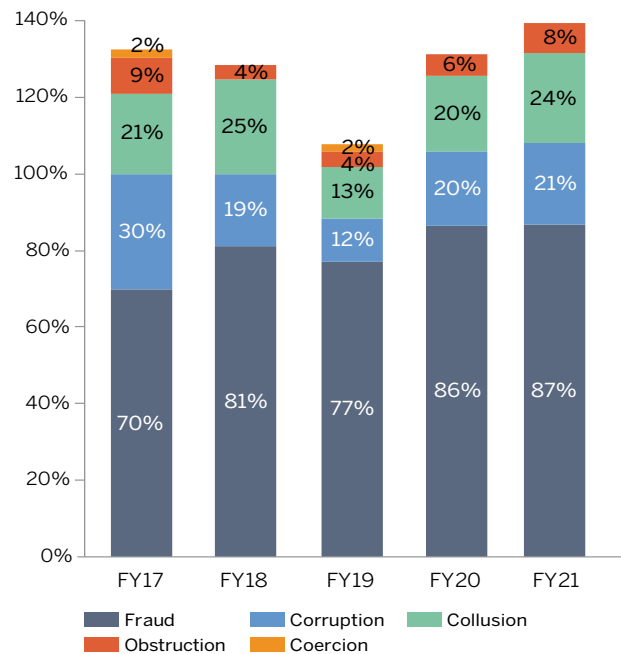


Percentage of cases resolved at OSD's level since OSD's formation in 2007: **67%**

The SDO referred 7 of the 20 reviewed cases back to INT for revisions after determining that there was insufficient evidence to support one or more of the accusations made. The SDO also rejected 2 additional cases in their entirety during this fiscal year. Once INT has made any necessary revisions to a case, the SDO issues a Notice of Sanctions Proceedings to the named respondents. In FY21, the SDO issued Notices of Sanctions Proceedings in 17 cases, which resulted in the temporary suspension of 23 respondents (19 firms and 4 individuals).

Under the Sanctions Procedures, respondents may submit a written Explanation to the SDO within 30 days—and may appeal to the WBG Sanctions Board within 90 days—after receiving the Notice of Sanctions Proceedings. In FY21, OSD reviewed written Explanations submitted by 8 respondents and reduced the recommended sanction against 5 of those respondents. Furthermore, 29 out of the 35 respondents whose appeal deadline fell in FY21 did not appeal to the WBG Sanctions Board, and the Bank imposed the SDO's recommended sanction against those respondents. Since OSD began reviewing and issuing sanctions cases in 2007, about 67% of all cases did not involve an appeal and were resolved at OSD's level.

**FIGURE 10: Percentage of cases & settlements reviewed by OSD by type of sanctionable practice\***



\* Includes all INT submissions reviewed by OSD (sanctions cases and settlements) (237 in total). An individual case may include several types of sanctionable practices, each of which is counted separately in the number of cases involving a certain type of sanctionable practice. "Collusion" includes cases containing allegations of collusive misconduct governed by the pre-2004 definition of fraudulent practice.

### Submission of Respondent's Explanation to the SDO

Within 30 calendar days after delivery of a Notice of Sanctions Proceedings to a respondent, the respondent may provide a written Explanation as to why the SDO should withdraw this Notice of Sanctions Proceedings or revise the recommended sanction. The SDO will consider reasonable requests for extensions of the Explanation submission deadline on a case-by-case basis.

The respondent's Explanation must be a single document in English not exceeding 20 pages, unless the SDO approves a longer submission. The Explanation should present arguments by the respondent and attach any credible evidence in support thereof, including with respect to any relevant mitigating factors such as the respondent's minor role in misconduct, voluntary corrective action taken, or cooperation with the investigation.

Within 30 calendar days after receipt of an Explanation, the SDO will consider the arguments and evidence presented therein and may (i) withdraw the Notice of Sanctions Proceedings upon concluding that there is manifest error or other clear basis for supporting a finding of insufficiency of evidence against the respondent or (ii) revise the recommended sanction in light of evidence or arguments with respect to mitigating factors presented by the respondent.

### Effect of a Temporary Suspension

The 2002 Thornburgh Report recommended, and the WBG later implemented as part of the SDO's functions, a mechanism for temporarily suspending respondents pending the final outcome of sanctions proceedings. The Thornburgh Report recommended using temporary suspensions to protect the WBG at an earlier stage of the proceedings and discourage respondents from delaying the final outcome.

Under the current Sanctions Procedures, every respondent is temporarily suspended from the date OSD issues the Notice of Sanctions Proceedings, unless the SDO recommends a debarment of 6 months or less. Respondents that appeal to the WBG Sanctions Board thus remain temporarily suspended until the final outcome of the proceedings, but this suspension is not public. To account for this period of suspension, the Sanctions Procedures require the SDO and the WBG Sanctions Board to consider "the period of temporary suspension already served by the sanctioned party" in determining an appropriate sanction.

Consistent with historical trends, most of the cases and settlements reviewed by OSD this fiscal year (about 87%) contained at least 1 fraudulent practice accusation. Seven of the 20 cases and 6 of the 18 settlements reviewed this fiscal year contained accusations of 2 or more different types of misconduct (e.g., fraudulent and corrupt practices). This fiscal year, about 24% of cases and settlements reviewed by



Fraction of respondents that submitted an Explanation to OSD (FY21):  
**23%**



Frequency of reductions to recommended sanction following an Explanation (FY21):  
**63%**



OSD alleged at least 1 collusive practice accusation. Corrupt practice and obstructive practice accusations were present in 21% and 8% of cases and settlements reviewed this fiscal year, respectively.

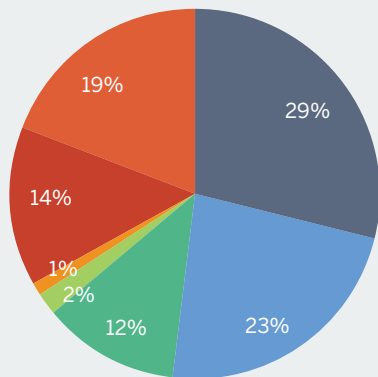
**Regional Breakdown of Respondents Sanctioned**

The World Bank, as one of the largest sources of funding and knowledge for developing countries, operates in countries around the globe, and OSD receives sanctions cases against respondents from every region of the world. Since July 2016, OSD has seen a relatively even split of respondents from five major regions: South Asia; Latin America & the Caribbean; East Asia & the Pacific; Europe & Central Asia; and Sub-Saharan Africa.

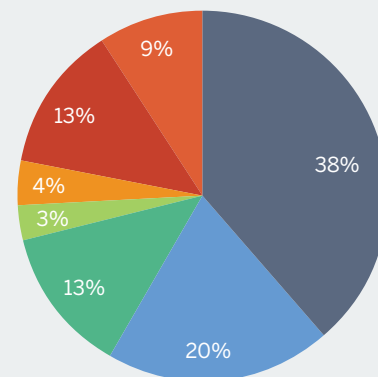
As shown in the graphs below, this breakdown is consistent in both the 173 respondents who were sanctioned in the last five years pursuant to the Bank’s adjudicative process (either by an uncontested determination of the SDO or through a decision of the WBG Sanctions Board) and the 124 respondents who agreed to enter into settlement agreements with the Bank, as negotiated by INT. OSD’s tracking of settlements reviewed by the SDO reveals that respondents who settled came from all over the world and were not limited to specific regions.

Of course, the regional breakdown of sanctions cases and settlements does not necessarily indicate how prevalent fraud and corruption may be in any given region. INT receives complaints from all regions and considers many factors

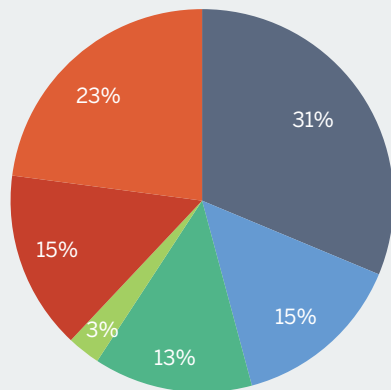
**FIGURE 11: Regional Origin of Respondents Sanctioned by the SDO and the WBG Sanctions Board**  
(173 Respondents) (FY17–FY21)



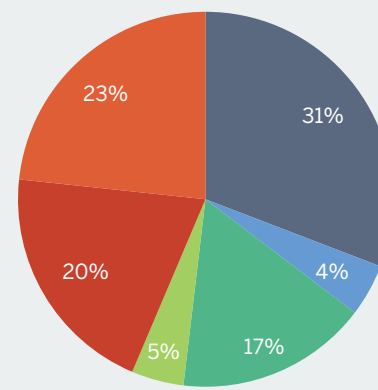
**FIGURE 12: Regional Origin of Respondents Sanctioned via Settlement**  
(124 Respondents) (FY17–FY21)



**FIGURE 13: Location of Misconduct Sanctioned by the SDO and the WBG Sanctions Board**  
(173 Sanctions) (FY17–FY21)



**FIGURE 14: Location of Misconduct Sanctioned via Settlement**  
(124 Sanctions) (FY17–FY21)



East Asia & Pacific
  Latin America & Caribbean
  North America
  Sub-Saharan Africa

Europe & Central Asia
  Middle East & North Africa
  South Asia

when deciding how to best allocate its resources to investigate potential misconduct. OSD plays no role in INT’s review of complaints and selection of cases. Nevertheless, the data suggests that the Bank’s sanctions have a truly global reach.

**Recommending an Appropriate Sanction—the WBG Sanctioning Guidelines**

After reviewing a case, if the SDO finds sufficient evidence of misconduct against the respondent, the SDO will recommend an appropriate sanction. The SDO’s choice of recommended sanction is guided by the relevant provisions of the Sanctions Procedures, which provide for five possible

sanctions: debarment with conditional release (the “base-line” or default sanction); debarment for a fixed period (without conditional release); conditional non-debarment; public letter of reprimand; and restitution. In deciding on the appropriate type and length of sanction, the SDO takes into account any relevant aggravating and mitigating factors as set forth in the Sanctions Procedures and the WBG Sanctioning Guidelines. Promulgated in September 2010, the WBG Sanctioning Guidelines provide non-prescriptive guidance on considerations relevant to any sanctioning decision. The WBG Sanctioning Guidelines contain a set of aggravating and mitigating factors and provide guidance as to when

**Aggravating Factors from the WBG Sanctioning Guidelines**

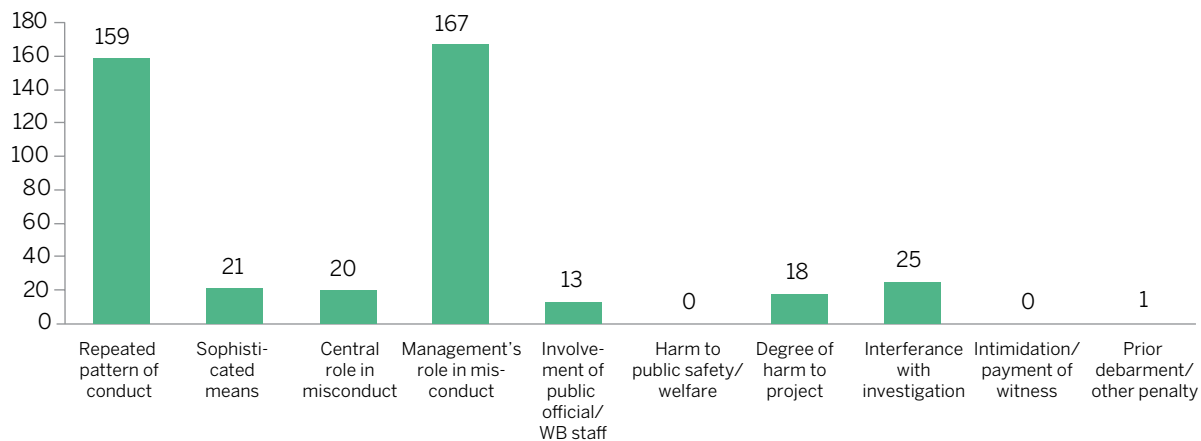
AGGRAVATING FACTORS INCREASE	AGGRAVATING FACTOR
1–5 years for this category	<b>A. Severity of the Misconduct</b> 1. Repeated pattern of conduct. 2. Sophisticated means. 3. Central role in misconduct. 4. Management’s role in misconduct. 5. Involvement of public official or World Bank staff.
1–5 years for this category	<b>B. Harm Caused by the Misconduct</b> 1. Harm to public safety/welfare. 2. Degree of harm to project.
1–3 years for this category	<b>C. Interference with Investigation</b> 1. Interference with investigative process. 2. Intimidation/payment of a witness.
10 years	<b>D. Past History of Adjudicated Misconduct</b> Prior debarment or other penalty.

**Mitigating Factors from the WBG Sanctioning Guidelines**

MITIGATING FACTORS DECREASE	MITIGATING FACTOR
Up to 25%	<b>A. Minor Role in Misconduct</b>
Up to 50%; a greater reduction may be warranted in exceptional circumstances.	<b>B. Voluntary Corrective Action Taken</b> 1. Cessation of misconduct. 2. Internal action against responsible individual. 3. Effective compliance program. 4. Restitution or financial remedy.
Up to 33%, however, in extraordinary circumstances, a greater reduction may be warranted.	<b>C. Cooperation with Investigation:</b> 1. Assistance and/or ongoing cooperation. 2. Internal investigation. 3. Admission/acceptance of guilt/ responsibility. 4. Voluntary restraint.

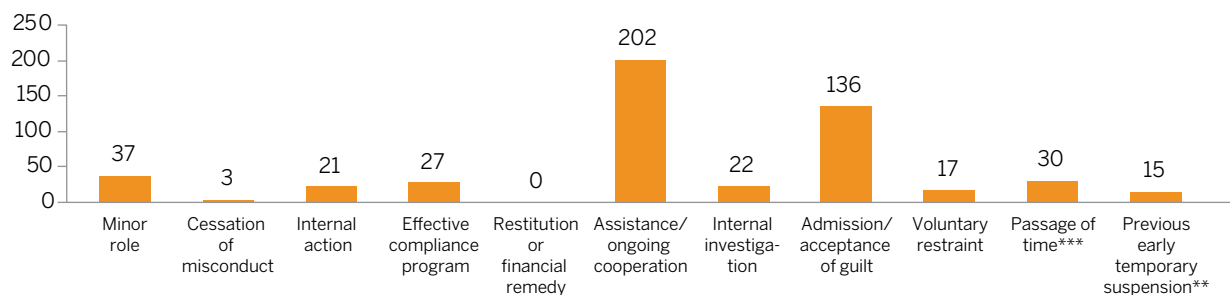
**FIGURE 15: SDO Application of Aggravating Factors from WBG Sanctioning Guidelines**

(453 Respondents\*) (Sept. 2010–June 2021)



**FIGURE 16: SDO Application of Mitigating Factors from WBG Sanctioning Guidelines**

(453 Respondents\*) (Sept. 2010–June 2021)



\*Excludes (i) the 9 respondents against whom sanctions proceedings were ongoing as of June 30, 2021; and (ii) the 22 respondents whose cases were withdrawn or settled after an SDO recommendation.

\*\*\*\*“Passage of Time” and “Previous Early Temporary Suspension” are not listed in the WBG Sanctioning Guidelines but may be considered pursuant to the Sanctions Procedures.

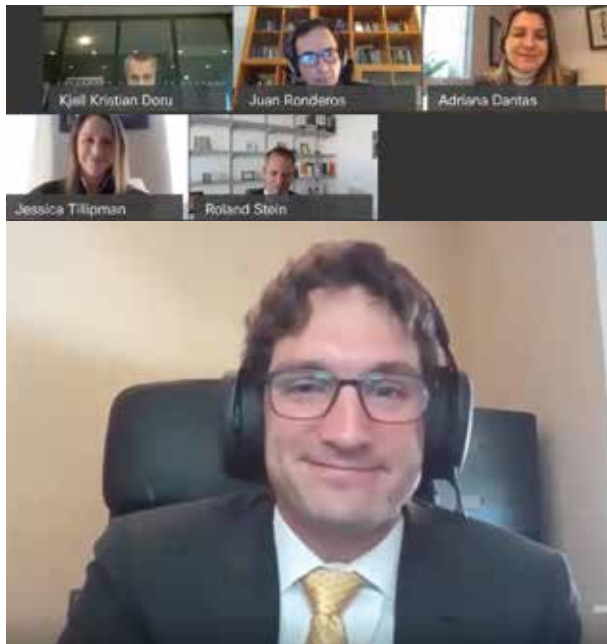
each factor would be applicable and the suggested impact that each factor should have on the sanctioning calculation.

OSD has tracked the SDO’s application of these aggravating and mitigating factors since the WBG Sanctioning Guidelines were promulgated 10 years ago. OSD uses this data to ensure that the SDO is consistently evaluating and applying these factors across all respondents. The graphs below show how often the SDO has applied a given factor across the 453 respondents against whom the SDO has issued a sanctions case since the WBG Sanctioning Guidelines came into effect (excluding cases that (i) were ongoing as of June 30, 2021; or (ii) were withdrawn or settled after an SDO recommendation). Of those 453 respondents, 327 did not appeal to the WBG Sanctions Board and were thus sanctioned via an uncontested determination of the SDO. As shown below, certain factors have been applied more frequently than others, although the SDO considers the unique factual circumstances of each case.

### Fifth International Debarment Colloquium

In September and October 2020, OSD hosted its Fifth International Debarment Colloquium, which comprised five virtual panels discussing recent trends in suspension and debarment at the national, international, and multilateral levels. The Fifth Colloquium brought together experts and an average of 200 attendees per panel from multilateral organizations, governments, private sector, non-governmental organizations, and academia—some of whom might not have been able to attend an in-person event. The continued popularity of the Colloquium series reflects the WBG’s continued efforts to learn from others and improve the effectiveness and fairness of its own sanctions system.

In the first panel, the speakers discussed opportunities and challenges in harmonizing certain elements of debarment systems across national governments, international financial institutions, state-owned enterprises, and investment



funds. The speakers at the second panel analyzed how transparency and information-sharing could enable the mutual recognition of debarment decisions across systems, which can have severe repercussions for debarred entities.

The third panel examined the growing trend in public procurement of debaring suppliers for grounds outside the common integrity-based offenses, such as environmental sustainability, past performance, and other qualification criteria. The panel noted that such grounds for debarment are often defined differently across jurisdictions and thus may be highly contextual. The fourth panel juxtaposed the view that debarments hamper competition with the contrary view that debarments promote competition because they level the playing field by driving unscrupulous actors out of the marketplace. The speakers at the fifth panel outlined how the availability of non-debarment remedies in MDBs' private sector operations—such as proactive due diligence on potential business partners and contractual remedies—can potentially reduce the need to resort to debarment to mitigate the MDBs' integrity risks.

Recordings of each of the 2020 Colloquium panels and other information are available online: <http://www.worldbank.org/suspensiondebarment2020>.

### Other Events and Outreach

Notwithstanding the ongoing pandemic and inability to travel, OSD continued its outreach activities both within and outside the WBG to inform colleagues, other organizations,

and national governments about the mission, processes, and results of the WBG sanctions system, and to learn from those outside the WBG. OSD has hosted and participated in a variety of events to discuss the sanctions system and to promote the WBG's broader anticorruption agenda. In FY21, OSD's staff:

- Co-organized with the WBG Sanctions Board Secretariat an MDB Joint Workshop between the first-tier officers and appellate body secretariats of the AfDB, ADB, EBRD, IDB, and WBG.
- Hosted a virtual panel discussion on "Leveraging Synergies: A Data Eco-System of Anti-Corruption Exclusion Mechanisms" during the 19th International Anti-Corruption Conference in December 2020. The panel was chaired by Jamieson Smith and included representatives from the World Bank, the Norwegian Government Pension Fund, and the private sector. The panelists discussed the importance of data transparency, the type of data generated by anticorruption exclusion mechanisms, and how to leverage all the data generated by these mechanisms across regions and sectors into a transparent global resource for public and private actors seeking to prevent and detect corruption in their own operations.
- Guest lectured at the Fordham University School of Law, the George Washington University Law School, and the International Anti-Corruption Academy about the role of the WBG sanctions system in the global pursuit of integrity in international development.



- Co-organized with INT an online learning event about the European Public Prosecutor’s Office (EPPO), with high-level speakers from the EPPO. This event discussed the EPPO’s mission and characteristics, as well as the relevance of its operations for the development community.
- Delivered a presentation on the legal concepts of corruption and integrity for a Brown Bag Lunch on “Corruption and Transparency in the Water Sector,” organized by the WBG Water Global Practice.
- Co-launched with the Anti-Corruption Law Interest Group of the American Society of International Law and the Organization for Economic Cooperation and Development’s Anti-Corruption Division a call for papers for a symposium on “Supranational Responses to Corruption.” The symposium aims to discuss and reflect on current and prospective anticorruption efforts that transcend national boundaries or governments. The conference is scheduled to take place in Vienna, Austria in spring 2022, with the possibility to connect remotely.

OSD also continued to maintain regular contacts with suspension and debarment officials from national governments and international organizations, including with its counterparts from other multilateral development banks.

### The Global Suspension & Debarment Directory

This past year, OSD continued its systematic effort to examine suspension and debarment systems from around the world. Following the successful launch of the 2020 Global Suspension & Debarment Survey in March 2020, OSD developed the Global Suspension & Debarment Directory, the first ever consultative resource on exclusion systems. The Directory summarizes the exclusion regimes of 23 different jurisdictions and institutions using the data and information captured by the Survey and includes references and available links to the relevant laws and regulations. Each jurisdiction’s summary presents information on six key areas relating to the exclusion system’s structure and operation:

- i. Government-Wide Legal and Institutional Framework
- ii. Functioning and Enforcement of the Government-Wide Exclusion System
- iii. Substantive Grounds for Government-Wide Exclusion
- iv. Scope and Effect of Government-Wide Exclusion
- v. Government-Wide Transparency: The Exclusion List
- vi. Limited Scope Exclusion Systems

The idea for an exclusion survey first came about in 2015, when OSD began to study how exclusion mechanisms are used by countries and organizations across the globe. OSD’s



research discovered a lack of commonality across jurisdictions and a significant gap in interdisciplinary research on exclusion mechanisms. Indeed, many different terms have been used to describe this remedy, such as “debarment,” “disqualification,” “suspension,” “exclusion,” or “blacklisting.” Whatever the label, the general intent of these mechanisms is to remove a wayward supplier from participating in a specific procurement process or from accessing public funds for a period of time. OSD’s efforts eventually led to the development of a survey questionnaire to gather knowledge and comparable data on exclusion systems from as many jurisdictions as possible.

In 2018, OSD partnered with the Sanctions Officer for the Inter-American Development Bank Group (IDB) (consisting of the IDB, IDB Invest, and IDB Lab) and Le Bureau de l’Inspecteur General de la Ville de Montréal to form a Working Group under the International Bar Association’s (IBA) Anti-Corruption Committee. Between May and October 2018, the Working Group launched and tested a pilot of the

Global Suspension and Debarment Survey to formalize the questionnaire’s structure and formatting.

In March 2020, the first formal round of the Global Suspension & Debarment Survey was officially launched under the auspices of the newly formed Debarment and Exclusions Subcommittee of the IBA’s Anti-Corruption Committee. Thanks to the invaluable input from the Survey’s responders and a team of devoted researchers, the Directory marks the first dedicated taxonomy of exclusion systems and will aid future efforts to identify commonalities and differences across jurisdictions.

The Directory and an interactive table of jurisdictions and their summaries are accessible online at [www.worldbank.org/exclusionsurvey](http://www.worldbank.org/exclusionsurvey).



## Sanctions Imposed by the SDO Pursuant to Notices of Uncontested Sanctions Proceedings

During FY21, the SDO issued Notices of Uncontested Sanctions Proceedings in 21 cases, resulting in sanctions against 29 respondents for engaging in fraudulent, corrupt, obstructive, and collusive practices in connection with WBG operations in the urban infrastructure, transportation, water, climate resilient infrastructure, medical equipment, energy/electricity support, and state employment/expenditure sectors of client countries. All of these Notices of Uncontested Sanctions Proceedings are publicly available on the WBG website. These cases included:

- **SANCTIONS CASE NO. 495**—The SDO determined that the respondent, a Chinese citizen, engaged in a fraudulent practice in connection with a solid waste collection contract under an urban infrastructure project in China. The SDO found that the respondent, while acting as a representative for a Chinese company, misrepresented in the company’s bid for the contract that the company had not promised to pay any contract-related fees. The SDO imposed on the respondent a debarment with conditional release for a minimum period of 2 years and 10 months. In determining this sanction, the SDO applied mitigation for the respondent’s cooperation with INT’s investigation.
- **SANCTIONS CASE NO. 502**—The SDO determined that the respondents, a Brazilian firm and its Managing Partner, a Brazilian citizen, engaged in fraudulent practices during the execution of a works contract for the implementation, enlargement, and improvement of the water supply systems in three villages in the State of Amazonas.

In particular, the SDO found that both respondents had inflated the corporate respondent’s progress in its third set of works progress certifications under the contract and altered the unit prices in its fourth set of works progress certifications under the contract. The SDO found that the corporate respondent had also inflated its progress in another works progress certification in connection with a new water treatment facility in one of the villages to obtain payment for works not yet executed in connection with the contract. The SDO imposed on both respondents a debarment with conditional release; the corporate respondent was debarred for a minimum period of 3 years and 5 months, and the individual respondent was debarred for a minimum period of 2 years and 10 months. As aggravating factors, the SDO took into account the respondents’ repeated pattern of misconduct and the involvement of the corporate respondent’s Managing Partner in the misconduct. As mitigating factors, the SDO considered the respondents’ limited cooperation with



investigators and the significant passage of time since the misconduct occurred and since the WBG was made aware of it.

- **SANCTIONS CASE NO. 591**—The SDO determined that the respondents, a French firm and a British firm, engaged in a collusive practice by entering into an arrangement with a joint venture partner and certain government officials to obtain confidential bid-related information in order to improperly influence the procurement process for a transport infrastructure contract under an urban transport development project in Vietnam. The SDO imposed on each respondent a debarment with conditional release for a minimum period of 2 years and 3 months. In determining this sanction, the SDO took into consideration, as mitigating factors, (i) each respondent's voluntary restraint from bidding on any WBG-financed contracts since it received a Show Cause Letter from INT in April 2017, and (ii) the information in the record regarding each respondent's implementation of a corporate compliance program.
- **SANCTIONS CASE NO. 615**—The SDO determined that the respondent, a U.S. citizen, engaged in a fraudulent practice in connection with her application for a procurement advisor consulting contract under a Belize climate resilient infrastructure project. In particular, the SDO found that the respondent had misrepresented educational credentials in the application. The SDO imposed on the respondent a debarment with conditional release for a minimum period of 2 years and 10 months. As a mitigating factor, the SDO considered the respondent's cessation of misconduct by submitting an updated curriculum vitae without the fraudulent misrepresentation.
- **SANCTIONS CASE NO. 622**—The SDO determined that the respondent, a Chinese firm, engaged in fraudulent practices in connection with the tenders of two urban transport projects in China. Specifically, the SDO found that the respondent submitted documents misrepresenting its past experience in three bids, including one joint venture bid, for contracts to install intelligent transportation systems under the two projects. The SDO imposed on the respondent a debarment with conditional release for a minimum period of 3 years and 4 months. In determining this sanction, the SDO considered, as an aggravating factor, the respondent's repeated pattern of misconduct across the three bids and two projects over a 17-month period. As a mitigating factor, the SDO considered the respondent's acknowledgment of the falsity of the documents it submitted.
- **SANCTIONS CASE NO. 631**—The SDO determined that the respondent, an Austrian firm, engaged in corrupt and fraudulent practices in connection with a medical equipment contract under a health project in Romania. The SDO found that the respondent (i) offered 3% of the contract's value and gave at least 1.5% to an intermediary for a Bank consultant with the intent to influence the consultant's technical evaluation of the respondent's bid for the contract, and (ii) misrepresented in the respondent's bid for the same contract that it had not paid and did not intend to pay any commissions, gratuities, or fees in connection with the contract. The SDO imposed on the respondent a debarment with conditional release for a minimum period of 6 years. In determining this sanction, the SDO considered the respondent's engagement in two different types of sanctionable misconduct and, as aggravating factors, (i) the complexity of the corrupt practice, noting in particular that the respondent used payment intermediaries and fake consultancy agreements, and (ii) the involvement of the respondent's Managing Director in the corrupt and fraudulent practices. As a mitigating factor, the SDO considered the amount of time that had elapsed since the sanctionable practices occurred and since the WBG became aware of them.
- **SANCTIONS CASE NO. 646**—The SDO determined that the respondents, a firm based in Taiwan, China and its subsidiary in Burkina Faso, engaged in fraudulent practices in connection with a three-lot tender for the supply of Lighting Global-certified solar lamps for primary schools under an electricity sector support project in Burkina Faso. In particular, the SDO found that the respondents had (i) included fraudulent Lighting Global certificates in their joint venture bid for two of the three lots under the tender, and (ii) submitted those same fraudulent Lighting Global certificates to the project implementing unit during the execution of the third lot. The SDO imposed on each respondent a debarment with conditional release for a minimum period of 4 years. In determining this sanction, the SDO considered, as an aggravating factor, the respondents' repeated pattern of misconduct, noting that the respondents submitted fraudulent documents during both the procurement and the execution of the supply contract.
- **SANCTIONS CASE NO. 649**—The SDO determined that the respondent, a Nigerian firm, engaged in a corrupt practice by making an improper payment to a public official in

connection with the award and/or execution of two waste management and refuse collection contracts under a state employment and expenditure project in Nigeria. The SDO imposed on the respondent a debarment with conditional release for a minimum period of 3 years.

- **SANCTIONS CASE NO. 651**—The SDO determined that the respondent, a Nigerian firm, engaged in a fraudulent practice by misrepresenting its past experience in its bid for a road maintenance contract under a state employment and expenditure project in Nigeria. The SDO imposed on the respondent a debarment with conditional release for a minimum period of 2 years and 10 months. As a mitigating factor, the SDO considered the respondent's limited cooperation with investigators, noting that the respondent produced documents and agreed to be interviewed but did not accept responsibility for the misconduct.
- **SANCTIONS CASE NO. 655**—The SDO determined that the respondent, a Vietnamese construction firm, engaged in corrupt practices in connection with six contracts and one subcontract under an urban upgrading project in Vietnam. Specifically, the SDO found that the respondent gave things of value amounting to Vietnamese Dong (VND) 385,906,000 (approximately US\$17,645.45) and offered to give as much as VND 625,000,000 (US\$28,577.96) to government officials and supervision consultants with the intent to influence the implementation of the contracts and subcontract. The SDO imposed on the respondent the sanction of debarment with conditional release of 4 years. In determining this sanction, the SDO took into account, as an aggravating factor, the respondent's repeated pattern of misconduct. The SDO also took into account, as mitigating factors, (i) the respondent's assistance and cooperation with INT's investigation, noting that it made multiple representatives available for interviews with INT and shared extensive financial documentation with INT, and (ii) the respondent's limited voluntary corrective action, noting that it had conducted several internal investigative inquiries and, shortly thereafter, the responsible individual voluntarily resigned.
- **SANCTIONS CASE NO. 666**—The SDO determined that the respondents, four related Indonesian firms and the President Commissioner of one of those firms, engaged in a collusive practice by submitting coordinated artificial bids designed to simulate competition in order to help another bidder win an irrigation rehabilitation contract under a water resources and irrigation sector management project in Indonesia. The SDO imposed on

the individual respondent and his firm a debarment with conditional release for a minimum period of 2 years and 8 months. With respect to the three remaining corporate respondents, the SDO imposed a debarment with conditional release for a minimum period of 1 year and 6 months. As an aggravating factor, the SDO considered the central role of the individual respondent and his firm in organizing the collusive scheme. As mitigating factors, the SDO considered (i) the minor role in the misconduct of the three other corporate respondents and their status as designated losers in the procurement process, and (ii) the significant passage of time since the misconduct occurred and since the WBG was made aware of it.

- **SANCTIONS CASE NO. 675**—The SDO determined that the respondent, a Nigerian firm, engaged in corrupt practices in connection with an erosion control contract under an erosion and watershed management project in Nigeria. Specifically, the SDO found that the respondent (i) made a payment of Nigerian Naira (NGN) 2,000,000 (approximately US\$12,000) to the project's engineer to influence his actions in connection with the procurement and/or execution of the contract, and (ii) made a facilitation payment of NGN 50,000 (approximately US\$160) to the project's cashier to influence her actions in connection with the execution of the same contract. The SDO imposed on the respondent a debarment with conditional release for a minimum period of 5 years. In determining this sanction, the SDO considered as aggravating factors the respondent's (i) engagement in a repeated pattern of corrupt activity and (ii) interference with INT's investigation, noting in particular that the respondent engaged in acts intended to materially impede the exercise of the Bank's contractual audit rights.
- **SANCTIONS CASE NO. 682**—The SDO determined that the respondent, a Chinese firm, engaged in fraudulent practices by submitting a fraudulent performance guarantee and a fraudulent advance payment guarantee after being selected for a contract in connection with a fishing port project in China. The SDO imposed on the respondent a debarment with conditional release for a minimum period of 3 years.
- **SANCTIONS CASE NO. 684**—The SDO determined that the respondent, a Liberian citizen, engaged in fraudulent and obstructive practices in connection with three contracts under two projects in Liberia. Specifically, the SDO found that the respondent submitted two fraudulent manufacturer authorization forms for information technology

equipment and training in bids for two contracts under a project for the modernization of Liberia's public financial management systems, and a contract under a project to strengthen the country's social safety net. The SDO also found that the respondent made false statements to INT and falsified evidence in order to materially impede INT's investigation. The SDO imposed on the respondent a sanction of debarment with conditional release of 8 years. In determining this sanction, the SDO took into account the respondent's engagement in two different types of sanctionable misconduct. The SDO further took into account, as aggravating factors, (i) the respondent's repeated pattern of misconduct, and (ii) the respondent's position as the Administration Manager of the trading firm.

- **SANCTIONS CASE NO. 691**—The SDO determined that the respondents, a Nigerian firm and a Nigerian citizen, engaged in fraudulent practices by submitting false documents in connection with two refuse collection and disposal contracts under a state employment and expenditure project in Nigeria. In particular, the SDO found that: (i) the corporate respondent submitted a falsified income tax clearance certificate in its bids for the contracts; and (ii) both respondents submitted a falsified advance payment guarantee in connection with the execution of one of the contracts. The SDO imposed on the corporate respondent a debarment with conditional release for a minimum period of 5 years. On the individual respondent, the SDO imposed a debarment with conditional release for a minimum period of 4 years. As aggravating factors, the SDO considered that (i) the corporate respondent engaged in a repeated pattern of misconduct, and (ii) the individual respondent was the Managing Director of the corporate respondent.
- **SANCTIONS CASE NO. 697**—The SDO determined that the respondent, a Somali firm, engaged in collusive and fraudulent practices in connection with several infrastructure rehabilitation contracts under a local development project in Somalia. Specifically, the SDO found that the respondent engaged in (i) a collusive practice by entering into an improper arrangement with another bidder to coordinate the preparation and submission of bids for a school rehabilitation contract, and (ii) fraudulent practices by misrepresenting its past experience in its bids for the same contract and a road rehabilitation contract under the project. The SDO imposed on the respondent a debarment with conditional release for a minimum period of 7 years. In determining this

sanction, the SDO considered the respondent's engagement in two different types of sanctionable practices and, as an aggravating factor, the respondent's repeated pattern of misconduct, noting that the respondent engaged in multiple fraudulent practices in connection with two separate procurements.

- **SANCTIONS CASE NO. 698**—The SDO determined that the respondent, a Somali firm, engaged in collusive and fraudulent practices in connection with a school rehabilitation contract under a local development project in Somalia. Specifically, the SDO found that the respondent engaged in (i) a collusive practice by entering into an improper arrangement with another bidder to coordinate the preparation and submission of bids to improperly influence the procurement process for a school rehabilitation contract, and (ii) fraudulent practices by misrepresenting in its bid for the same contract its previous work experience and that it had not paid, and did not intend to pay, any commissions, gratuities, or fees in connection with the contract. The SDO imposed on the respondent a debarment with conditional release for a minimum period of 6 years. In determining this recommended sanction, the SDO took into account the respondent's engagement in two different types of sanctionable misconduct.
- **SANCTIONS CASE NO. 704**—The SDO determined that the respondent, an Indonesian firm, engaged in corrupt practices in connection with an irrigation works contract under a water resources and irrigation sector management project in Indonesia. In particular, the SDO found that the respondent (i) made at least one payment of Indonesian Rupiah (IDR) 50,000,000 (approximately US\$4,380) to the Head of the relevant project implementation unit (PIU) to influence the procurement and/or execution of the contract, and (ii) made weekly payments over six months of IDR 200,000 (approximately US\$18) to each of two additional PIU staff members involved in supervising the worksite to influence the contract's execution. The SDO imposed on the respondent a debarment with conditional release for a minimum period of 2 years. As an aggravating factor, the SDO considered the respondent's repeated pattern of misconduct, noting that the respondent made multiple corrupt payments to public officials. As mitigating factors, the SDO considered (i) the respondent's cooperation with INT, noting that while the respondent's representatives met with

investigators and acknowledged that payments were made to public officials, they ultimately did not accept responsibility for the misconduct, and (ii) the significant passage of time since the misconduct occurred and since the WBG was made aware of it.

- **SANCTIONS CASE NO. 707**—The SDO determined that the respondent, a Chinese firm, engaged in two fraudulent practices in connection with the procurement of a contract for the construction of hydroelectric facilities under a hydropower project in Burundi. In particular, the SDO found that the respondent (i) misrepresented its work experience in an expression of interest for the contract submitted by the respondent in joint venture with another company, and (ii) misrepresented in the joint venture's subsequent bid for the contract that the respondent did not intend to pay any commissions in connection with the contract's procurement or execution. The SDO imposed on the respondent a debarment with conditional release for a minimum period of 4 years. In determining this sanction, the SDO took into account, as aggravating factors, (i) the respondent's repeated pattern of fraudulent practices, and (ii) the involvement of the respondent's Chairman in the misconduct. The SDO also took into account, as a mitigating factor, the respondent's cooperation with INT, noting in particular that representatives of the respondent agreed to meet with investigators and the respondent admitted that it had engaged in misconduct.

- **SANCTIONS CASE NO. 721**—The SDO determined that the respondent, a firm based in Hong Kong SAR, China, engaged in a fraudulent practice by submitting a set of false financial statements in its bid for a mobile x-ray system supply contract under an emergency medical services project in Uzbekistan. The SDO imposed on the respondent a debarment with conditional release for a minimum period of 2 years and 6 months. In determining this sanction, the SDO considered that the respondent had already been temporarily suspended for a period of 6 months in connection with a previous early temporary suspension sanctions case.
- **SANCTIONS CASE NO. 722**—In a case similar to Sanctions Case No. 721, the SDO determined that the respondent, a firm based in the United Kingdom, engaged in fraudulent practices by submitting a set of false financial statements and a false past equipment sales contract in its bid for an anesthesia and respiratory equipment supply contract under an emergency medical services project in Uzbekistan. The SDO imposed on the respondent a debarment with conditional release for a minimum period of 3 years and 6 months. In determining this sanction, the SDO took into account, as an aggravating factor, the respondent's repeated pattern of misconduct, noting that the respondent included multiple fraudulent documents in its bid. The SDO also considered, as a mitigating factor, that the respondent had already been temporarily suspended for a period of 6 months in connection with a previous early temporary suspension sanctions case.

## THE WBG SANCTIONS BOARD

### The second tier of the WBG's adjudicative sanctions system



#### Introduction by Giuliana Dunham Irving, Executive Secretary to the WBG Sanctions Board

The extraordinary challenges brought about by COVID-19 are unlike anything we have seen in our lifetime. Nothing reflects more genuinely on our nature as individuals and as a community than what we do during times of adversity. As the world confronted the pandemic, we witnessed the dedication, collaboration, and ingenuity of WBG staff, partners, and stakeholders. Within the sanctions system, we continue with our commitment to the WBG's mission by safeguarding development funds consistent with the institution's fiduciary duty. Ensuring that resources go exactly where they are intended has become even more critical in the face of a global health crisis. In this Report, in addition to sharing key outcomes and statistics from this past fiscal year, we highlight two sanctions system contributions to the institution's efforts in combating fraud and corruption. First, we feature enhancements to the sanctions framework on the application of sanctions to successors of sanctioned entities. Second, we examine Sanctions Board decisions that helped further define the reach and bounds of the WBG sanctions system in relation to public officials.

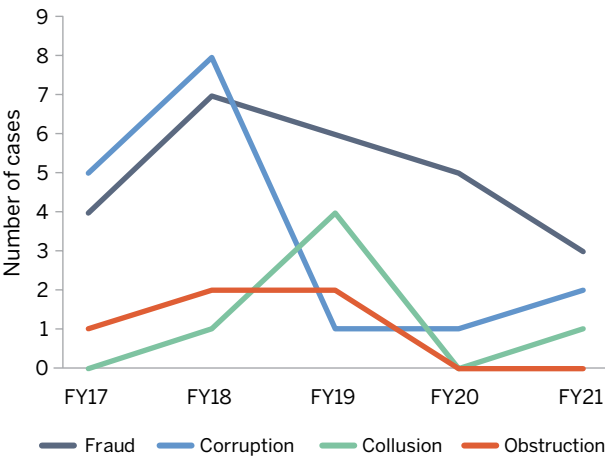
The pandemic upended most of what we knew, how we did things, and how we interacted with one another. This prompted everyone at the WBG to quickly adapt in ways that would allow the institution to continue delivering results for its clients. At the Sanctions Board and the Secretariat, adapting meant responding to new constraints and difficulties without compromising fairness and due process. Thus, despite travel restrictions, office closures, and bans on in-person gatherings, the Sanctions Board conducted all of its hearings and deliberations in FY21 through an all-virtual format, ensuring that sanctions cases were promptly reviewed, parties were adequately heard, and decisions were timely issued.

As we try to define what a post-pandemic world looks like, the Sanctions Board and the Secretariat will continue to draw from the team's diverse backgrounds and experiences to inform how we navigate the new normal and determine what that would mean for the unit and for the sanctions system. We rely on each other's strengths and resilience, and remain committed to the fight against corruption.

**Giuliana Dunham Irving**  
Executive Secretary to the WBG Sanctions Board



**FIGURE 17: Trend in the type of misconduct alleged in cases contested to the Sanctions Board (by case): FY17–FY21**



**Who We Are**

The WBG Sanctions Board is an independent body that serves as the second and final tier of review within the sanctions system. The Sanctions Board issues non-appealable decisions in all contested sanctions cases in projects financed, co-financed, or guaranteed by any member institution of the WBG (IBRD, IDA, IFC, or MIGA). In addition, the Sanctions Board reviews other types of cases, including disputes regarding the scope of sanctions and compliance with conditions for release from sanction (see “Review of other types of cases” later in this section). As discussed in more detail below, Sanctions Board members are entirely external to the WBG. They consider sanctions cases in dedicated three-person panels or as a full plenary group. The Sanctions Board has issued more than 133 decisions to date and, since 2012, has published all final and fully-reasoned decisions [online](#).

**Sanctions Board Members**

The Sanctions Board is composed of seven members, who are appointed by the WBG’s Board of Executive Directors and serve single, non-renewable terms of up to six years. Sanctions Board members act as impartial decision-makers, are all external to the WBG, and are subject to disclosure obligations and conflicts of interest rules. Candidates for membership are identified by the World Bank, IFC, or MIGA—with the World Bank selecting three members (including the Chair), and IFC and MIGA each selecting two members. Candidates must satisfy requirements of professional expertise and independence. In cases involving IFC or MIGA financing, the Sanctions Board also receives input from an internal advisor appointed by the relevant institution.

**Sanctions Board Members (FY21)**



**John R. Murphy**  
Sanctions Board Chair  
South Africa

Concurrently with his work at the Sanctions Board, Chairman Murphy serves as a Judge of Appeals of the United Nations (UN) Appeals Tribunal and Acting Judge of Appeal of the Labour Appeal Court of South Africa. His previous roles include that of President of the UN Appeals Tribunal (2018) and Judge of the High Court of South Africa (Gauteng Division, Pretoria).



**Rabab Yasseen**  
Member (IBRD/IDA)  
Switzerland



**Maria Vicien Milburn**  
Member (IBRD/IDA)  
Argentina, Spain



**Adedoyin Rhodes-Vivour**  
Member (IFC)  
Nigeria



**Cavinder Bull**  
Member (IFC)  
Singapore



**Mark Kantor**  
Member (MIGA)  
United States



**Eduardo Zuleta**  
Member (MIGA)  
Colombia

In FY21, the Sanctions Board filled two posts vacated by Mr. Alejandro Escobar and Ms. Olufunke Adekoya (terms completed in 2020). The new members, as reflected above, are Ms. Adedoyin Rhodes-Vivour and Mr. Eduardo Zuleta.





*Pictured: WBG Sanctions Board Secretariat (in clockwise order): Ryan Velandria McCarthy, Senior Counsel; Anna Lorem Ramos, Counsel; Felipe Rocha dos Santos, Counsel; Giuliana Dunham Irving, Executive Secretary to the Sanctions Board; Geise Santos, Program Assistant; and Eugenia Pyntikova, Counsel. (Not pictured: Amanda Schneider, Legal Assistant)*

Over the course of the year, the Sanctions Board met virtually 13 times to convene panels for deliberations and hearings.

**Sanctions Board Secretariat**

The Sanctions Board Secretariat provides legal, strategic, and administrative support and advice to the Sanctions Board. The Executive Secretary to the Sanctions Board oversees the Secretariat’s work program, leading a diverse team of attorneys and support staff. Among other functions, the Secretariat assists the Sanctions Board in reviewing cases, issuing decisions, holding hearings, convening for deliberations, and liaising with relevant stakeholders in the WBG and in the international development community. The Secretariat also plays a key role in sanctions policy discussions, and actively engages in strategic outreach and knowledge sharing to ensure that the lessons learned from the Sanctions Board’s work are integrated into the WBG’s operational work.

The diversity of the Sanctions Board is mirrored in the Secretariat. The Secretariat includes seven team members, the majority of whom are women and include two members of the LGBTQ+ community. Secretariat staff come from Brazil, Italy, Russia, the Philippines, and the United States. Members of the Secretariat have diverse experiences in WBG operations, US federal prosecutions, judicial clerkships, corporate and criminal litigation, international dispute resolution, white collar investigations, international law, international development, and program management.

In addition to regular staff, the Secretariat’s FY21 team included an associate from the **WBG-Howard University Law School program**. The program places law students in WBG units addressing issues of integrity and internal justice at the institution and brings students with backgrounds and interest in alternative dispute resolution. During FY21, the Secretariat welcomed Mr. Jordan Strudwick (United States).

**What We Do**

**Review of Contested Sanctions Cases**

The Sanctions Board provides a full, fair, and independent review of all sanctions cases where the respondent contests the allegations made by the Integrity Vice Presidency (INT) and/or the sanction recommended by any of the WBG’s first-tier officers.<sup>17</sup> In its review of contested sanctions cases, the Sanctions Board determines whether the record in a sanctions case supports the conclusion that it is more likely than not that the respondent engaged in the alleged sanctionable practice. This “more likely than not” standard means that, upon consideration of all the relevant evidence, a preponderance of the evidence supports a finding that the respondent engaged in a sanctionable practice. The Sanctions Board carries out its analysis under a “burden-shifting” framework: if INT shows that it is more likely than not that the respondent engaged in misconduct, then the burden of proof shifts to the respondent to show—with



**Percentage of respondents that contested cases to the Sanctions Board in FY21.**

counterarguments and evidence—that INT’s accusations are not supported by a preponderance of the evidence.<sup>18</sup> Between FY17–FY21, the Sanctions Board reviewed and decided 43 contested sanctions cases against 61 respondents.

The Sanctions Board hears cases *de novo*, which means that it reviews each case independently and in its entirety without reexamining the determinations reached at the first tier of the sanctions process. In reviewing contested cases, the Sanctions Board considers a more expansive record than at the first tier, including at least one further round of pleadings containing additional arguments and/or new evidence, and an oral hearing if requested by either party or called by the Sanctions Board Chair. In addition, the Sanctions Board makes determinations on any jurisdictional, evidentiary, and procedural issues not resolved at earlier points in the process; and takes into account a wide array of sanctioning factors. As a result, the Sanctions Board may reach different conclusions on liability and sanctions based on different reasoning and evidence as compared to the first-tier officers.

Among all cases contested during the FY17-FY21 period, the Sanctions Board held 93% of those respondents liable for alleged misconduct. For 7% of the respondents during the same period, the Sanctions Board concluded that the record did not support a finding of liability and terminated the proceedings without any sanction. (see figure below)

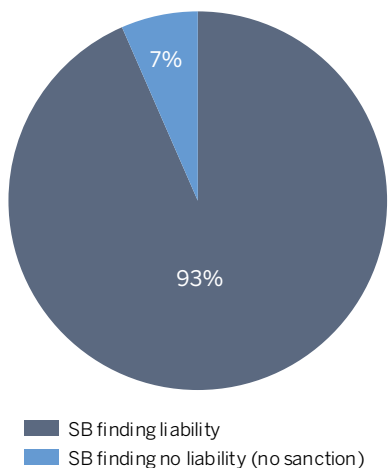
In contested cases where the Sanctions Board reaches a finding of liability, it does not reaffirm the sanction recommended at the first tier but, again, conducts a *de novo* analysis of the severity of misconduct and other sanctioning factors. During the FY17-21 period, sanctions applied at

the second tier “matched” those at the first tier in 8% of instances. For 54% of contesting respondents, the Sanctions Board applied a sanction that included a lesser period of minimum debarment. For 31% of contesting respondents, the minimum debarment period determined at the second tier was greater.<sup>19</sup> For the remaining 7% of respondents, as noted above, the Sanctions Board found insufficient evidence of misconduct and therefore did not impose any sanction. This variance in decision outcomes between the first tier and the Sanctions Board is reflective of a functioning quasi-adjudicative system where the second tier reviews an extended case record with at least one additional round of pleadings and, often, a hearing. Where misconduct is found, the Sanctions Board generally applies a broad range of sanctions, including debarment with conditional release, conditional non-debarment, debarment for a fixed period of time, and letters of reprimand with and without conditions. The conditions applied by the Sanctions Board are similarly varied and tied to the facts of each case and the risk attendant to the misconduct at issue.

**Review of Other Types of Cases**

In addition to resolving contested sanctions cases, the Sanctions Board is responsible for reviewing four other types of disputes. First, the Sanctions Board reviews cases where a sanctioned party contests the Integrity Compliance Officer’s (ICO) determination that the party did not comply with conditions for release from sanction. Second, the Sanctions Board reviews appeals from parties that entered into settlement agreements with the Bank, as negotiated by INT. In such cases, the sanctioned party may contest INT’s subsequent determination of non-compliance with the conditions of the settlement, or seek to resolve any controversy as to

**FIGURE 18: Outcome for Respondents: Comparison Between the First and Second Tiers of Review FY17-FY21**



- Appeals of ICO determinations
- Appeals of settlement compliance
- Appeals by respondent’s successors and assigns
- Requests for reconsideration of Sanctions Board decisions

the interpretation or performance of the settlement's terms and conditions. Third, where the WBG designates an entity as a respondent's successor or assign and extends the respondent's sanction to that entity,<sup>20</sup> that entity may appeal the WBG's determination to the Sanctions Board.

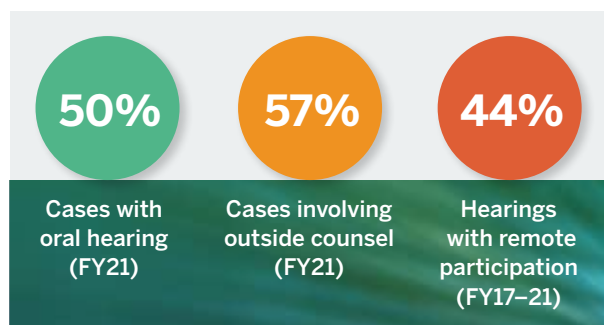
In reviewing these three types of disputes, the Sanctions Board uses an "abuse of discretion" standard and ascertains whether the WBG determination at issue (i) lacked an observable basis or was otherwise arbitrary, (ii) was based on disregard of a material fact or a material mistake of fact, or (iii) was taken in material violation of applicable procedures.

Fourth, the Sanctions Board may review requests for reconsideration of Sanctions Board decisions. The Sanctions Board has held that such a request would be granted only in narrowly defined and exceptional circumstances. These circumstances include discovery of newly available and decisive facts, fraud in the original proceedings, or clerical mistake in the issuing of the original decision.

#### **Conduct of Hearings**

Sanctions Board hearings are confidential, and may be convened at the request of the respondent or INT, or at

the discretion of the Sanctions Board Chair. Hearings begin with opening presentations, with INT presenting its case first and the respondent afterwards. INT is then permitted to reply to the respondent's opening presentation. The Sanctions Board members thereafter pose questions to the parties, who are entitled to present rebuttal evidence but do not have the right of cross-examination. In certain circumstances, the Sanctions Board may call witnesses, who may be questioned only by Sanctions Board members. At the conclusion of a hearing, the parties are invited to make closing presentations, with the respondents being given the opportunity to have the last word. The Sanctions Board continued to follow the same procedures in its conduct of all-virtual hearings in FY21.



### **Breaking through the Virtual Space**

COVID-19-related travel restrictions remained in place, and the closure of WBG headquarters and numerous country offices persisted throughout the fiscal year. Despite these constraints, the Sanctions Board determined to resume the regular conduct of hearings and guarantee due process. The Secretariat, with invaluable input from colleagues at the International Centre for Settlement of Investment Disputes (ICSID) and support from the WBG's Information and Technology Solutions

staff, assisted the Sanctions Board in its transition to all-virtual hearings. In the fall of 2020, the Sanctions Board successfully convened remote hearings in four cases. The Secretariat facilitated more than 13 hours of live hearing presentations, leveraging video-conferencing platforms to simultaneously connect INT staff, respondents, and Sanctions Board members across 9 countries and 5 time zones.



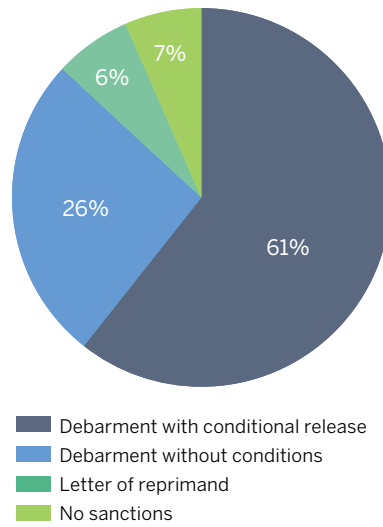
In FY21, **8 firms and individuals** were sanctioned by the Sanctions Board

**Issuance of Sanctions Board Decisions**

Consistent with the WBG’s commitment to transparency, the Sanctions Board is a leader among MDBs as the first sanctions body to publish its **fully reasoned decisions** in all types of appeals. Sanctions Board decisions set out detailed factual and legal analyses, procedural and substantive findings, and citations to relevant precedent.

The holdings in unpublished decisions between 2007 and 2011 were presented in the **first edition of the Sanctions Board’s Law Digest**, issued in December 2011. The shift to public Sanctions Board decisions in 2012 has resulted in the development of a body of jurisprudence that offers guidance to international stakeholders involved in anticorruption and administrative sanctions. The full body of Sanctions Board precedent as of FY19 is presented **in the second edition of the Law Digest**.

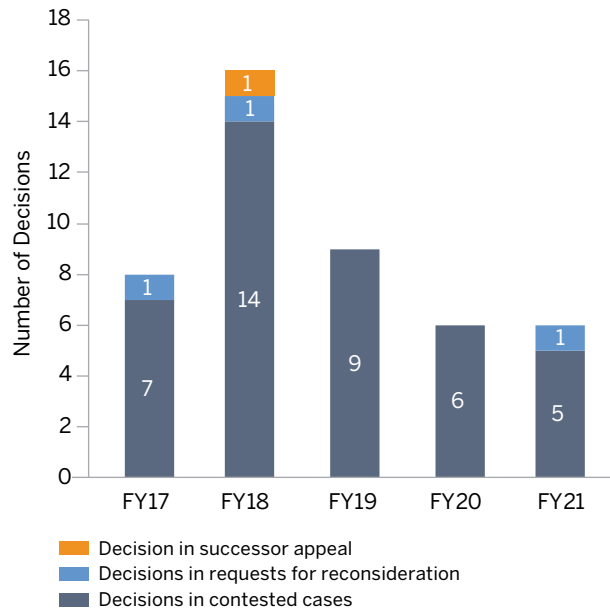
**FIGURE 19: Type of Sanctions Imposed on the Respondents by the Sanctions Board: FY17–FY21**



**Setting Boundaries for Public Official Liability**

The Sanctions Board’s precedent serves as a unique tool to educate the parties and the public as to the line between permissible and prohibited conduct. This precedent also serves to clarify the type of respondents who may be subject to sanction. For instance, the Sanctions Board has consistently found that public officials—a term that includes individuals taking or reviewing selection or procurement process decisions—may be sanctioned provided that it is factually determined that they did not act as government officials, who remain outside the ambit of the WBG sanctions system. Consistent with this precedent, the Sanctions Board debarred a public official in Decisions No. 132 and No. 133 published this year and discussed further below. The Sanctions Board found that the public official, an individual carrying out project management functions under Bank-financed contracts, solicited and received payments from a supplier and a contractor participating in the project at issue. By clarifying the reach of WBG sanctions, the Sanctions Board boosts the Bank’s ability to safeguard the funds entrusted to it for the benefit of its client countries. At the same time, through its transparent approach, the Sanctions Board provides more notice and due process to those who might be sanctioned.

**FIGURE 20: Decisions issued by the Sanctions Board: FY17–FY21**



\* Some decisions resolve more than one contested case. For example, where the Sanctions Board has joined related cases for efficiency and fairness.  
 \*\* During the period of FY17–FY21, the Sanctions Board issued a decision every 40.5 days, on average

## Driving Enhancements to Successorship Framework

The sanctions framework, which includes the procedural rules that govern the conduct of sanctions proceedings, is ever evolving based on experience and practice. The Sanctions Board has been a driver of some key enhancements to the framework. For instance, in one of its published decisions, the Sanctions Board observed that the framework lacked a definition of the term “successor”—which has implications for the scope and reach of sanctions to corporate respondents. Management responded by filling this gap through an upcoming approval of a clear definition of

the term “successor” and clarification of responsibilities within the WBG for successorship determinations. This development spurred by the Sanctions Board has helped to ensure that sanctions are not evaded through changes in corporate groups and enhanced due process and transparency in successor determinations. This is just one example in which the Sanctions Board has identified in its decisions certain gaps in the sanctions framework. The sanctions system is strengthened and made fairer because of these efforts.

## Knowledge Sharing and Engagement with Stakeholders

In addition to direct engagement as a decision maker in sanctions proceedings, the Sanctions Board recognizes the value of collaborating with stakeholders outside the context of sanctions cases, sharing lessons learned with peers at similar tribunals, and contributing to the global anticorruption community through targeted outreach efforts. To that end, the Sanctions Board and the Secretariat provide internal consultations to WBG management on the functioning and possible future reforms of the WBG sanctions system, engage in dialogue with similar sanctions appeals bodies in other international development organizations, and participate in public forums and conferences that relate to administrative sanctions as a tool against corruption in development.

### *Inaugural MDB Workshop Between First-Tier Officers and Appellate Body Secretariats*

Marking ten years since the signing of the MDB Cross-debarment Agreement, the Secretariat organized and led, with the Office of Suspension and Debarment (OSD) as its partner, a workshop between the first and second tiers of the



sanctions systems at the AfDB, ADB, EBRD, IDB, and WBG. Discussion topics included further harmonization of definitions and potential points of improved collaboration across the MDBs. The conversation was substantive and generated new

insights that have informed policy discussions within the respective institutions. Based on the success of the inaugural workshop and stated interest among the MDBs, the Secretariat and OSD already convened a second MDB workshop in FY22 and intend to organize the event annually.

### *Graduate Course on Corruption Risk Mitigation*

The Secretariat worked with the American University Washington College of Law in coordinating a graduate course on the mitigation of corruption risks in public procurement, which enrolled legal and public policy practitioners from Ecuador, Uruguay, Italy, the United States, Moldova, Colombia, Cameroon, Honduras, North Macedonia, Ukraine, and Indonesia. The course sought to review WBG-specific measures to identify and curtail corruption in public procurement, and the course forms part of a larger program focusing on anticorruption law and practice. This knowledge-building initiative brought together diverse participants in the Bank’s anticorruption agenda, including Governance Global Practice, Operations, Procurement, and the Sanctions units, including INT, OSD, and Integrity Compliance.

### *Webinar on Legal Careers in International Organizations*

The Secretariat and the University of the Philippines College of Law organized a webinar that explored the variety of legal opportunities in international organizations. The panel featured representatives from the Asian Development Bank, ICSID, the International Monetary Fund, the UN Children’s Fund, the UN Human Rights Office, the World Bank, the World Health Organization, and the World Trade Organization. The panelists identified different potential



career paths, and shared tips on starting and developing careers in international organizations. This virtual event was attended by over 370 students and young lawyers from the Philippines.

### **Webinar on Administrative Sanctions Systems**

The Secretariat participated in a webinar program organized by Brazil's state-controlled enterprise Petrobras in collaboration with OSD and INT. As part of a panel that also featured representatives from IDB and Brazil's Comptroller-General's Office (Controladoria Geral da União), the Secretariat shared the WBG's experience and knowledge on administrative sanctions and anticorruption matters with Petrobras employees and staff from other Brazilian state-owned enterprises.

### **Publications in a Leading Industry Forum**

The Secretariat continues its role as a thought leader in the anticorruption and dispute resolution spaces. This year, the Secretariat published two pieces on **The FCPA Blog**, a widely read international website for commentary and news about anticorruption compliance and enforcement. The first piece discusses the importance of international coordination in combating corruption. The article makes the case that bold ideas are needed to bolster accountability for "demand side" actors (the bribe recipients), who too often go unchecked. The second piece highlights that the diverse composition of the Sanctions Board, with all of the consequent benefits that flow from that diversity, is itself a central contribution to the fairness and credibility of the sanctions system. The article discusses how diverse institutions, like the Sanctions Board, are fairer and more effective as decision-makers than homogenous groups.

### **'Ten Things to Know About the Sanctions Board'— a Feature Story for WBG Staff**

To give WBG staff a better sense of the Sanctions Board and its work, the Executive Secretary sat down for an interview, which has been published on the WBG's internal network.



One important takeaway from that interview is that Sanctions Board decisions are publicly available and relevant to all staff. The Executive Secretary reminded viewers that there are many lessons that can be gleaned from Sanctions Board decisions for operations staff. She noted that these lessons improve the WBG's ability to prevent and combat corruption, which is in the interest of client countries and communities on the ground.

### **Summary of Precedent in FY21**

During FY21, the Sanctions Board issued six decisions (**Sanctions Board Decisions No. 128–No. 133**) arising from six contested cases and one request for reconsideration that were reviewed in fall 2019 and spring 2020. The cases were diverse in scope; and involved allegations of fraud, collusion, and corruption relating to contracts financed by IBRD, IDA, the Global Environment Facility, and the Special Climate Change Fund. The projects at issue sought to develop the energy, infrastructure, and water sectors of several countries including India, Colombia, Nigeria, Myanmar, and the Democratic Republic of Congo.

The Sanctions Board's findings and conclusions, as described below, were reached pursuant to the "more likely than not" standard of proof. The Sanctions Board's findings relied on a diverse array of evidence submitted by the parties, including copies of contemporaneous correspondence, testimonial evidence from interviews conducted by INT investigators, and documentation of transactions relevant to each case.

### **Fraudulent misrepresentations regarding past contract non-performance and litigation:**

#### **DECISION NO. 128**

In this decision, the Sanctions Board imposed a sanction of debarment with conditional release for a minimum period of four years on the respondent firm. The firm was part of a joint venture that submitted bids on several electric infrastructure contracts financed by the Bank under the Andhra Pradesh Disaster Recovery Project in India.

*Allegations, evidence, and findings:* INT alleged that each of the bids improperly omitted information relating to the respondent's history of contract non-performance and/or related litigation, and that the respondent knowingly misrepresented this information in documents submitted to the project management entity. Documentary evidence in the record, including bidding, contractual, and court documents,



showed that the respondent's business history included performance-related events that required disclosure under the bidding rules for the project. While the respondent argued that the disclosure requirement was highly nuanced and allowed for the omissions at issue, the Sanctions Board found that the respondent's arguments and evidence failed to rebut INT's allegations. Some of the respondent's claims contradicted evidence in the record, while others lacked sufficient evidentiary support. The Sanctions Board also found the respondent's argument of unintentional error unavailing and determined that the misrepresentations in the bids were at least reckless, if not knowing. The Sanctions Board commented that the respondent failed to either make the required disclosures or to seek clarification, while the bidding documents articulated clear requirements to share information that would be of rational interest to the procurement authority. The Sanctions Board found the respondent liable for fraudulent conduct.

*Sanctioning analysis:* In its sanctioning analysis, the Sanctions Board applied aggravation for the mode of the respondent's misconduct, which involved consistent withholding of significant non-performance and litigation-related information from procurement authorities. The Sanctions Board declined to apply mitigation for asserted compliance measures or cooperation, or to give credit for factors that it found to be unrelated to the respondent's culpability or responsibility for the misconduct (e.g., adverse consequences of debarment and absence of a history of misconduct).

#### **Fraudulent misrepresentations regarding intended role in contract performance:**

##### **DECISION NO. 129**

In this decision, the Sanctions Board imposed a sanction of debarment with conditional release for a minimum period of one year and three months on the respondent firm. The respondent was part of a consortium that submitted a bid for a contract (which the consortium was awarded) financed by the World Bank under the Río Bogotá Environmental Recuperation and Flood Control Project in the Republic of Colombia.

*Allegations, evidence, and findings:* INT alleged that the respondent engaged in a fraudulent practice by knowingly, or at least recklessly, misrepresenting its intended role in a consortium with two other companies in the selection process for the contract. According to INT, this consortium officially presented the respondent as its lead, while secretly agreeing

that the respondent would have no substantive participation in the execution of the contract. INT submitted that, in reality, the contract would be implemented by another consortium between the respondent's two official partners and three other companies. Documentary evidence in the record, including a series of internal agreements not disclosed to the project implementation unit (PIU) between the respondent and its various partners in the consortiums, supported INT's allegation of fraud. These internal agreements showed that—contrary to what it had represented to the Bank and the PIU—the respondent did not intend to participate materially in the implementation of the contract. The Sanctions Board was not persuaded by the respondent's defense that its employees lacked "knowing" or "reckless" intent, as the employees believed that the implementation structure arranged for the contract was proper under European Union (EU), Greek, and Colombian law. The Sanctions Board held that, while the respondent's understanding of EU, Greek, and Colombian law may be relevant to the respondent's state of mind as to the legality of its arrangements, it is not sufficient to rebut the evidence showing that the respondent knew it was acting contrary to its clear obligations under the applicable World Bank procurement rules and regulations, which required disclosure of the actual entities implementing the contract.

*Sanctioning analysis:* In its sanctioning analysis, the Sanctions Board applied aggravation for the sophisticated nature of the fraudulent scheme and for the involvement of senior personnel in the misconduct. The Sanctions Board applied mitigation for the respondent's cessation of the misconduct, effective compliance program, cooperation with INT's investigation, and voluntary restraint from bidding on Bank-financed tenders. The Sanctions Board also applied mitigation based on the significant passage of time, as well as changes in the respondent's board of directors and governance structure since the misconduct occurred.

#### **Findings of sufficient evidence of fraud and collusion, but insufficient evidence of corruption:**

##### **DECISION NO. 130**

In this decision, the Sanctions Board imposed sanctions of debarment with conditional release on two sister companies and two of their shared directors. The first respondent firm was declared ineligible for a minimum period of four years and three months, while the second respondent firm and the two individual respondents were declared ineligible for a minimum period of six months. The respondent firms submitted bids for contracts financed by the World Bank, the

Global Environment Facility, and the Special Climate Change Fund under the Nigeria Erosion and Watershed Management Project. The first respondent firm was awarded three of these contracts, while the second respondent firm was awarded none.

*Allegations, evidence, and findings:* INT alleged that (i) the first respondent firm engaged in fraudulent practices by misrepresenting its prior experience in its bids on all relevant contracts; (ii) all the respondents engaged in collusive practices by fixing prices and coordinating the respondent firms' respective bids on four contracts; and (iii) the first respondent firm and one individual respondent (the respondent firms' managing director) engaged in corrupt practices by making an improper payment to a public official to influence the procurement or implementation of at least one contract. The Sanctions Board found that evidence including documents, witness statements, and the respondents' own admissions supported INT's allegations of fraud and collusion. For instance, during INT's investigation and the sanctions proceedings, the respondents repeatedly acknowledged that the first respondent firm had submitted inauthentic experience documents as part of the bids at issue. As another example, the respondent firms' bids contained numerous similarities that indicated close coordination and collusive intent (including identical or nearly identical line item prices and final prices). By contrast, the Sanctions Board found the record insufficient to show that the alleged improper payment constituted corruption. Specifically, the Sanctions Board noted that INT's failure to at least pursue the testimony of certain relevant witnesses (including the public official in question) weakened this accusation.

*Sanctioning analysis:* In its sanctioning analysis, the Sanctions Board considered that the fraudulent and collusive practices in this case were factually interconnected, warranting aggravation, rather than multiplication, of the base sanction. In addition, the Sanctions Board applied aggravation for the severity of the fraudulent practices and for the involvement of the respondent firms' senior management in the collusive practices; and mitigation for the respondents' cooperation with INT's investigation and voluntary restraint from bidding on Bank-financed tenders.

**Fraudulent misrepresentation for failure to disclose an agent:**

**DECISION NO. 131**

In this decision, the Sanctions Board imposed a sanction of debarment with conditional release for a minimum

period of one year and four months on the respondent firm. The respondent, as the lead partner of a joint venture with another company, submitted bids for contracts financed by the World Bank under the National Electrification Project in the Republic of the Union of Myanmar.

*Allegations, evidence, and findings:* INT alleged that the respondent engaged in a fraudulent practice by falsely stating that it had not hired an agent in connection with the contracts—when it had in fact hired an individual as its agent. Documentary evidence supported INT's allegation. The record included an agreement between the respondent and the individual pursuant to which the respondent agreed to pay this individual "5% of the net profit" in the event the respondent "wins the bid" in exchange for this individual's services in connection with the procurement and implementation of the contracts. The respondent did not disclose this arrangement contrary to its disclosure obligations under relevant provisions of the bidding documents. The Sanctions Board rejected the respondent's defense that it was not required to disclose this arrangement because the individual was not its agent or employee, but rather, an "independent intermediary." The Sanctions Board held, *inter alia*, that whether the individual acted as an "independent intermediary" or as the respondent's "agent," the respondent still would have been obligated to disclose its arrangement. The Sanctions Board found that, under the clear language of the bidding documents, the respondent was obligated to disclose commissions, gratuities or fees to be paid to "agents or any other party" – and that the individual was, as a matter of fact, such a "party."

*Sanctioning analysis:* In its sanctioning analysis, the Sanctions Board applied mitigation for the respondent's cooperation with INT's investigation and voluntary restraint from bidding on Bank-financed tenders.

**Solicitation, receipt of bribes by a public official:**

**DECISION NO. 132**

In this decision, the Sanctions Board denied the request for reconsideration of Sanctions Board Decision No. 125 (2020), the original decision, filed by the respondent in Sanctions Case No. 477. In the original decision, the Sanctions Board imposed a sanction of debarment of five years and six months for a corrupt practice in relation to two Bank-financed consultant agreements in the Democratic Republic of Congo.

*Allegations, evidence, and findings:* The respondent submitted three types of evidence and arguments that he

described as “newly available.” The Sanctions Board found that none of these gave rise to exceptional circumstances that would justify a reconsideration of the original decision. First, while one document was not in the record of Sanctions Case No. 477, the Sanctions Board held that it was not newly available or potentially decisive. Specifically, the Sanctions Board found that (i) the respondent failed to provide sufficient justification for his failure to present the document in the original proceedings; (ii) the respondent’s underlying argument was considered in the original proceedings; and (iii) the evidence is not material to the Sanctions Board’s findings that the respondent solicited a payment with corrupt intent. Second, the respondent advanced an assertion that stemmed from evidence already included in the record of the original proceedings. In addition to not being newly available, the Sanctions Board found that this evidence was not potentially decisive. Finally, the respondent presented arguments that were already considered—and rejected—in the original proceedings.

#### **DECISION NO. 133**

This case involved the same respondent and project as in Sanctions Case No. 477 (Sanctions Board Decisions No. 125 and No. 132). In this decision, the Sanctions Board imposed a sanction of debarment for a period of eight years on the respondent, who served as project manager pursuant to two Bank-financed consultant agreements under the South African Power Market Project Phase I in the Democratic Republic of Congo.

*Allegations, evidence, and findings:* INT alleged that the respondent, a public official, engaged in corrupt practices by soliciting and receiving payments from a contractor through two companies affiliated with the respondent in exchange for his assistance with three contracts under the project. With respect to the first company, the Sanctions Board placed sufficient weight on the statements of the contractor’s director, whose testimony was made against his interest. According to the contractor’s director, the respondent had asked that the payment be made through a contract with the first company, which the director understood to be the respondent’s company. The Sanctions Board rejected the respondent’s defenses aimed

at distancing himself from the first company and explaining the legitimate purpose of the payment. The Sanctions Board observed that, *inter alia*, the respondent gave conflicting statements, the price of the contract with the first company lacked any credible basis, the invoices issued by the first company listed activities that did not relate to any of the services in the contract, and there were no other detailed breakdown of expenses or supporting documents that could have justified the payment. With respect to the second company, the Sanctions Board considered documentary and testimonial evidence showing, *inter alia*, that the contractor and the second company entered into a contract with the respondent’s involvement; the second company is owned by the respondent’s wife; and the contractor made payments to the second company, which then transferred a certain amount to the respondent. While the respondent denied offering the second company’s services to the contractor, the Sanctions Board relied on correspondence suggesting the respondent’s solicitation and his subsequent failure to refute it. The Sanctions Board rejected the respondent’s defense that the second company’s transfer of money to him was for tax or insurance purposes, considering the timing of the transfer of payment. Finally, the Sanctions Board held that the contract entered into between the contractor and the second company may, on its own, be considered a “thing of value” that the respondent solicited and received from the contractor. In assessing corrupt intent, the Sanctions Board took into account the respondent’s own acknowledgment, as well as documentary and other testimonial evidence showing, that he provided the contractor with services that went beyond the scope of his responsibilities as project manager.

*Sanctioning analysis:* The Sanctions Board applied aggravation on the basis of the respondent’s repeated pattern of conduct, use of sophisticated means, and central role in the misconduct. The Sanctions Board applied mitigation for the passage of time and partial mitigation for the respondent’s limited cooperation. Finally, the Sanctions Board declined to apply additional mitigation based on the period of temporary suspension served, as it coincided with the respondent’s debarment pursuant to Sanctions Board Decision No. 125 (2020).

## ANNEXES: FISCAL YEAR 2021 SANCTIONS SYSTEM DATA

### A. Investigations Overview

**TABLE 1: External Investigation Cases by Allegation, FY17-FY21**

	FRAUD	CORRUPTION	COLLUSION	COERCION	OBSTRUCT.	TOTAL
Active at End of FY21	52	46	30	3	0	78
%	67%	59%	38%	4%	0%	
Opened in FY21	25	23	16	2	0	40
%	63%	58%	40%	5%	0%	
Completed in FY21	21	9	4	1	0	28
%	75%	32%	14%	4%	0%	
Opened in FY20	38	16	11	0	0	46
%	82%	35%	24%	0%	0%	
Completed in FY20	30	11	8	0	6	43
%	70%	26%	19%	0%	14%	
Opened in FY19	35	17	16	1	3	49
%	71%	35%	33%	2%	6%	
Completed in FY19	39	16	13	0	6	47
%	83%	34%	28%	0%	13%	
Opened in FY18	51	19	14	0	0	68
%	75%	28%	21%	0%	0%	
Completed in FY18	61	29	21	0	3	70
%	87%	41%	30%	0%	4%	
Opened in FY17	41	19	15	0	2	51
%	80%	37%	29%	0%	4%	
Completed in FY17	39	33	19	3	3	52
%	75%	63%	37%	6%	6%	

Note: Because cases may include more than one type of allegation (e.g. fraud and collusion), the counts by allegation type typically add up to more than the total number of cases.

**TABLE 2: Internal Investigation Cases, FY21**

	STAFF	VENDOR	TOTAL
Carried over from FY20	26	8	34
Opened	19	6	25
Total	45	14	59
Closed	31	7	38
<i>Substantiated</i>	5	3	8
<i>Unsubstantiated</i>	20	4	24
<i>Unfounded</i>	3	0	3
<i>Referred</i>	3	0	3
Ending caseload	14	7	21

**TABLE 3: Overview of Internal Investigation Outcomes, FY17–FY21**

	FY17	FY18	FY19	FY20	FY21
Cases					
<i>Substantiated</i>	10	11	10	7	8
<i>Unsubstantiated</i>	10	15	8	17	24
<i>Unfounded</i>	2	3	5	10	3
<i>Referred</i>	2	0	5	14	3
<i>Other</i>	0	1	1	0	0
<i>Closed</i>	24	30	29	48	38
Complaints Referred <sup>21</sup> / Not investigated	47	46	31	27	57

**Note:** **Substantiated case:** A determination that based on the results of the investigation, the evidence supports a finding of misconduct. **Unfounded case:** The results of a preliminary inquiry or investigation established sufficient evidence supporting a conclusion that misconduct, as alleged, did not occur. **Unsubstantiated case:** The preliminary inquiry or investigation, due to a lack of evidence, did not establish a reasonable basis to warrant further investigation or a reasonable belief to substantiate that misconduct was committed. Some credible information may have been present, which if corroborated would have established a reasonable belief, but as it stands does not rise above the suspicion level. In other words, there was insufficient evidence to warrant an investigation or to prove or disprove that misconduct was committed, and the decision then falls in favor of the staff member. **Referred case:** A determination that the case involved issues more suitably addressed by other venues within the WBG (e.g., EBC, HR, SPADR).



## B. Sanctions System and Results

**TABLE 4: Sanctions Cases, FY17–FY21**

	FY17	FY18	FY19	FY20	FY21	5 YEAR TOTAL
Sanctions Cases Submitted to SDO/EO by INT	26*	28	37	26	17	134
SDO/EO Initial Review Completed	22*	27	36	29	20	134
Sanctions Cases Issued by SDO/EO to Respondents	19*	29	30	30	17	125

**TABLE 5: Settlement Agreements, FY17–FY21**

	FY17	FY18	FY19	FY20	FY21	5 YEAR TOTAL
Settlement Agreements Submitted to SDO/EO by INT	26	23**	16	22	18	105
SDO/EO Review Completed	22	27**	16	22	18	105

**TABLE 6: Sanctions Results, FY17–FY21**

	FY17	FY18	FY19	FY20	FY21	5 YEAR TOTAL
Firms and Individuals Temporarily Suspended	22*	40	34	38	23	157
Sanctions Imposed Pursuant to SDO Determinations	25	24	19	19	29	116
Sanctions Imposed Pursuant to SB Decisions	8	20	14	7	8	57
Sanctions Imposed Pursuant to Settlement Agreements	25	39**	20	23	20	127

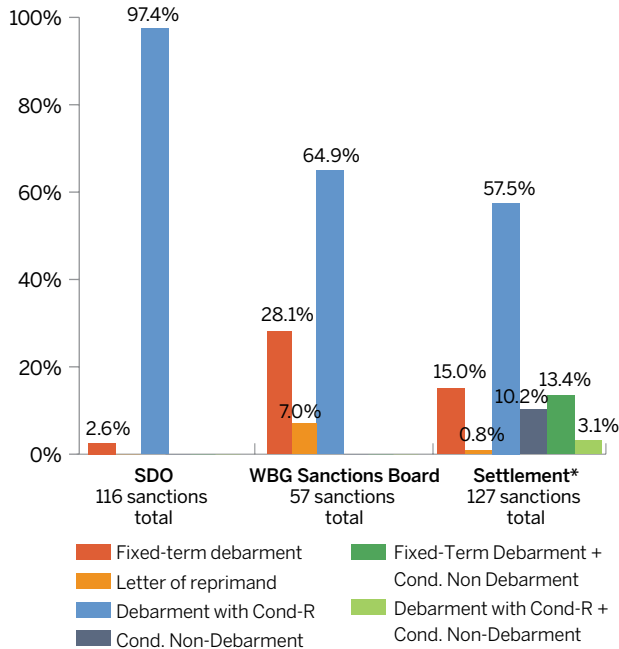
**Notes:**

\*In FY17, the IFC EO received and reviewed one sanctions case against two respondents; a Notice was issued, and the case was contested to the Sanctions Board. After submission of additional arguments and evidence, INT withdrew the allegations and the proceedings were terminated.

\*\*In FY18, the IFC EO reviewed one settlement agreement entered into between the WBG and three respondents relating to multiple IFC Projects.

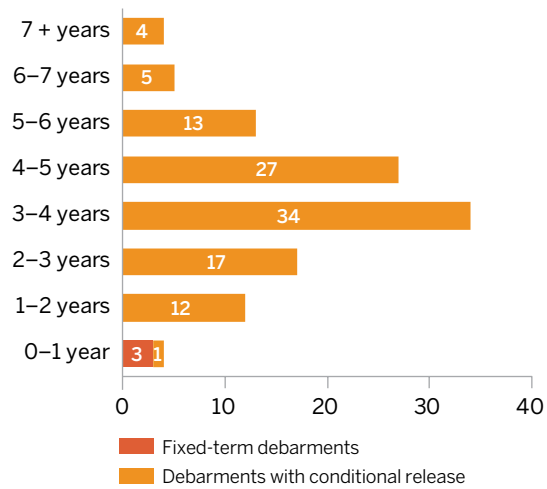
## Sanctions Imposed, FY17–FY21

**FIGURE 21: Type of Sanctions Imposed by the SDO, the WBG Sanctions Board, and Pursuant to Settlement**  
(Total of 300 Sanctions Imposed) (FY17–FY21)



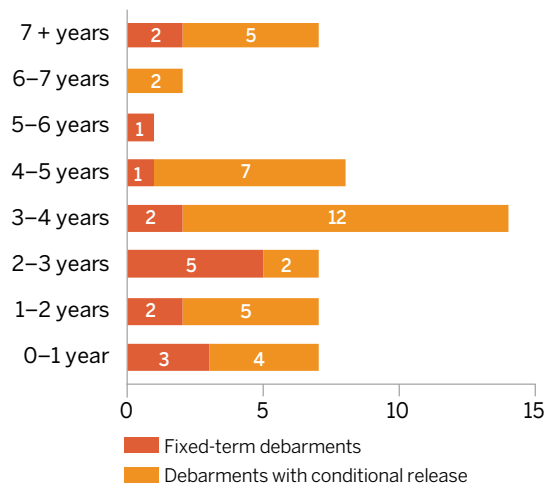
\* Includes one settlement agreement that the Bank entered into in FY18 with three respondents in connection with IFC operations.

**FIGURE 23: Length and Type of Debarments Imposed by the SDO, FY17–FY21\***  
(Total of 116 Debarments)



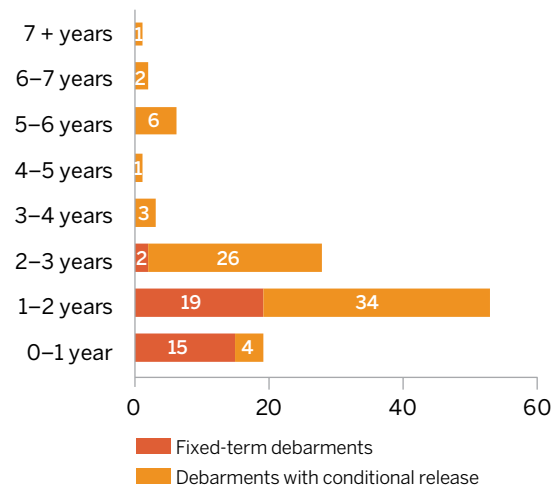
\* Debarments for a period of exactly X years are in the higher category (e.g., a 3-year debarment is in the category "3-4 years").

**FIGURE 22: Length and Type of Debarments Imposed by the WBG Sanctions Board, FY17–FY21\***  
(Total of 53 Debarments; Excludes 4 Non-Debarment Sanctions)



\* Debarments for a period of exactly X years are in the higher category (e.g., a 3-year debarment is in the category "3-4 years").

**FIGURE 24: Length and Type of Debarments Imposed via Settlement, FY17–FY21\***  
(Total of 113 Debarments; Excludes 14 Non-Debarment Sanctions)



\* Debarments for a period of exactly X years are in the higher category (e.g., a 3-year debarment is in the category "3-4 years").

## C. Lists of Firms/Individuals Sanctioned, Debarred, or Recognized by Cross-Debarment

**TABLE 7: Firms/Individuals Debarred in FY21**

\*This table does not include any affiliates controlled by the firms/individuals debarred.

\*\*All debarments in the table below are imposed with conditional release, unless marked with "\*" at the end of the length of debarment.

\*\*\*CND = Conditional non-debarment, which means a firm/individual is eligible to participate in WBG operations. CND converts to debarment with conditional release if the firm/individual does not meet the sanctions conditions.

	SANCTIONED PURSUANT TO	FIRM/INDIVIDUAL NAME	COUNTRY OF RESPONDENT	PROJECT COUNTRY	GROUND FOR DEBARMENT	LENGTH OF DEBARMENT
1	Sanctions Board Decision	Mr. Elie Abou Ghazaleh	Nigeria	Nigeria	Collusive Practices	6 months
2	Sanctions Board Decision	Mr. Fadi Abou Ghazaleh	Nigeria	Nigeria	Collusive Practices	6 months
3	Sanctions Board Decision	Abou Ghazaleh Contracting Nigeria Limited	Nigeria	Nigeria	Collusive Practices	6 months
4	Settlement	Jason Electronics (Pte) Ltd.	Singapore	Bangladesh	Fraudulent Practices	6 months
5	Settlement	Al-Zubairi Group for General Trading, Contracting, Transportation, and Oil Services	Yemen	Yemen	Fraudulent Practices	6 months**then CND for 1 year
6	Settlement	Mr. Jalal Ali Hussein Hatim Alhudiqi	Yemen	Yemen	Fraudulent Practices	10 months
7	Settlement	Rowad Al-Yemen for Contracting Architectural and Construction	Yemen	Yemen	Fraudulent Practices	10 months
8	Settlement	Techno Brain Global FZ-LLC	UAE	Liberia	Fraudulent Practices; Collusive Practices	10 months, then CND for 1 year, 6 months
9	Settlement	Companhia Brasileira de Projetos e Empreendimentos ("COBRAPE")	Brazil	Brazil	Fraudulent Practices	11 months**then CND for 7 months
10	Settlement	Kalpataru Power Transmission Ltd.	India	DRC; Egypt	Fraudulent Practices	1 year, 1 day**then CND for 5 months
11	Settlement	Ferrostaal Oil & Gas GmbH	Germany	Myanmar	Fraudulent Practices	1 year, 1 month
12	Sanctions Board Decision	Aktor Technical Société Anonyme	Greece	Colombia	Fraudulent Practices	1 year, 3 months
13	Settlement	Ms. Josephine Namaganda	Uganda	Uganda	Fraudulent Practices	1 year, 3 months
14	Sanctions Board Decision	CNOOD Asia Limited	China	Myanmar	Fraudulent Practices	1 year, 4 months
15	SDO Uncontested	Flowbird Transport Limited	United Kingdom	Vietnam	Collusive Practices	1 year, 6 months
16	SDO Uncontested	Flowbird Société par Actions Simplifiée	France	Vietnam	Collusive Practices	1 year, 6 months
17	SDO Uncontested	PT. Tubagus Rangin	Indonesia	Indonesia	Collusive Practices	1 year, 6 months
18	SDO Uncontested	PT. Bina Cipta Utama	Indonesia	Indonesia	Collusive Practices	1 year, 6 months
19	SDO Uncontested	PT. Aris Makmur Mandiri	Indonesia	Indonesia	Collusive Practices	1 year, 6 months
20	Settlement	CASS Constructores S.A.S.	Colombia	Colombia	Fraudulent Practices	1 year, 6 months
21	Settlement	China Electric Design and Research Institute Co., Ltd.	China	Zambia	Fraudulent Practices	1 year, 6 months
22	SDO Uncontested	PT. Jaya Etika Teknik	Indonesia	Indonesia	Corrupt Practices	2 years
23	Settlement	FCC Construcción, S.A.	Spain	Colombia	Fraudulent Practices; Collusive Practices	2 years
24	Settlement	Zhejiang First Hydro & Power Construction Group Co., Ltd.	China	China	Fraudulent Practices; Corrupt Practices	2 years
29	Settlement	Techno Brain (Kenya) Limited	Kenya	Liberia	Fraudulent Practices; Collusive Practices	2 years, 4 months

**TABLE 7, continued**

	SANCTIONED PURSUANT TO	FIRM/INDIVIDUAL NAME	COUNTRY OF RESPONDENT	PROJECT COUNTRY	GROUND FORS FOR DEBARMENT	LENGTH OF DEBARMENT
30	SDO Uncontested	Luxport Export Ltd.	Hong Kong SAR, China	Uzbekistan	Fraudulent Practices	2 years, 6 months
31	Settlement	Berky GmbH	Germany	Myanmar	Fraudulent Practices; Corrupt Practices; Collusive Practices	2 years, 6 months
32	SDO Uncontested	PT. Karya Kita Putra Pertiwi	Indonesia	Indonesia	Collusive Practices	2 years, 8 months
33	SDO Uncontested	Mr. Oyo Sunaryo	Indonesia	Indonesia	Collusive Practices	2 years, 8 months
25	SDO Uncontested	Ms. Chantal Simplicie Edouard	United States	Belize	Fraudulent Practices	2 years, 10 months
26	SDO Uncontested	Swansea Tools Resources	Nigeria	Nigeria	Fraudulent Practices	2 years, 10 months
27	SDO Uncontested	Mr. Zhang Qun	China	China	Fraudulent Practices	2 years, 10 months
28	SDO Uncontested	Mr. Roberto Siqueira Nuñez	Brazil	Brazil	Fraudulent Practices	2 years, 10 months
34	SDO Uncontested	Zhongyun Construction Holding Co., Ltd.	China	China	Fraudulent Practices	3 years
35	SDO Uncontested	Juckon Construction and Allied Services Nigeria Limited	Nigeria	Nigeria	Corrupt Practices	3 years
36	SDO Uncontested	Founder International (Beijing) Co., Ltd.	China	China	Fraudulent Practices	3 years, 4 months
37	SDO Uncontested	Kairos Construtora Ltda.	Brazil	Brazil	Fraudulent Practices	3 years, 5 months
38	SDO Uncontested	NovoLine Resources L.P.	United Kingdom	Uzbekistan	Fraudulent Practices	3 years, 6 months
39	Settlement	Grupo Mecánica del Vuelo Sistemas, S.A.U.	Spain	Vietnam	Fraudulent Practices; Corrupt Practices; Collusive Practices	3 years, 6 months
40	Sanctions Board Decision	A2Z Infra Engineering Limited (Previously known as A2Z Maintenance & Engineering Services Limited)	India	India	Fraudulent Practices	4 years
41	SDO Uncontested	Ms. Okafor Glory	Nigeria	Nigeria	Fraudulent Practices	4 years
42	SDO Uncontested	Speedtech Energy Co., Ltd.	Taiwan, China	Burkina Faso	Fraudulent Practices	4 years
43	SDO Uncontested	Speedtech Energy Burkina Faso S.A.	Burkina Faso	Burkina Faso	Fraudulent Practices	4 years
44	SDO Uncontested	VNI Industrial Group JSC	Vietnam	Vietnam	Corrupt Practices	4 years
45	SDO Uncontested	Hunan Allonward Hydro-Generating Equipment Co., Ltd.	China	Burundi	Fraudulent Practices	4 years
46	Sanctions Board Decision	A.G. Vision Construction Nigeria Ltd.	Nigeria	Nigeria	Fraudulent Practices; Collusive Practices	4 years, 3 months
47	SDO Uncontested	Unique Concept Enterprises	Nigeria	Nigeria	Fraudulent Practices	5 years
48	SDO Uncontested	Asbeco Nigeria Ltd.	Nigeria	Nigeria	Corrupt Practices	5 years
49	SDO Uncontested	Hikma Construction and General Trading Company	Somalia	Somalia	Collusive Practices; Fraudulent Practices	6 years
50	SDO Uncontested	Odelga Med Ges.M.B.H.	Austria	Romania	Fraudulent Practices; Corrupt Practices	6 years

**TABLE 7, continued**

	SANCTIONED PURSUANT TO	FIRM/INDIVIDUAL NAME	COUNTRY OF RESPONDENT	PROJECT COUNTRY	GROUND FORS FOR DEBARMENT	LENGTH OF DEBARMENT
51	Settlement	Crosswords Ltd.	Liberia	Liberia	Fraudulent Practices; Obstructive Practices	6 years
52	SDO Uncontested	Arladi General Trading Company Ltd.	Somalia	Somalia	Collusive Practices; Fraudulent Practices	7 years
53	SDO Uncontested	Mr. Sujit Das	Liberia	Liberia	Fraudulent Practices; Obstructive Practices	8 years
54	Sanctions Board Decision	Mr. Klemen Jerin	Germany	DRC	Corrupt Practices	8 years**

**TABLE 8: Other Sanctions Imposed in FY21**

\*This table does not include any affiliates controlled by the firms/individuals debarred.

\*\*CND = Conditional non-debarment, which means a firm/individual is eligible to participate in WBG operations. CND converts to debarment with conditional release if the firm/individual does not meet the sanctions conditions.

	SANCTIONED PURSUANT TO	FIRM/ INDIVIDUAL NAME	COUNTRY OF RESPONDENT	PROJECT COUNTRY	GROUND FORS FOR SANCTION	SANCTION IMPOSED
1	Settlement	China National Electric Engineering Co., Ltd.	China	Zambia	Fraudulent Practices	CND for 1 year, 6 months
2	Settlement	Golden Maritime Technology	Bangladesh	Bangladesh	Fraudulent Practices	CND for 6 months
3	Settlement	China First Metallurgical Group Co., Ltd.	China	China	Fraudulent Practices	CND for 3 years

**TABLE 9: Cross-Debarments Recognized by the World Bank Group in FY21**

\*Controlled affiliates may be included in the firms/individuals listed below.

	FIRM/INDIVIDUAL NAME	COUNTRY	GROUND FORS FOR DEBARMENT	LENGTH OF DEBARMENT
1	Entreprise de Travaux et D'études de Projets	Tunisia	Cross Debarment: AfDB	1 year, 1 month
2	Burmeister & Wain Scandinavian Contractor	Denmark	Cross Debarment: AfDB	1 year, 9 months
3	Sangtech International Services Limited	Nigeria	Cross Debarment: AfDB	2 years
4	Sangar & Associates (Nigeria) Limited	Nigeria	Cross Debarment: AfDB	2 years
5	Mashad Integrated And Investment Co. Limited	Nigeria	Cross Debarment: AfDB	2 years
6	Medniza Global Merchants Limited	Nigeria	Cross Debarment: AfDB	2 years
7	Marc Yonel Philippe	Haiti	Cross Debarment: IDB	2 years
8	Paula Angelina Ponce Gaitán	Honduras	Cross Debarment: IDB	2 years
9	Jesús Augusto López Rodríguez	Honduras	Cross Debarment: IDB	2 years
10	Constructores Asociados de Occidente S. de R.L. de C.V.	Honduras	Cross Debarment: IDB	2 years
11	Edwin Omar López Fajardo	Honduras	Cross Debarment: IDB	2 years
12	Enrique Porfirio Velásquez Alvarenga	Honduras	Cross Debarment: IDB	2 years
13	José Adalid Domínguez Cardona	Honduras	Cross Debarment: IDB	2 years
14	Global Finance Consultants Bolivia S.R.L.	Bolivia	Cross Debarment: IDB	3 years
15	Lourdes Victoria Merino Luna	Bolivia	Cross Debarment: IDB	3 years
16	Ms Lamyae Rahoui	Morocco	Cross Debarment: EBRD	3 years
17	Global Edification SARL	Morocco	Cross Debarment: EBRD	3 years
18	Robert Akika Ngong	Cameroon	Cross Debarment: AfDB	3 years
19	ALG GLOBAL CONCEPT Nigeria Limited	Nigeria	Cross Debarment: AfDB	3 years
20	Abuharaira Labaran Gero	Nigeria	Cross Debarment: AfDB	3 years



**TABLE 9, continued**

	FIRM/INDIVIDUAL NAME	COUNTRY	GROUNDS FOR DEBARMENT	LENGTH OF DEBARMENT
21	Qualitrends Global Solutions Nigeria Limited	Nigeria	Cross Debarment: AfDB	3 years
22	Setraged S.a.r.l.	Morocco	Cross Debarment: EBRD	3 years
23	Mr Cherkaoui Abdellatif	Morocco	Cross Debarment: EBRD	3 years
24	Mr. Satish Chandra Mishra	United Kingdom	Cross Debarment: ADB	3 years
25	PT Strategic Asia	Indonesia	Cross Debarment: ADB	3 years
26	Strategic Asia Global, Ltd.	United Kingdom	Cross Debarment: ADB	3 years
27	Fidel Antonio Vega Veliz	Panama	Cross Debarment: IDB	3 years
28	Fagar Panamá S.A.	Panama	Cross Debarment: IDB	3 years
29	Fagar S.L. Panamá	Panama	Cross Debarment: IDB	3 years
30	Fagar Servicios-97 S.L.	Spain	Cross Debarment: IDB	3 years
31	Joaquín Fabrega Garré	Spain	Cross Debarment: IDB	3 years
32	Joaquín Simón Fabrega Pérez	Spain	Cross Debarment: IDB	3 years
33	Isaac Francisco Calderón Laínez	Honduras	Cross Debarment: IDB	3 years
34	GLOBAL INTERJAPAN (KENYA) LIMITED	Kenya	Cross Debarment: AfDB	3 years
35	Ingenieros Profesionales de la Construcción S. de R.L.	Honduras	Cross Debarment: IDB	3 years
36	Claudia Marisela Matute Colindres	Honduras	Cross Debarment: IDB	3 years
37	Almendarez & Asociados S. de R.L.	Honduras	Cross Debarment: IDB	3 years
38	Oscar Hernán Almendarez Castillo	Honduras	Cross Debarment: IDB	3 years
39	Avendaño & Asociados S. de R.L.	Honduras	Cross Debarment: IDB	3 years
40	Saúl Avendaño Argueta	Honduras	Cross Debarment: IDB	3 years
41	Construcciones & Supervisiones Montes S. de R.L.	Honduras	Cross Debarment: IDB	3 years
42	Carlos Alfredo Montes Montoya	Honduras	Cross Debarment: IDB	3 years
43	Karina Flores	Honduras	Cross Debarment: IDB	3 years
44	MAXICARE COMPANY NIGERIA LIMITED	Nigeria	Cross Debarment: AfDB	3 years
45	Jorge Luis Núñez Butrón	Peru	Cross Debarment: IDB	3 years
46	K.M. Sharifov	Tajikistan	Cross Debarment: ADB	3 years, 6 months
47	LLC Hofiz 2015	Tajikistan	Cross Debarment: ADB	3 years, 6 months
48	GEO SCIENCES INTERNATIONAL SARL	Cameroon	Cross Debarment: AfDB	4 years
49	Zeng Xianglin	China	Cross Debarment: ADB	5 years
50	Shaanxi Jiaming Industry Co. Ltd.	China	Cross Debarment: ADB	5 years
51	Ren Chao	China	Cross Debarment: ADB	5 years
52	Liu Lijun	China	Cross Debarment: ADB	5 years
53	Shaanxi Hongyi Automobile Sales and Service Co. Ltd.	China	Cross Debarment: ADB	5 years
54	Shaanxi Beisheng Dongfeng Automobile Sales and Service Co. Ltd.	China	Cross Debarment: ADB	5 years
55	Shaanxi Huaxing New Century Automobile Service Trade Co. Ltd.	China	Cross Debarment: ADB	5 years
56	Yang Ting	China	Cross Debarment: ADB	5 years
57	Francisco Sánchez Martín	Spain	Cross Debarment: IDB	5 years
58	Hoang Mai Construction Import and Export Joint Stock Company	Vietnam	Cross Debarment: ADB	5 years, 6 months
59	Mr. Đoàn Anh Dũng	Vietnam	Cross Debarment: ADB	5 years, 6 months
60	Salvador Duarte	Spain	Cross Debarment: IDB	6 years

**TABLE 9, continued**

	FIRM/INDIVIDUAL NAME	COUNTRY	GROUND FOR DEBARMENT	LENGTH OF DEBARMENT
61	BDCTEC Internacional SL.	Spain	Cross Debarment: IDB	6 years
62	Control Electrónico S.A.	Costa Rica	Cross Debarment: IDB	6 years
63	Cesa de Nicaragua S.A.	Nicaragua	Cross Debarment: IDB	6 years
64	Cesa Tecnología de México S.A.	Mexico	Cross Debarment: IDB	6 years
65	Cesa Tecnología de El Salvador S.A.	El Salvador	Cross Debarment: IDB	6 years
66	Cesa de Panamá S.A.	Panama	Cross Debarment: IDB	6 years
67	Cesa de Honduras S.A.	Honduras	Cross Debarment: IDB	6 years
68	Xi'an Jiaxiang Automobile Service Co. Ltd.	China	Cross Debarment: ADB	6 years
69	Tian Xiaoyang	China	Cross Debarment: ADB	6 years
70	Jing Yapeng	China	Cross Debarment: ADB	6 years
71	Zhao Xu	China	Cross Debarment: ADB	6 years
72	M/S Belal & Brother's	Bangladesh	Cross Debarment: ADB	6 years
73	Md. Billal Hossain	Bangladesh	Cross Debarment: ADB	6 years
74	TR Construya S.L.U.	Spain	Cross Debarment: IDB	8 years
75	Juan José Acosta González	Spain	Cross Debarment: IDB	8 years
76	TR Construya Panamá, S.A.	Panama	Cross Debarment: IDB	8 years
77	Grupo Oligarry Panamá S.A.	Panama	Cross Debarment: IDB	9 years
78	Grupo Oligarry, S.A.	Spain	Cross Debarment: IDB	9 years
79	Agustín Olivares Garrigós	Spain	Cross Debarment: IDB	9 years
80	Cesa de Guatemala S.A.	Guatemala	Cross Debarment: IDB	10 years
81	Cesa Tecnología de Guatemala S.A.	Guatemala	Cross Debarment: IDB	10 years
82	Grupo Cesa Corporation Holdings S.A.	Costa Rica	Cross Debarment: IDB	10 years
83	Elgrao S.A.	Panama	Cross Debarment: IDB	10 years
84	Carlos Estuardo Cabrera	Guatemala	Cross Debarment: IDB	13 years
85	Sistemas Sólidos de Guatemala S.A.	Guatemala	Cross Debarment: IDB	13 years
86	Representaciones Comerciales y Distribuidora Total S.A.	Guatemala	Cross Debarment: IDB	13 years
87	María Benilda Sandoval Valdéz	Guatemala	Cross Debarment: IDB	13 years
88	Corporación Sireco S.A.	Guatemala	Cross Debarment: IDB	13 years
89	Comercializadora Intercontinental CEC. S.A.	Guatemala	Cross Debarment: IDB	13 years
90	Mr. Mustafa Haji Alwy	Indonesia	Cross Debarment: ADB	Indefinite
91	Mr. A K M Shahid Ullah	Bangladesh	Cross Debarment: ADB	Indefinite

**TABLE 10: Vendors Declared Ineligible in FY21<sup>22</sup>**

	VENDOR NAME	COUNTRY	GROUND FOR INELIGIBILITY	LENGTH OF INELIGIBILITY
1	Asia Society for Social Improvement and Sustainable Transformation	The Philippines	Engaged in fraudulent practices by misrepresenting its experience and qualifications	3 years
2	Mekere Engineering Service	Ethiopia	Engaged in fraudulent practices by misrepresenting the company's information and the work performed	3 years
3	Ready Delivery Logistic Services Company	Afghanistan	Engaged in fraud and collusive practices	4 years

## D. Referrals Overview

**TABLE 11: Referrals Made in FY21**

	DATE OF REFERRAL	REFERRAL RECIPIENT	NATURE OF MISCONDUCT	PROJECT DESCRIPTION
1	August 21, 2020	Canada	Fraud, Corruption, Collusion, & Obstruction	Rail Trade and Transport Facilitation Project
2	August 24, 2020	China	Fraud	Lusaka Transmission Distribution and Rehabilitation Project
3	August 24, 2020	Zambia	Fraud	Lusaka Transmission Distribution and Rehabilitation Project
4	September 14, 2020	Colombia	Fraud, Corruption, & Collusion	Río Bogotá Environmental Recuperation and Flood Control Project
5	November 4, 2020	Russia	Fraud, Corruption, Collusion, & Obstruction	Rail Trade and Transport Facilitation Project
6	November 4, 2020	Bangladesh	Fraud	Health Sector Development Program in Bangladesh
7	November 4, 2020	India	Fraud	Second Tamil Nadu Road Sector Project
8	November 4, 2020	Nigeria	Fraud & Corruption	Nigeria Erosion and Watershed Management Project
9	February 18, 2021	Brazil	Fraud, Corruption, & Collusion	Alto Solimoes Basic Services and Sustainable Development Project
10	February 18, 2021	Tajikistan	Fraud	Global Partnership for Education Grant
11	March 22, 2021	Belarus	Fraud & Obstruction	Biomass District Heating Project

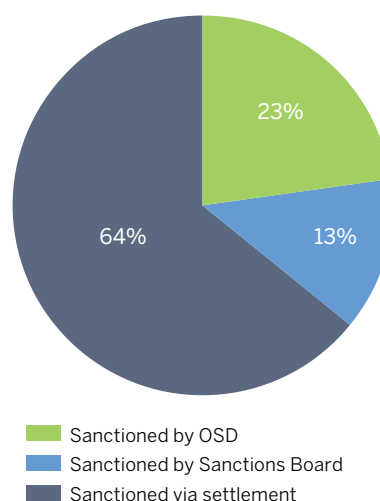
Note: Information related to two referrals is omitted, as INT is aware of ongoing law enforcement action.

## E. Integrity Compliance Overview

**TABLE 12: Integrity Compliance Data, FY20-FY21**

	FY20	FY21
Entities sanctioned with conditional release (as at the end of the fiscal year)	372	400
Entities actively engaged with the ICO (as at the end of the fiscal year)	80	72
Notifications to newly sanctioned entities	43	58
Entities whose sanctions were continued	35	29
Entities released from sanction	18	30
Entities whose sanctions were converted	1	2
Debarment with conditional release to conditional non-debarment	0	2
Conditional non-debarment to debarment with conditional release	1	0

**FIGURE 25: Firms and Individuals Released from WBG Sanctions Upon Satisfaction of Compliance Conditions, by Source of Original Sanction, FY17–FY21**



**TABLE 13: Firms/Individuals Released from WBG Sanction upon Satisfaction of Compliance Conditions, FY21**

\* Affiliates of released firms/individuals

	SANCTIONED PURSUANT TO	FIRM/INDIVIDUAL NAME	COUNTRY	DATE OF RELEASE
1	Settlement	Mrs. Belen Gacad	Philippines	2 July 20
2	Settlement	Sieyuan Electric Co., Ltd. (思源电气股份有限公司)	China	13 August-20
3	Settlement	Dongfang Electronics Co., Ltd. (东方电子股份有限公司)	China	11 September 20
4	Settlement	Centre for Natural Resources Management, Analysis, Training and Policy Research	Nepal	11 September 20
5	Settlement	Dr. Birendra Bir Basnyat	Nepal	11 September 20
6	Settlement	China Gezhoubu No. 1 Engineering Company Ltd. / China Gezhoubu No. 5 Engineering Company Ltd. / China Gezhoubu No. 6 Engineering Company Ltd.	China	14 September 20
7	SDO Uncontested	B.V.S. Construction Limited	Uganda	14 September 20
8	SDO Uncontested	Mr. Jayaram Reddy	Uganda	14 September 20
9	Sanctions Board Decision	China Railway No. 5 Engineering Group Co., Ltd. (中铁五局集团有限公司)	China	15 September 20
10	Settlement	Aqualia Intech S.A.	Spain	17 September 20
11	Settlement	Mrs. Marissa V. David	Philippines	25 September 20
12	Sanctions Board Decision	Mr. Erling Rask	Denmark	30 September 20
13	Settlement	PROCESL Engenharia Hidráulica e Ambiental, S.A.	Portugal	12 November 20
14	Settlement	Mr. Abdul Waheed Butt	Pakistan	21 November 20
15	Settlement	Pak Elektron Limited	Pakistan	21 November 20
16	SDO Uncontested	Mr. Amr Ibrahim El Aroussi	Egypt, Arab Rep.	9 December 20
17	Settlement	China Nuclear Industry Fifth Construction Co. Ltd.	China	30 December 20
18	Settlement	Jiangsu Zhongtian Technology Co., Ltd. (江苏中天科技股份有限公司) (ZTT)	China	21 January 21
19	SDO Uncontested	TOO Distrilab	Kazakhstan	17 February 21
20	SDO Uncontested	Mr. Tuktin	Kazakhstan	17 February 21
21	Sanctions Board Decision	Alkelik	Azerbaijan	18 February 21
22	Settlement	Jiangxi Geo-Engineering (Group) Corporation (江西省地质工程(集团)公司)	China	19 February 21
23	Settlement	Entrust Datacard Corporation	United States	16 April 21
24	Settlement	SNC-Lavalin Group Inc. *SNC-Lavalin Inc.	Canada	17 April 21
25	Settlement	Innovative Consulting & Technical Services, Myanmar Co., Ltd	Myanmar	4 May 21
26	Settlement	China Energy Engineering Group Hunan Electric Power Design Institute Co., Ltd. (中国能源建设集团湖南省电力设计院有限公司) (CEEC-HEPDI)	China	10 May 21
27	Settlement	J.C. Segura Construcciones S.A.	Argentina	12 May 21
28	Sanctions Board Decision	Hifab International AB	Sweden	13 May 21
29	Settlement	OTV	France	29 May 21
30	Settlement	Jason Electronics (Pte) Ltd.	Singapore	8 June 21

## ENDNOTES

1. One entity was sanctioned in more than one case, resulting in two separate initial notices to that entity.
2. In this report, the term World Bank Group (WBG) refers collectively to the International Bank for Reconstruction and Development (IBRD); the International Development Association (IDA); the International Finance Corporation (IFC); and the Multilateral Investment Guarantee Agency (MIGA). The term World Bank (or the Bank) refers only to IBRD and IDA.
3. For further details on the WBG's approach to controlling corruption, please see *Anticorruption Initiatives—Reaffirming Commitment to a Development Priority* (<http://documents.worldbank.org/curated/en/365421591933442799/Anticorruption-Initiatives-Reaffirming-Commitment-to-a-Development-Priority>).
4. To date, the IFC EO has reviewed three sanctions cases and one settlement; all remaining cases have been resolved by the SDO.
5. The specific standards for substantiation can differ depending on the type of investigation involved. The WBG bears the burden of proof in staff misconduct cases and must meet the requisite standard.
6. An Options Letter provides the subject staff member with a choice to resign and accept specified sanctions and conditions (to include termination, a permanent bar to rehire, and an ineligibility to be the recipient of WBG funds as a corporate vendor, or WBG financing, as a contractor, subcontractor or consultant in connection with a WBG operations or supported activity) as an alternative to undergoing the full Staff Rule 8.01 investigation and the attendant disciplinary decision process. The Options Letter can be employed when there is sufficient credible evidence to support the allegation following a preliminary inquiry, and the allegation, if substantiated, would merit automatic termination, such as abuse of position for personal gain of oneself or another.
7. The specific standards for substantiation can differ depending on the type of investigation involved. For corporate vendor investigations, INT needs sufficient evidence to determine that it is more likely than not that the sanctionable conduct has occurred.
8. These case examples illustrate the impact and connection between INT's internal and external investigations throughout the years and may not necessarily have concluded in FY21.
9. One of the four vendor cases was substantiated in FY20.
10. Staff Rule 8.02: Protections and Procedures for Reporting Misconduct (Whistleblowing) "applies to reports [by WBG staff] of suspected misconduct that may threaten the operations or governance of the Bank Group... [and sets out] protections that apply whether the subject of the allegations is a staff member or any other person or entity inside or outside the Bank Group."
11. This term is used here to collectively identify the separate Boards of Directors of each WBG institution.
12. One entity was sanctioned in more than one case, resulting in two separate initial notices to that entity.
13. In instances where different entities within a corporate family have been separately sanctioned, the Integrity Compliance Officer treats such entities as a single entity for portfolio counting purposes, including with respect to engagements, notifications, releases (except where different entities within a corporate family are released at different times per their respective sanctions), etc.
14. Details can be viewed at SNC-Lavalin Group Inc.'s integrity website: [www.snclavalin.com/en/about/integrity](http://www.snclavalin.com/en/about/integrity).
15. This document can be accessed online here: <https://policies.worldbank.org/en/policies/all/ppfdetail/a9b36fa8-b8dd-44e4-a710-b2115491464c>.
16. Application Programming Interface, or API, is a software intermediary that allows applications to talk to each other, thereby facilitating the transfer of information from one system to another.
17. The WBG's first tier officers are as follows: the World Bank's SDO, IFC's EO, MIGA's EO, and the EO for the Bank's guarantee and carbon finance activities.
18. The standard and burden of proof in sanctions cases are described in the relevant Sanctions Procedures, all available at: <https://www.worldbank.org/en/about/unit/sanctions-system/sanctions-board#3>
19. In each contested case, the Sanctions Board considers the respondent's period of temporary suspension in determining any sanction.
20. As determined by the WBG.
21. Complaints involving issues not within INT's investigative mandate were referred to other appropriate venues within the WBG for intervention.
22. One of the vendor cases that INT substantiated in FY21 was off-ramped, and the non-responsibility determination is non-public, and the vendor's name will not be included on the WBG's public list of ineligible vendors. INT and SPADR, with approval by the MDCAO, developed an off-ramped procedure based on a multi-factor analysis, considering, *inter alia*, severity of the offense and future risk to the WBG. In these cases, INT and the WBG's Director of SPADR can decide that a full investigation is not warranted, based on credible and corroborated preliminary inquiry findings by INT. If the vendor is thus excluded for a specific period from receiving future contract awards from the WBG, the ineligibility determination is not made public in SPADR's listing of Non-Responsible Vendors.







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