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WORLD BANK GROUP
SANCTIONS SYSTEM
ANNUAL REPORT

2022

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 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.

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

- www.worldbank.org/integrity
- www.worldbank.org/sanctions
- www.ifc.org/anticorruption
- www.miga.org/integrity

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Abbreviations and Acronyms

ADB	Asian Development Bank	IDB	Inter-American Development Bank
AfDB	African Development Bank	IFC	International Finance Corporation
AFE	Africa Eastern and Southern Region	INT	Integrity Vice Presidency
AFW	Africa Western and Central Region	LCR	Latin America and the Caribbean Region
CDU	Complaints Development Unit	MDB	multilateral development bank
CV	Curriculum Vitae	MIGA	Multilateral Investment Guarantee Agency
EAP	East Asia and Pacific Region	MNA	Middle East and North Africa Region
EBC	Ethics and Business Conduct Department	MOU	Memorandum of Understanding
EBRD	European Bank for Reconstruction and Development	OECD	Organisation for Economic Co-operation and Development
ECA	Europe and Central Asia Region	OSD	Office of Suspension and Debarment
EO	Evaluation and Suspension Officer	PRKM	Prevention, Risk, & Knowledge Management
FIR	Final Investigation Report	PSU	Preventive Services Unit
FSU	Forensic Audit and Digital Forensics Unit	SAR	South Asia Region
GlobE Network	UNODC's Global Operational Network of Anti-Corruption Law Enforcement Authorities	SDO	World Bank Chief Suspension and Debarment Officer
HRDVP	WBG Vice President for Human Resources	SPADR	Director of Strategy, Performance and Administration
IBRD	International Bank for Reconstruction and Development	StAR	Stolen Assets Recovery Initiative
ICO	Integrity Compliance Office	UNODC	United Nations Office on Drugs and Crime
IDA	International Development Association	WBG	World Bank Group



Message from the World Bank Group President



The world today is facing dangerous, overlapping crises that are hitting the poor and vulnerable and worsening global inequality. High inflation, war in Ukraine, large macroeconomic imbalances, and shortages of energy, fertilizer, and food have caused the sharpest global economic downturn in 80 years,

compounding the death tolls, economic shutdowns, and school closures of the COVID-19 pandemic. Low- and middle-income countries now face surging prices for natural gas and fertilizer and the worst food crisis in a decade, as they work to achieve progress on long-term development needs—including clean water, electricity access, reading skills, quality infrastructure, and climate-related investments.

The World Bank Group is responding to these challenges with speed, clarity, scale, and impact. We've committed two consecutive surges of financing, analytical work, advocacy, and policy advice to support people, preserve jobs, and restore growth—first, \$150 billion in response to the COVID-19 pandemic, and now a 15-month \$170 billion response to the food crisis as well as the war in Ukraine and its spillover effects. Since the start of the pandemic through fiscal 2022, the Bank Group has provided over \$14 billion to help more than 100 countries respond to the health impacts of COVID-19 and vaccinate their people.

While our institution continues to provide historic levels of support around the world, it remains critical that these funds

are used in a transparent and accountable manner and only for their intended purposes. We must be continually vigilant against corruption in the projects supported by the Bank Group. Corruption has a pernicious effect on development and poses significant obstacles to our work to alleviate extreme poverty and boost shared prosperity. Among them, it diverts scarce resources from achieving the projects' objectives, robbing the benefits of development from the people who need them most; it increases costs for the most vulnerable while reducing their access to services—including health, education, and justice; and it undermines the public's trust in institutions, thereby weakening governance and rule of law and increasing fragility.

At a moment when every available resource must be deployed for maximum impact, these ill effects of corruption can be especially damaging. For this reason, it is important to recognize the role of the Bank Group's sanction system, which plays a significant part in our institution's efforts to maintain oversight and accountability for the financing we provide. The offices that comprise the sanctions system—the Integrity Vice Presidency (INT), the Office of Suspension and Debarment (OSD), and the Sanctions Board and its Secretariat (SBS)—work together to send a clear message: corruption has no place in development.

The teams across the Bank Group's sanctions system support our institution by working to impartially investigate allegations of corruption within our operations, and to transparently evaluate and sanction firms and individuals who have engaged in such misconduct. Beyond this, they also support the rehabilitation of sanctioned entities to improve



Corruption has a pernicious effect on development and poses significant obstacles to our work to alleviate extreme poverty and boost shared prosperity. . . . It diverts scarce resources from achieving the projects' objectives, robbing the benefits of development from the people who need them most.

their business standards, thereby encouraging a cleaner private sector in the countries where we operate. In addition, they provide knowledge and guidance based on more than two decades of investigations into corruption to better mitigate and manage corruption risks within the Bank Group's current portfolio of operations.

Moreover, through the engagements by the offices of the sanctions system, our institution has continued to strengthen the partnerships that extend its anticorruption impact beyond our own development projects. Through our harmonized sanctioning efforts with our peer multilateral development banks (MDBs), we collectively ensure that bad actors are barred from misusing MDB funds. Through collaborations with national, regional, and global anticorruption agencies, our teams help to build networks that are responsive to corruption risks. And through participation in multilateral fora engaged in addressing fraud and corruption, we can help to influence and bolster international actions against misconduct at the highest levels.

Achieving results in the fight against corruption requires that our teams engage in all these areas and more.

As this annual report describes, our sanctions system did not falter in carrying out its important responsibilities this year. INT maintained its vigilance over the Bank Group's financing, resuming critical on-the-ground investigations, supporting operational staff in identifying and managing risks, and redoubling efforts to engage with companies to strengthen business compliance standards. INT opened 48

new and closed 31 existing external investigations and submitted 18 sanctions cases and 15 settlements for review and adjudication. As a result of some of these and earlier submitted cases and settlements, the Bank Group debarred or otherwise sanctioned 35 firms and individuals. In addition, the Bank Group's Integrity Compliance Office determined that 22 entities had met their conditions for release from sanction, making them eligible to again participate in projects financed by the Bank Group.

OSD continued implementing its mandate of providing a fair and efficient first-tier review of all Bank sanctions cases, as well as an assessment of all related settlement agreements and cross-debarments with other MDBs. And the Sanctions Board continued to ensure the prompt and fair disposition of all contested cases by transitioning to a hybrid operating model—holding its first in-person hearing and deliberations since the start of the pandemic.

Looking ahead, the Bank Group will continue to provide its support to countries facing unprecedented challenges. I trust that, likewise, the Bank Group's sanctions system will continue to carry out its anticorruption mission in kind. I commend the efforts of the professional teams across the Bank Group's sanctions system, as well as the people with the courage and character to bring forward allegations of fraud and corruption they witness. Together, we endeavor to bring greater integrity, transparency, and accountability to the development work that is of critical value to so many places and people around the world.

David R. Malpass

President of the World Bank Group

Fiscal Year 2022 Summary Results

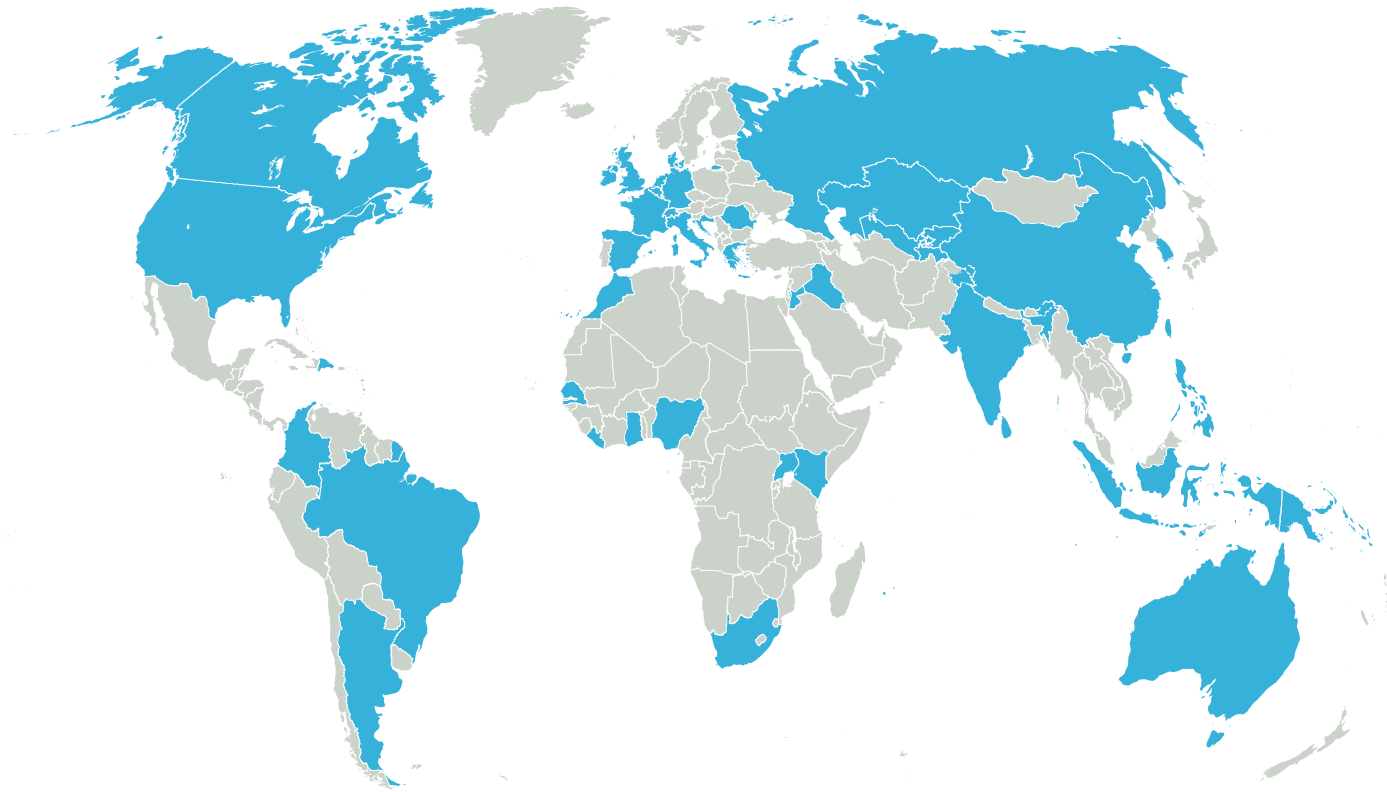
This annual report covers fiscal year 2022—from July 1, 2021, to June 30, 2022—and was prepared by the offices of the World Bank Group's (WBG¹) sanctions system, which comprises the Integrity Vice Presidency (INT), the Office of Suspension and Debarment (OSD), and the Sanctions Board and its Secretariat.

In Fiscal Year 2022 (FY22):

- INT launched a Strategy Update following a robust consultation process that, while maintaining focus on INT's core anticorruption mandate, will allow INT to achieve greater impact by enhancing its risk-based approach to investigations, strengthening the delivery of timely and actionable prevention support, and developing its knowledge management processes and products.
 - INT received **3,380** complaint submissions, opened **330** new external preliminary investigations, and started **48** new and closed **31** existing external investigations. INT submitted **18** sanctions cases, and **12** settlements to OSD. An additional **3** settlements were submitted to the IFC Evaluation Officer for review.
 - The Integrity Compliance Office (ICO) sent **33** notices to newly sanctioned parties on their conditions for release from sanction and engaged with **81** sanctioned parties towards meeting their conditions for release. In addition, the ICO determined that **22** entities had met their conditions for release from sanction and that **1** entity had met the conditions for the conversion of their debarments with conditional release to conditional non-debarments.
 - OSD reviewed **15** cases and **12** settlements, temporarily suspended **14** firms and **6** individuals, and sanctioned **11** respondents via uncontested determinations.
 - The Sanctions Board published **4** fully-reasoned decisions resolving **4** contested sanctions cases against **6** respondents. The Sanctions Board convened a virtual hearing in **1** of those cases.
- Beyond the core mandate of the WBG's sanctions system, in FY22:
- INT pursued **28** cases of alleged fraud and corruption involving WBG staff and **19** cases involving corporate vendors. INT substantiated misconduct allegations in **1** WBG staff case and in **3** corporate vendor cases.
 - INT leveraged **closer collaboration** between its prevention, complaints intake, forensic and digital audits, and data analysis teams to enable its more risk-based approach to action on complaints, case prioritization, and proactive risk identification, and it **developed new business processes and digital tools** in support of these efforts.
 - In April 2022, OSD led the organization of a two-day symposium on Supranational Responses to Corruption in Vienna, Austria, based on a call for papers addressing current and prospective anticorruption efforts at the supranational level. The event provided a valuable opportunity to raise awareness of the WBG sanctions system, connect with and learn from a diverse range of relevant stakeholders, and expand the WBG sanctions system's network at a global level in pursuit of varied efforts against corruption.

- OSD organized internal and external events to discuss the recently launched Global Suspension & Debarment Directory and the use of exclusion as an integrity tool. To further raise awareness of the WBG's sanctions system, the SDO participated in an interview series regarding the sanctions and debarment regimes at various multilateral development banks.
- 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 discussed the Sanctions Board's nuanced and predictable approach to selecting proportionate sanctions. In another piece, the Secretariat discussed how the Sanctions Board has endeavored to be agile and adaptive in reviewing and resolving sanctions cases.
- The Sanctions Board Secretariat continued to **engage with global stakeholders**, including by launching its inaugural newsletter, participating in conferences and workshops on sanctions matters with other MDBs, co-coordinating a graduate course on anticorruption issues in public procurement, and sharing knowledge through a program established by the International Chamber of Commerce (ICC).

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 **44** countries spanning the world (see map below).



The Sanctions System

An Integral Part of the World Bank Group's Anticorruption Efforts

Corruption undermines development objectives, interferes with the WBG's 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 the inter-institutional approach to anticorruption that encompasses external and internal activities across 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.²

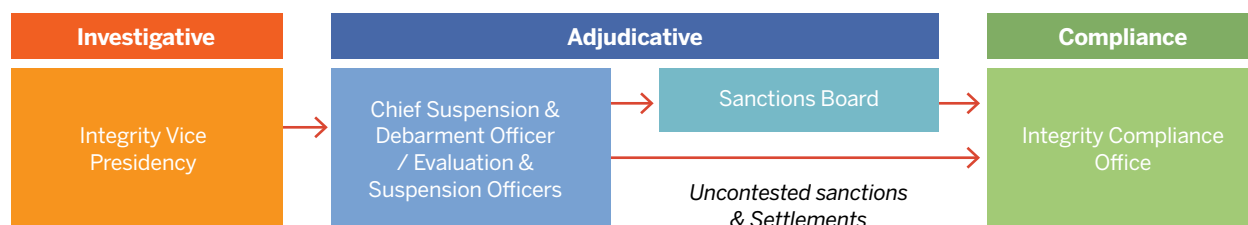
How the WBG Sanctions System Works

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. 14).

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

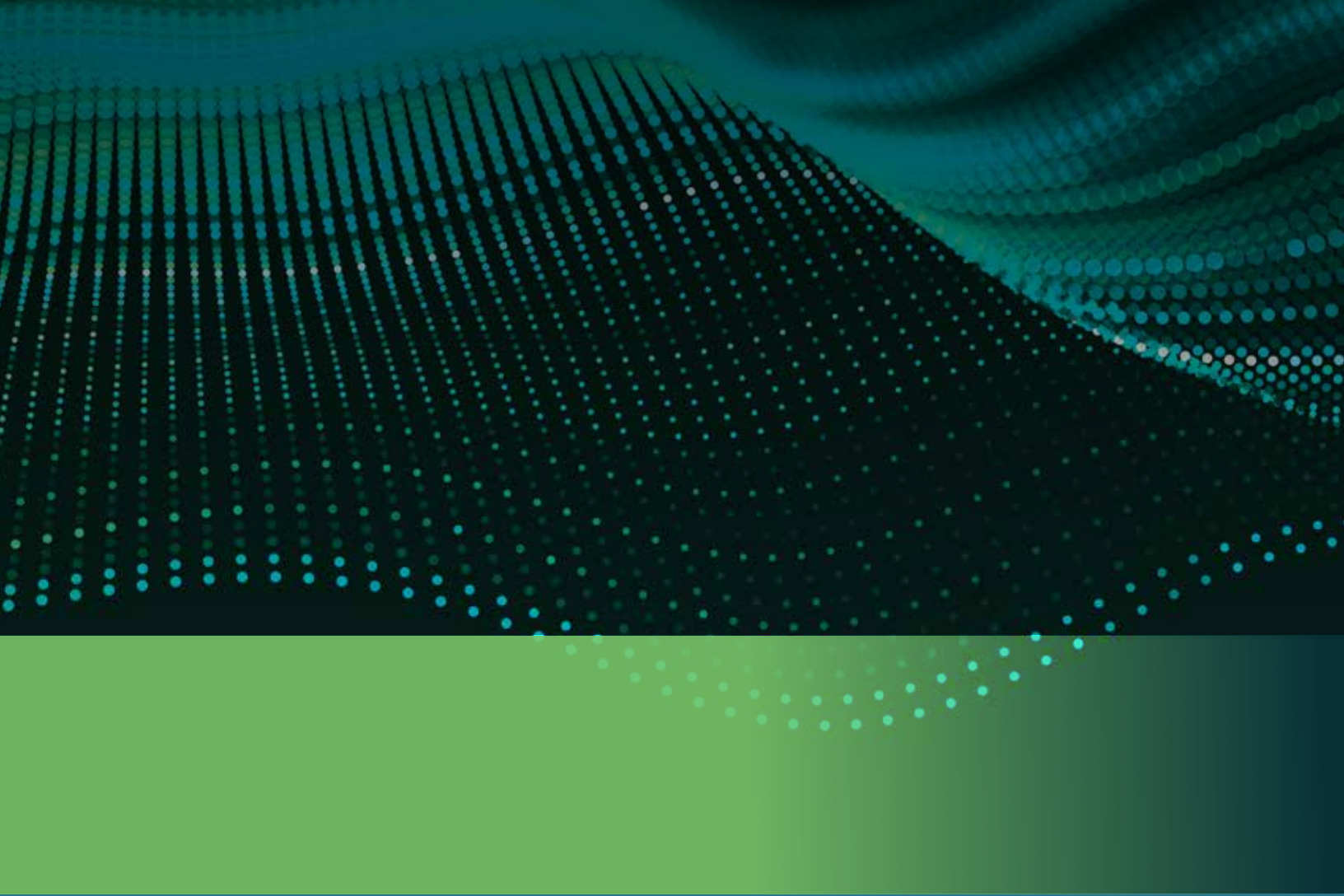
First Tier of Review. At this stage, a first-tier review officer—the Chief Suspension and Debarment Officer (SDO) for cases that involve public sector IBRD/IDA financing, or the relevant Evaluation and Suspension Officer (EOs) for cases relating to IFC, MIGA, and IBRD/IDA Guarantees and Carbon Finance 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 FY22, all sanctions cases submitted by INT were submitted to the SDO; three of the fifteen settlements were submitted to the EO for IFC.³

Second Tier of Review. The WBG Sanctions Board is an independent body comprising seven individual members 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 reexamining 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.



INT delivered on its mandate to detect, deter, and prevent fraud and corruption in the Bank's operations in ways that will have a positive impact not only for the institution, but also for broader global anticorruption efforts as well.

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

Despite persistent challenges over the past fiscal year, the World Bank Group’s Integrity Vice Presidency (INT) continued to successfully support the Bank’s development mission through its anticorruption work. As this annual report highlights, INT delivered on its mandate to detect, deter, and prevent fraud and corruption in the Bank’s operations in ways that will have a positive impact not only for the institution, but also for broader global anticorruption efforts as well.

In many ways, these successes reflect INT’s continuing evolution and our efforts to build on the foundations of our past. This year, INT marked its 20th anniversary as an independent oversight unit for the World Bank Group. Over these first two decades, INT has grown from a relatively small department to a professionalized office that operates as one part of a mature sanctions system and stands as an anticorruption leader among multilateral institutions. Along the way, we have strengthened our ability to investigate fraud and corruption allegations, built our capacity to offer preventive guidance and support for the Bank’s development operations, and advanced our engagements with the private sector to promote integrity compliance standards around the world.

While we can point to many notable achievements in INT’s past, we are not resting on our laurels. In the spirit of continuous improvement and looking toward the future, this year INT has forged ahead on multiple fronts that will guide and shape our next decade. Following extensive internal assessments, external reviews, and consultations with our key stakeholders, we have taken an in-depth look at and updated our strategic priorities. Building on an already solid foundation and maintaining our core investigative mandate, but with a view to delivering even greater institutional impact, INT will focus on enhancing our risk-based approach to investigations and more proactive identification of integrity risks, strengthening the delivery of our prevention support to Operations, and developing a more systematic approach for sharing INT’s extensive body of anticorruption knowledge. We expect these refined priorities will position INT to support the World Bank Group even more effectively in addressing integrity risks that often remain a major threat to the achievement of our developmental mandate.

We have also pursued internal initiatives to strengthen our operational processes and to enhance our delivery. Notably, we have made strides in improving the collaboration across INT to ensure that we are working as an effective and coordinated whole, we are refining our results metrics to better measure INT’s impact and hold ourselves to account, and we’re continuing to build the positive and enabling work environment to enable our staff to deliver to their fullest potential. In addition, this year we engaged with a wide range of partners on multiple anticorruption fronts—from working across the World Bank Group’s sanctions system to



enhance our sanctions guidelines; to collaborating with the Bank's Governance Global Practice to support an update to the institution's anticorruption priorities; to harmonizing our principles and practices with our peers among the multilateral development banks; to sharing our insights to help advance the global anticorruption agenda.

At all of these levels, the relevance of and urgency for robust and proactive anticorruption efforts is ever more apparent. In the context of the current global crises, the World Bank Group has recognized a need to increase its available lending support to countries to historic levels. It is therefore critical for INT to not only remain attentive to current integrity risks, but to continue to strengthen our capacities, develop new tools, and do what we must to keep ahead of corrupt actors. As the context in which we operate continues to evolve, INT

too will continue to adapt and advance our work to meet the new challenges we face.

The dedicated staff across INT is committed to fighting corruption every day in support of the World Bank Group's development mission. The impact reflected in this annual report is the result of their efforts, and I commend them for the work that they do. Likewise, we recognize the key support we receive from colleagues and stakeholders across the World Bank Group, as well as the enduring collaboration we have with our many external partners.

Together with our partners, INT's efforts to fight fraud and corruption will continue to make a positive impact in today's complex and challenging world.

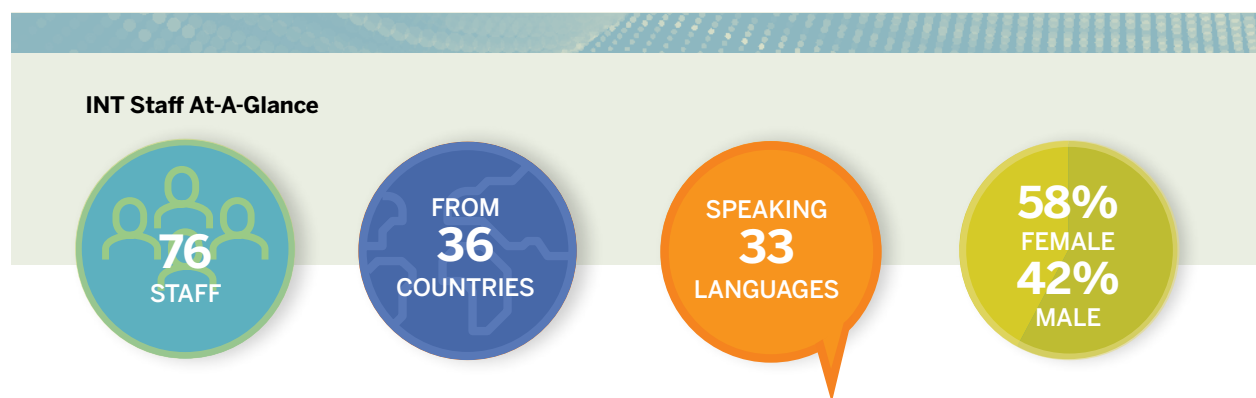
Mouhamadou Diagne
Integrity Vice President

Who We Are

The Integrity Vice Presidency (INT) is an independent unit within the WBG that works to detect, deter, and prevent fraud and corruption in WBG-financed operations and by WBG staff and corporate vendors.

INT's staff consists of a global cadre of professionals who are dedicated to the unit's anticorruption mission. Among

them, they consist of investigators, lawyers, forensic accountants, economists, risk specialists, data scientists, and information system specialists. As of the end of FY22, INT had 76 full-time staff, along with 33 consultants, secondees, and interns.



INT Staff Profiles



Scholastica Muriithi, Senior Litigation Specialist

Scholastica Muriithi is one of the senior litigators in INT. In this capacity, she advises on legal strategy during investigations and conducts litigation of cases of fraud and corruption affecting World Bank-financed projects. Her work includes leading negotiations with firms and individuals resulting in amicable resolution of cases through settlement agreements. She is also the Memoranda of Understanding (MOUs) focal point for INT. Prior to joining INT, Schola had a long career in anticorruption in Kenya and Eastern Africa.

You help oversee the MOUs that INT has with other organizations. What do these partnership frameworks help facilitate?

Each MOU is a unique opportunity to clarify and strengthen working relationships between INT and our partner organizations. They define how our offices engage with one another and how we might share our respective experience and expertise for mutual benefit. MOUs provide an important framework for sharing evidence and information with our partners, including investigative offices of international organizations and national law enforcement authorities. They bolster the formal relationships that we can draw upon to ensure that INT's investigations can effectively reach all regions and countries where the World Bank Group operates.

Why are INT's partnerships so important for its overall anti-corruption impact?

The increasingly international and cross-border nature of corruption has made collaboration with our partners very important. The ability to share and exchange actionable information with our partners results in timely and cost-effective investigations. This has positively impacted global efforts of fighting corruption and deterred corruption in Bank projects. MOUs provide INT and our partners the ability to participate in each other's activities, share knowledge, experiences, and insights, and to better understand local contexts and tap into local networks of anticorruption actors. These factors increase the value of maintaining a strong, global network of partnerships and strengthen the Bank's ability to ensure that its funds are used for the intended purposes. By working with each other, we leverage collective strengths, improve our effectiveness, and increase our overall impact.

Krishna Kesari, Data Scientist

Krishna Kesari leads the technical work of INT's Data Lab. He brings experience in the private, nonprofit, government, and international development sectors and an extensive background developing data-driven solutions and machine learning products. Prior to joining INT, he oversaw development projects in both rural and tribal areas, assessing implementation progress and identifying corruption schemes.



You are part of INT's Data Lab team. How has the digital landscape changed for INT in recent years?

In the past four years, the Data Lab has focused on modernizing INT's data ecosystem, replacing its legacy case management system, and developing next generation tools. In particular, our dedicated cloud infrastructure has enabled us to develop more efficient, tailored, and scalable in-house tools, as well as to run complex Machine Learning and Artificial Intelligence (ML/AI) algorithms. We also launched six online applications containing 22 data modules to support data analytics across all INT functions. This includes search engines connected to other Bank systems that provide data in real time, interactive risk maps to help identify hotspots, and various dashboards with dynamic visualizations and filters for producing customized reports.

How have the use of data analytics and digital tools by INT supported its anticorruption impact?

INT has made significant investments in cutting-edge technologies that are poised to make an impact on its work in the near future, in particular in the area of ML/AI. For example, we have been piloting the use text mining and pattern detection systems, and while there are technological and procedural challenges to overcome before these systems can scale and be fully automated, the pilots have yielded promising results for both preventive work and proactive investigations. We are already using these tools to demonstrate efficiency gains through machine-generated integrity risk summaries of audit documents, as well as algorithm-driven detection of collusive bid rigging schemes that produce comparable analyses to manual methods, but in a fraction of the time. These and other ongoing pilots should serve to give INT's investigators and preventive support teams more space to focus on high-impact efforts in their work.

What We Do

Carrying out the WBG's anticorruption agenda is an inter-institutional effort that engages multiple offices. INT's mission is to support the WBG's development efforts by working to detect, deter, and prevent fraud and corruption in WBG-financed operations and by WBG staff and corporate vendors. INT's efforts help ensure that WBG resources are used only for their intended purposes.

- **DETECT**—Through complaint handling, reviews, and investigations, INT ascertains whether firms or individuals have engaged in one or more of the WBG's five sanctionable practices. This mandate 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 support their efforts toward meeting the conditions for their release from sanction. Through these engagements, the WBG emphasizes rehabilitation through entities' adoption and effective implementation of appropriate integrity compliance measures and promotes higher business integrity standards in the countries where it operates.

- **PREVENT**—INT turns the unique knowledge gained from its complaints, investigations, diagnostics, and analytical activities into practical preventive advice and

targeted training for identifying, mitigating, and managing fraud and corruption risks in WBG operations.

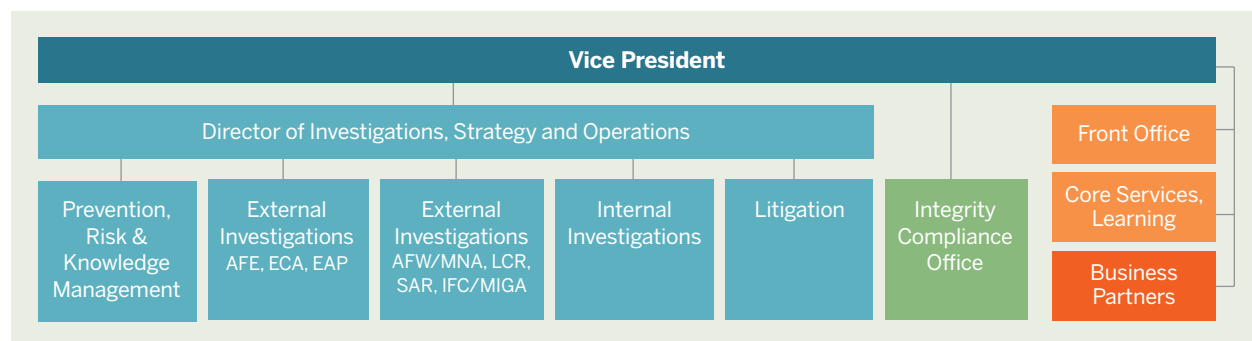
Delivering on its mission requires the collective efforts of all of INT's core functions. INT's teams are organized through a structure that achieves impact through collaboration, knowledge sharing, and cross-support among INT's staff (see Figure 2).

INT's External and Internal Investigation teams, its Litigation team, and its Prevention, Risk, & Knowledge Management (PRKM) team all report to INT's Director of Investigations, Strategy, and Operations, who in turn reports to and supports INT's Vice President. The PRKM team consolidates the Preventive Services Unit, Forensic Audit and Digital Forensics Unit, the Complaints Development Unit, and the Data Lab to better leverage the synergies and insights these functions can bear, both for the benefit of INT investigations and for strengthening preventive support for WBG operations. The Integrity Compliance Office reports directly to INT's Vice President, in order to carry out its outreach and evaluation work independent of INT's investigations, litigation, and preventive functions. Also reporting directly to the Vice President are the INT front office staff, the administrative Core Services team, INT's Learning Coordinator, and internal WBG business partners.

INT Strategy Update (FY22–FY26)

This year, INT launched a Strategy Update that outlines the priority shifts to be undertaken by the unit over fiscal years 2022–26. It recognizes the importance for INT to continuously evolve and adapt itself to align with changing institutional needs and growing expectations of the WBG, as well as to meet the modern corruption challenges facing WBG operations. It was the culmination of an extensive consultative process that engaged and incorporated insights

FIGURE 2: INT Management Structure



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; MIGA = Multilateral Investment Guarantee Agency.

from INT staff, WBG operational teams, and WBG senior leadership, and was endorsed by the institution's Audit Committee.

The Strategy Update is centered on INT's existing anticorruption mandate and builds on the solid foundation that already exists while identifying opportunities for INT to deliver even greater impact. As such, investigations remain the central pillar of INT's work program, and critical efforts across INT investigations, sanctions, prevention, and integrity compliance functions will continue. It identifies areas of improvement, considering the evolving needs of the WBG and best practices in the fight against corruption. In that context, the Strategy Update is structured around three priority areas:

- **Enhancing INT's risk-based approach to investigations**, to focus resources on cases that deliver the greatest impact for the WBG and/or help the institution identify and mitigate the most significant risks in its operations. This shift will be accompanied by efforts to bolster a more proactive and intelligence-driven model for INT investigations that supplements the current complaints-driven model.
- **Strengthening the delivery of timely and actionable prevention support** to WBG operations, with a more structured approach designed to provide early identification and mitigation of fraud and corruption risks. This work will continue to be largely demand driven and responsive to the needs of operations.
- **Developing INT's knowledge management processes and products** to help feed lessons learned from INT's broad exposure to integrity issues into the project design, program delivery, and broader management of integrity risks in WBG-financed projects. This knowledge will be drawn from across INT's functions, including data gathered during complaints screening, forensic findings, and investigative and compliance casework to support prevention.

Underpinning the Strategy Update are key enablers that will empower INT to achieve greater impact in carrying out its mission. These include: INT's staff—its most critical asset; increased utilization of technology and data; exploring progressive deployment of staff to strategic country locations; strengthened partnerships both within and external to the WBG; and robust internal operational processes. Overall, the Strategy Update will endeavor to enhance the WBG's development impact through INT's strengthened integrity support.

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, its investigations 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 WBG-financed projects, enhances the quality of goods and services provided to member countries, and maximizes the impact of WBG financing.

Complaint Intake

The Complaints Development Unit (CDU) receives and responds to submissions and develops actionable complaints that fall under INT's mandate. During FY22, closer collaboration between the CDU and INT's Preventive Services Unit, Data Lab, Risk Analysis team, and Forensic Services Unit enabled a more holistic assessment of complaints across relevant units in INT. This has also facilitated interaction with operational counterparts in the follow-up to a complaint, as well as in INT's preventive support to Operations, where appropriate.

INT received 3,381 complaint submissions in FY22. Only a small portion of these related to matters that are both within INT's jurisdiction as well as actionable (330) were assessed by the CDU as a prelude to a potential external investigation. A further 81 complaints were referred to INT's internal investigations for their preliminary assessment and development (please refer to the Internal Investigations section for more details).

Investigations

In FY22, INT opened 48 full investigations, each addressing one or more sanctionable practices. Despite the disruptions caused by the COVID-19 pandemic, eight more new cases were opened compared to FY21 (40), which constitutes a 20% increase.

Although constraints imposed by the global pandemic became less stringent as FY22 progressed, travel restrictions continued to impact INT's investigative process and

FIGURE 3: Regional Breakdown of External Investigations Started in FY22

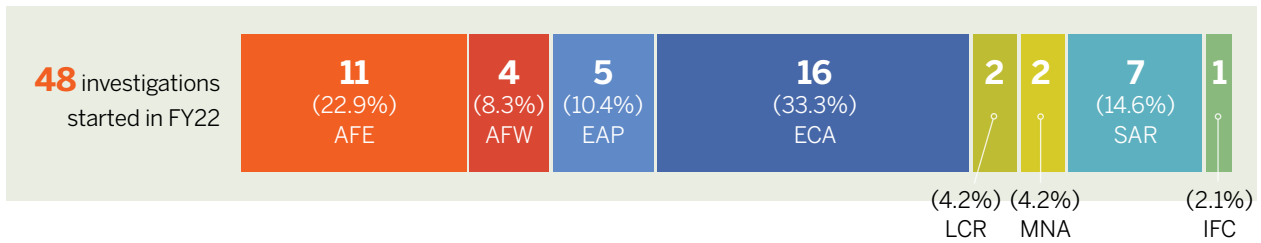


FIGURE 4: Duration and Regional Breakdown of Active External Investigations at the end of FY22

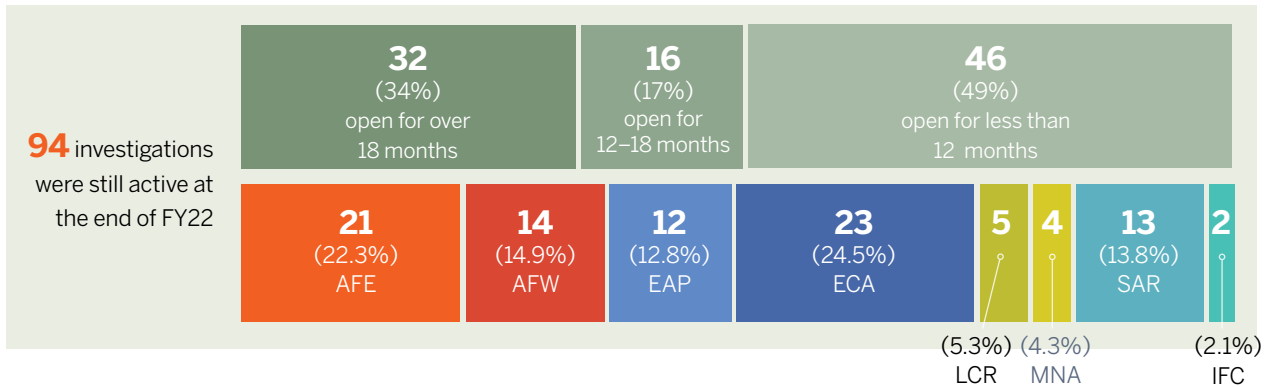
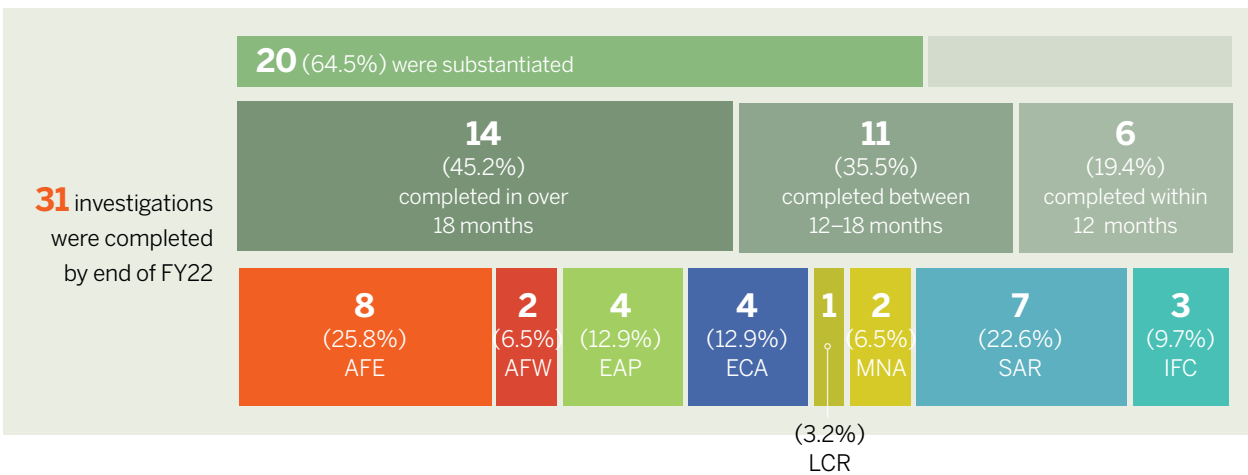


FIGURE 5: Duration and Regional Breakdown of Completed External Investigations in FY22



demanded sustained 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 FY22, INT had 94 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 practices, the relevant allegations are deemed substantiated. INT then produces 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 FY22, INT completed 31 investigations, three more compared to FY21, 20 of which it deemed substantiated.

Although 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 life-cycle 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 that presents in detail the evidence of sanctionable conduct. The two-tier sanctions system decides whether INT's accusations against a respondent are supported by sufficient evidence to sanction that respondent and, if so, what sanction should be imposed.

In certain cases, INT may conclude that a negotiated settlement is an appropriate way to address sanctionable misconduct. Settlements 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 the Chief Suspension and Debarment Officer.

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 a debarment with conditional release for three years, though there is flexibility to determine the length, sequencing, and terms of a sanction to suit the specific facts and circumstances of a case. (Further details on the sanctions case submissions, settlements, and sanctions imposed in FY22 are provided later in this Report.)

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 reviews 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. Other allegations related to workplace grievances (e.g., harassment, retaliation, sexual harassment, and discrimination) and other violations of Staff Rules and WBG policies (misuse or abuse of travel funds, staff benefits and allowances, petty cash or WBG physical property) do not fall within INT's mandate and are separately investigated by the Ethics and Business Conduct Department (EBC) under Staff Rule 3.00.

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 FY22, INT pursued 28 cases involving WBG staff and 19 cases involving corporate vendors. Forty percent of INT's internal investigations involved WBG operations, 23% involved WBG corporate administrative matters, and 36% were a combination of both. In addition, INT assessed 170 complaints related to WBG staff and corporate vendors.

FIGURE 6: Subjects of Internal Investigations in FY22



FIGURE 7: Outcomes of INT's Closed Internal Investigations in FY22



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 or corporate vendor.

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 the 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 WBG 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,⁴ INT prepares a FIR, 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 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 FY22, INT conducted five Staff Rule 8.01 investigations and substantiated staff misconduct in one case. As a result, the HRDVP decided that the staff member will be ineligible for future WBG employment, restricted from access to all WBG premises, and that a disciplinary letter will remain in the staff member's personnel record.

Investigations of WBG Corporate Vendors

INT's investigations of allegations against WBG corporate vendors support the institution's vendor eligibility reviews.⁵ The Director of Strategy, Performance and Administration (SPADR) makes determinations of non-responsibility of corporate vendors to exclude them from eligibility to receive 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 SPADR makes a determination. Potential sanctions imposed range from a letter of reprimand to ineligibility for a specified or indefinite period. Determinations by the SPADR cannot be appealed.

In FY22, INT closed seven corporate vendor cases, three of which were substantiated. The SPADR declared two corporate vendors ineligible for WBG contracts, one of them for a

Impactful Investigations in FY22

In FY22, INT's investigators continued to face unique challenges due to pandemic-related restrictions. Despite this, they concluded impactful investigations that will influence INT's future efforts—from identifying sector-wide integrity risks, in order to remedy them; to developing new insights into hybrid cases in places affected by fragility, conflict, and violence (FCV); and through validating its investigative practices and policies—as much as they ensure that those who engage in sanctionable misconduct in WBG operations will be held to account.

Uncovering a Widespread Collusive and Corrupt Scheme

In FY22, INT completed an investigation into allegations of corruption, collusion, fraud, and obstruction relating to two flagship contracts under two projects in the transportation sector in an East Asian country. Ten entities and five individuals from six countries were sanctioned as a result of the investigation.

INT's investigation uncovered evidence of a widespread pattern of collusive and corrupt practices by design consultants and bidders. In particular, INT substantiated that the design consultant that was hired by the government to prepare the tender documents colluded with companies that intended to participate in the tender process. Under the scheme, the design consultant solicited a company to prepare the tender documents, and then submitted them to the government as the design consultant's own work. In return, the company had the opportunity to tailor the technical specifications and other requirements in its favor, which gave it a substantially unfair competitive advantage in the subsequent tender process. In exchange for the ability to influence the tender process in this way, the solicited companies often had to pay bribes to both the design consultant and government officials. In some cases, when there were multiple design consultants, each consultant would collude with one company and race to include that company's proposed technical specifications in the tender documents.

As part of the latest sanctions cases following this investigation, a Europe-based engineering firm and its

locally-based affiliate were debarred by the Sanctions Board. This firm was selected as a design consultant based on falsified Curriculum Vitae (CVs) submitted in its bid. The Sanctions Board noted “most concerningly” that the vice president of the engineering firm who signed off on the falsified CVs was promoted to become the firm's Chief Executive Officer after he was investigated by INT.

INT's investigation protected two flagship contracts worth more than US\$20 million. It also revealed that how the design consultants, who were involved to ensure the technical quality and integrity of the tender processes, could pose a substantial integrity risk. This actionable information can be used to address similar integrity risks in other projects, sectors, and countries.

Affirming INT Oversight in Private Sector Operations

In FY22, INT concluded three landmark settlements in two projects funded by IFC. These settlements were important as they affirmed INT's vital oversight role in the WBG's private sector operations. While IFC has a number of tools to combat fraud and corruption in their operations, as additional protections for all WBG-financed operations it is also important that those who engage in these sanctionable practices are held accountable.

The investigation addressed allegations of misconduct in two IFC projects financing two airports in an African country and another airport in an Eastern European country. It required a total of eight forensic audits, numerous interviews, and several missions. In the end, the investigation found sufficient evidence of fraud and collusion against two multinational companies and a local company. INT was able to settle the accusations against all three companies for substantial sanctions, with a mix of debarments and conditional non-debarments.

The successful completion of the IFC Airports investigation was a major victory for integrity and accountability in the WBG. The case demonstrated INT's ability to enforce integrity standards across all parts of the WBG. The investigative team's successful collaboration with counterparts in IFC, and especially with IFC's Business

continued

Impactful Investigations, *continued*

Risk and Compliance team provided a reliable and robust platform for the engagement.

Ensuring Internal Accountability to Strengthen Integrity in WBG-Financed Projects

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, these prongs intersect, creating hybrid cases which combine subjects of both internal and external investigations. One example shows their sometimes-inextricable linkage and has led to both the termination of WBG staff and the debarment of companies bidding on WBG-financed projects.

INT conducted a multi-year investigative and sanctions process related to an alleged scheme by an Advisor to a WBG Executive Director and several consulting firms that received multiple WBG-financed contracts. The investigation benefitted heavily from a multi-team approach across INT and the WBG, including not only investigators, but also forensic accountants, digital forensic specialists, lawyers, and IT specialists. INT investigated the firms for collusion, corruption, fraud, and obstruction in connection with a company allegedly related to the Advisor. The company allegedly colluded with project officials to steer contracts to firms that it partnered with in various joint venture arrangements. The investigation into twelve companies and individuals who participated in the Bank-financed projects is still ongoing.

The staff case against the Advisor focused on two sets of allegations. The “original allegations” generally related to the Advisor's alleged personal enrichment through multiple WBG-financed consultancy contracts involving a company, in which the Advisor allegedly

had undisclosed financial interests and a management role. However, the Advisor obstructed INT's investigation, causing INT to further investigate “supplemental allegations” generally related to the Advisor's failure to cooperate fully and truthfully with the INT investigation, including providing false information and destroying evidence on his WBG mobile phone. Ultimately, the HRDVP found misconduct and terminated the Advisor's employment with a permanent bar to rehire, based on the substantiated supplemental allegations only. The Advisor appealed to the WBG's Administrative Tribunal, which upheld the outcome in FY22.

Upholding Decision from an INT Investigation by the WBG's Administrative Tribunal

In FY22, the WBG's Administrative Tribunal dismissed all claims by a former senior IT officer whose employment was terminated for misconduct following a complex INT investigation that closed in FY21. As part of his responsibilities, the former senior IT officer had a procurement role in the WBG's IT department staff augmentation program, for which he determined the skills needed to deliver on IT projects and filled these positions with staff, also referred to as resources, of vendor IT companies. Among other findings, INT's investigation determined that the staff engaged in a ten-year long scheme of collecting payments from IT subcontractors through which the staff directed the hiring of resources under the IT department's staff augmentation program.

The WBG's Administrative Tribunal found no basis to the staff's claim that INT's findings were unfounded, or that the HRDVP's disciplinary sanctions were disproportionate to the offense. In addition to addressing the staff misconduct, the case also highlighted a key integrity risk of the IT department's staff augmentation program using more than one layer of subcontractors, often referred to as multi-layer subcontracting, a practice prohibited by the WBG.

period of three years, and the other for a period of five years. One substantiated case is pending a non-responsibility determination by the SPADR as of the end of FY22.

Disclosures Made by WBG Staff

During FY22, 30 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 8.02.⁶ In addition, 87 preliminary external investigations that were opened in FY22 (26% of total) 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 resources by excluding firms and individuals that have engaged in sanctionable misconduct from its projects. Referrals to national authorities or other organizations, when appropriate and deemed to be impactful, can also help prompt actions that increase the effectiveness 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.

Impactful Settlement: Resolving Misconduct with Requirements for Better Business Practices

World Bank investments in large-scale infrastructure projects can help support inclusive and sustainable growth and promote private sector opportunities in developing countries. To achieve these goals, it is vital for companies that bid on the contracts in these projects to abide by the highest business practices and standards. Yet, some companies still seek unfair advantages through corrupt practices.

In FY22, INT reached a settlement agreement with a large, Europe-based manufacturer of hydropower equipment and two of its international subsidiaries, following the subsidiaries' acknowledgement of responsibility for engaging in collusive, fraudulent, and corrupt practices. Under the World Bank projects, both of the subsidiaries arranged through a commercial agent to gain improper tender advantages—for instance, advance access to confidential information—from public officials, while one of the subsidiaries also made, on three different occasions, improper payments to the commercial agent to obtain favorable decisions from public officials during contract execution.

Under the settlement, the subsidiaries were sanctioned with debarment for 15 and 34 months, respectively, followed by six months conditional non-debarment for each. The parent company was also sanctioned with conditional non-debarment for 21 months. The settlement also required that the companies develop an integrity compliance program that reflects the principles set out in the World Bank Group Integrity Compliance Guidelines and continue to fully cooperate with INT. In addition, the companies committed to paying restitution in the amount of EUR 1.7 million.

These conditions can have an outsized impact over the long-term, as the internal changes that will be required by the companies have the potential to positively shape the business practices of a significant international private sector actor. The restitution requirement will also help ensure that there is a direct remedy by the companies to the countries whose projects were impacted by their improper practices.

SANCTIONS

In FY22, INT submitted 18 sanctions cases, and 12 settlements to OSD for review. An additional three settlements were submitted to the EO for IFC for review. As a result of these and earlier INT-submitted cases and settlements, the WBG debarred, or otherwise sanctioned, 35 firms and individuals. (For more information on the decisions underlying the sanctions cases, 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 sanctions 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 public 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 FY22, the WBG recognized 72 cross-debarments from other MDBs, and 30 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 in FY22 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

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. 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 FY22,

INT made five referrals to three different recipients. (A list of these referrals is provided in Annex D of this report.)

INTEGRITY COMPLIANCE

The Integrity Compliance Office (ICO) had an active year of engagements with sanctioned entities working to meet their conditions for release from WBG sanction. In that regard, the ICO notified 33 newly sanctioned entities of their conditions for release, and actively engaged with 81 sanctioned entities during FY22.⁷ The ICO also notified 36 entities that their sanctions would be continued beyond the initial period of sanction, until such time as they met the conditions imposed for their release from sanction. At the end of FY22, 406 entities were under sanctions with conditional release, 59 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.

During FY22 the ICO determined that 22 entities had met their conditions for release from sanction, and that one entity had met the conditions for the conversion of its debarment with conditional release to conditional non-debarment. The released entities include large multinational companies, state-owned enterprises, and small companies operating around the world, including in fragile and conflict-affected situations.

During FY22, the ICO continued conducting virtual site visits to speak with relevant personnel of sanctioned companies and assess their implementation of integrity compliance controls. The ICO also conducted its first in-person site visit to a sanctioned entity since the COVID-19 pandemic and looks forward to further resuming in-person engagements.

Notably, in FY22, the ICO began sending interim notices to entities sanctioned with release conditions who are not engaging with the ICO, approximately half-way through their respective initial periods of WBG sanction, inviting them to engage. The ICO took this step to further encourage such entities to work with the ICO toward meeting their respective conditions for release from WBG sanction. Interim notices were sent to 62 sanctioned entities in FY22, leading to several new engagements. The interim notices are in addition to the initial notices sent by the ICO to entities sanctioned with release conditions following the imposition of their sanctions. The ICO also continues to send to entities who have not met the applicable conditions for release from WBG sanction advance notice that their WBG sanction will be continued (or converted to a debarment with conditional release in the case of a conditional non-debarment) until such time as the conditions for release have been met, further inviting them to engage with the ICO toward that end.

Impactful Integrity Compliance Reforms

Among the entities that met their conditions for release from sanction in FY22 were a number of companies within the corporate group of Novonor S.A. (formerly Odebrecht S.A.). Novonor's subsidiary CNO S.A. (formerly Construtora Norberto Odebrecht S.A.) and its controlled affiliates were debarred, with conditional release, for a minimum period of three years pursuant to the terms of a settlement agreement entered into in 2019 with the Bank. The sanction was imposed in connection with misconduct relating to the Bank-financed Río Bogotá Environmental Recuperation and Flood Control Project in Colombia. The settlement agreement provided that the sanction would end at the conclusion of the three-year period if CNO and its affiliates had met the imposed conditions for release at that time, including with respect to the development and implementation of an integrity compliance program reflecting the principles set out in the WBG Integrity Compliance Guidelines (Integrity Guidelines). In accordance with that provision and the applicable Bank Sanctions Procedures, the WBG Integrity Compliance Officer determined that CNO and its affiliates had met the conditions for release, and the companies therefore were released from the sanction imposed under the settlement agreement effective as of January 29, 2022.⁸

During CNO's three-year period of sanction, the ICO engaged regularly with senior officials and representatives of CNO and its parent company, OEC S.A., a roughly 15,000-person conglomerate that took responsibility for enhancing and implementing its integrity compliance program not only at CNO but also across its international operations. The ICO learned about OEC's efforts, which were pursued in response to the misconduct underlying the WBG sanction and other misconduct related to the so-called *Lava Jato* or *Car Wash* operation in Brazil. OEC's work was facilitated by consultations with the ICO and a third-party integrity compliance monitor retained by OEC in accordance with its agreement with the Bank. Notably, OEC was receptive to recommendations for enhancement of its integrity compliance program from both the monitor

and ICO, and many recommendations were adopted by the company. It is also notable that the monitor's work was undertaken in the context of cooperation between the Bank, the Inter-American Development Bank, and the U.S. Department of Justice, all of which were overseeing aspects of the company's compliance reforms pursuant to their own agreements with the company during portions of the three-year WBG sanction period.

At the end of the three-year period, OEC had implemented a comprehensive integrity compliance program reflecting the principles set out in the Integrity Guidelines,⁹ and evidence of the company's adherence to the program in its daily operations had been provided to the ICO. OEC also established a compliance function led by its independent Chief Compliance Officer, who reports directly to the Board of Directors' Integrity and Audit Committee and who counts on the support of a team of full-time compliance professionals and local Integrity Focal Points.

This case is another example of how the ICO's collaboration with sanctioned entities can have a broad developmental impact. Through OEC and the numerous other companies working with the ICO, the integrity compliance principles endorsed by the WBG take practical effect and support the positive rehabilitation of not only the sanctioned companies themselves, but also their supply chains and business communities. Indeed, OEC demonstrated during its period of sanction that it emphasizes its integrity reforms as a selling point in interactions with potential clients and business partners, expects its business partners to abide by integrity principles, and serves as a leader in compliance-focused organizations. Notably, OEC also continues to collaborate with the ICO as a mentor to entities outside its corporate group that are currently sanctioned by the WBG, providing guidance on their efforts to develop effective integrity compliance reforms and meet their own conditions for release from WBG sanction. The ICO looks forward to further collaboration with OEC and its affiliates to promote integrity compliance globally.

Corporate Integrity Compliance Outreach

In FY22, the ICO continued promoting integrity compliance principles among businesses and other stakeholders. Beyond its core work with sanctioned entities, the ICO champions the adoption of tailored integrity compliance programs and related controls as a good business practice for all companies. Indeed, the best use of an integrity compliance program is as a means of preventing misconduct, in addition to enabling an entity to react appropriately if something does go wrong. To that end, ICO team members participated, as presenters, in various virtual conferences and events throughout FY22. Some highlights include:

- A webinar titled “The Importance of Compliance Programs in World Bank Projects,” hosted by the Brazilian Association of Infrastructure and Basic Industries.
- A panel discussion focused on WBG sanctions and integrity compliance programs, hosted by Ethisphere.
- A panel discussion titled “Different Approaches to Monitoring and Post-Resolution Compliance Requirements,” as part of the Women in Investigations Conference, sponsored by Global Investigations Review.
- An event titled “Improving the Effectiveness of Compliance Programs of Chinese Enterprises,” sponsored by organizations including the Beijing New Century Academy on Transnational Corporations and the Siemens Integrity Initiative.

By engaging with sanctioned entities working to meet their conditions for release from sanction and collaborating with industry groups and transnational organizations, the ICO promotes integrity compliance principles and reforms among companies of all sizes and in all sectors and geographies. The ICO’s network of champions for integrity compliance—including experienced compliance monitors and experts and released companies serving as mentors and speakers at outreach events—further broadens the impact of the ICO’s work.

PREVENT: Prevention, Risk & Knowledge

To support new directions under the INT Strategy Update, the teams responsible for complaint handling and development (CDU); forensic audit and digital forensics (FSU); data systems, tools, and innovation (the Data Lab); risk analytics; and preventive services (PSU) have been brought together under the Prevention, Risk, and Knowledge Management (PRKM) unit. Closer collaboration between these teams enables a more risk-based approach to the assessment, follow-up, and analysis of complaints; the prioritization of cases; and the proactive identification of high-risk projects and cases. It is also enabling INT to gather new kinds of preventive insights from complaints data, and to develop new risk analytic methods and tools to inform our advice to World Bank operations.

The Value of Integrity Compliance

Companies that work with the ICO continue to report that they appreciate the business value of implementing effective integrity compliance programs and plan to continue implementing them as an ongoing part of their business operations, even after being released from WBG sanction. For example, here is the perspective of one company that was recently released from WBG sanction on its efforts to develop and enhance its integrity compliance program and related reforms (in the company’s own words and without endorsement on the part of the ICO):

“World-class corporate governance systems and integrity compliance programs require time and discipline to mature. Well-designed codes, policies, processes, and accountability frameworks are crucial but need to be built on efforts for nurturing ethics and compliance as guiding principles for individual conduct. Those are some of the lessons we learned in the transformation journey our company has embraced in the last six years. The WBG Integrity Compliance Guidelines have been a key reference for the development of OEC’s Integrity Program. Even more important was the constructive dialogue with the Bank’s ICO and independent monitor, which helped to implement a program that effectively addresses risks and strengthens the company’s business.”

Alexandre Baltar

OEC Chief Compliance Officer

New business processes and tools have been developed this year to support these goals, bringing in diverse expertise from across INT in assessing and following up on complaints, or supporting collaboration between data scientists and investigators in developing new data-driven investigative methods. INT will continue to enhance these processes and tools with a view to honing its risk analysis frameworks and generating advisory and knowledge products that help operational teams better respond to the evolving integrity risks faced by the WBG, and address and mitigate these earlier in project cycles before issues arise. PRKM teams are also collaborating ever more closely with key counterparts in the WBG, notably with the Operations and Country Services (OPCS) unit in developing data driven approaches to identifying and addressing integrity risks, and to developing approaches that continue to support the WBG's evolving response to the COVID-19 pandemic and other emerging crises. The following highlights occurred in FY22.

Complaint Review, Analysis, and Development

This year has seen the launch of new complaint-handling workflows and data tools to support a more risk-based approach to the analysis, follow-up, and assessment of complaints. Although the core function of the CDU remains the same—receiving and responding to submissions and developing actionable complaints that fall under INT's mandate—closer collaboration between the CDU and the PSU, FSU, Data Lab, and Risk Analysis team has enabled a more holistic assessment of complaints with the participation of all relevant units in INT. New business processes were created this year to bring in expertise from across INT in reviewing and assessing complaints, and to streamline decision making around complaints. New data management frameworks and tools to enable a more systematic analysis and tracking

of themes, issues, and trends are also being developed. This will help generate new insights to inform INT's investigative priorities, preventive advice to Operations, and the focus and content of knowledge products.

Corporate Integrity Disclosures and Preventive Advisory Work

The PSU monitors the World Bank's portfolio of proposed and active projects for potential integrity risks associated with INT cases and complaints, raises integrity concern flags where appropriate, and recommends mitigation measures to project teams. The PSU also provides on-demand support to task teams in the preparation and implementation of high-risk projects, drawing on its experience identifying and mitigating integrity risks in different sectors, types of operations, and operational contexts. The PSU has continued to meet the challenge of delivering on this mandate in the context of the Bank's increased financing in response to the pandemic, as well as the Bank's evolving response to other crises and emergency situations around the world. In addition, the PSU has assisted in identifying and mitigating integrity risks in the preparation phase of a number of selected programs or projects that operational teams considered particularly high-risk due to a combination of factors relating to challenges in the sector, the type of operation and/or the operating context. Other significant engagements have included the delivery of training to PIUs, in collaboration with fiduciary staff in the Regions (more information is provided below). The PSU is now also working more closely with the CDU to provide contextual insight to the assessment of complaints, and to assist in timely follow-up with task teams to aid them in addressing issues raised. The PSU is also engaging in more sustained communication and preventive support to Bank operations in the context of ongoing investigations.

Company Risk Screening for Preventive Impact

To make operational colleagues aware of relevant investigations involving suppliers who may be participating in Bank-financed projects, INT provides screening of supplier names via the Bank's procurement system. This screening system allows INT to provide timely, risk-relevant information to task teams at specific procurement steps. This year has seen many successful engagements as a result of this screening approach, with INT providing advice to operational teams that resulted in more in-depth reviews of bids as well as the discovery of fraudulent documents. This approach both mitigates risk in World Bank-financed tenders, and provides additional investigative material for INT.

Data and Risk Analytics

INT is expanding its risk analytics work program to leverage new capacities made possible by its recently developed cloud infrastructure. The focus in FY22 has been on piloting new data analytic applications and supporting more systematic analysis of existing INT databases, with an initial focus on the analysis of complaints data. Pilot data science projects have explored the use of artificial intelligence to automate the screening of documents generated by project audits, the tailoring of software to enable the detection of collusive patterns in procurement data, and the exploration of the uses of satellite and remote imaging for investigative and preventive purposes. These projects are at the proof-of-concept stage but have already yielded initial results in the identification of operational risks, in developing complaints, and in the proactive identification of investigative leads. INT has also continued to offer on demand company risk profiling to Operations to assist with integrity due diligence, leveraging INT data.

Forensic Audits and Digital Forensic Services

The FSU and the Digital Forensics Lab have been integrated this year into a single larger team. Both functions play a critical role in INT investigations, but also have an important role to play in other work programs, including risk analysis, complaint assessment and prevention. The integration of these functions supports the growing demand for digital forensic services in investigations as well as closer collaboration with other teams in PRKM. The FSU has continued to deliver (mostly virtual) capacity building and training in forensic audit skills in collaboration with teams from across the Bank.

Training and Outreach

Through targeted trainings to World Bank staff, clients, and business partners on its work, INT helps to strengthen understanding of the key risks posed by fraud and corruption to the Bank's work. INT's engagements also raise awareness of the guidance and resources that INT can provide to help WBG staff and clients identify, mitigate, and manage these risks in their work.

In FY22, INT delivered and participated in a wide range of awareness raising sessions, trainings, and outreach efforts, along with maintaining an eLearning course "Integrity Is Your Business", reaching about 2,800 WBG staff, project implementation units, government counterparts and officials, and private sector representatives. These included INT's participation in:

- **WBG corporate onboarding programs.** Through the WBG's new staff orientation, as well as specialized sessions for incoming Executive Directors and Board Officials, recruits to the WBG's Young Professional Program, and staff working in FCS contexts, these trainings highlight the Bank's stance against fraud and corruption, the work INT does, and staff's duty to report fraud and corruption and channels for doing so.
- **Trainings to raise integrity risk awareness.** Organized in collaboration with key Bank units, including country office staff and Financial Management teams, these trainings raise awareness of INT's work, the WBG's sanction system, and how staff with oversight of Bank-financed projects, as well as government and private sector officials, can better understand integrity risks and report concerns to INT. This year, these trainings were held for Bank staff and project implementation teams in countries including Azerbaijan, Haiti, India, Kenya, Mongolia, Papua New Guinea, Paraguay, Solomon Islands, Tajikistan, and Zambia.
- **Trainings to operational staff.** These targeted programs focus on operational issues, financial management concerns, and how the Bank can improve its anticorruption efforts through its Good Governance Framework, Corruption Risk Assessments, and collaboration with anticorruption agencies.
- **Collaborations with other WBG units.** INT delivered joint trainings with the EBC, including a notable training on understanding staff's role and rights in investigations, in which EBC and INT investigators discussed common experiences and questions from staff, as well as resources available for raising misconduct-related concerns.

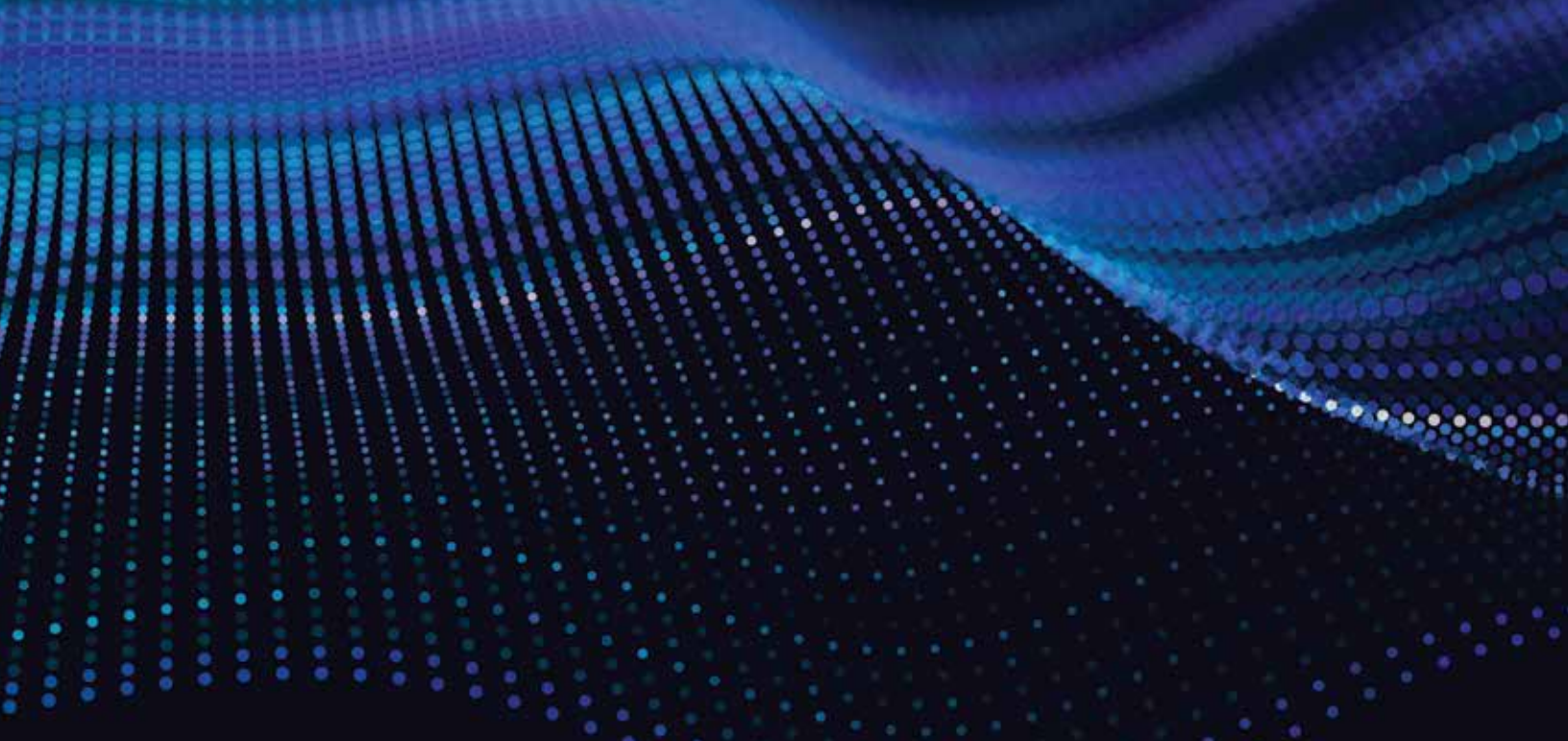
Engaging with Anticorruption Partners

In FY22, INT's participation in key multilateral forums affirmed its and the WBG's commitment to advancing the global anticorruption agenda. Notably, INT's Vice President and Director headed a WBG delegation to the Ninth session of the Conference of the States Parties to the United Nations Convention against Corruption, which brings together practitioners and experts to support improvements for international cooperation in tackling corruption. The delegation also included representatives from the WBG's Governance Global Practice and the Stolen Asset Recovery (StAR) Initiative. The WBG representatives reiterated the strong stance that the WBG takes against corruption and highlighted the technical assistance and support the institution provides member countries to strengthen their anticorruption and governance systems

and support stolen asset recovery. In addition to their participation on multiple expert panels, INT's Vice President and Director held bilateral meetings with representatives from government integrity and anticorruption offices.

In May, INT's Vice President met with a delegation from the Republic of Korea, led by the Minister of Justice, to discuss opportunities to strengthen cooperation between the country and the World Bank on anti-corruption and other integrity matters. INT has a strong partnership with the government of Korea, which has been supporting collaborative initiatives including the secondment of experienced Korean prosecutors to INT, the development of an Integrity Compliance Guidebook for small and medium enterprises, and the provision of a grant to build a training platform to promote corporate integrity compliance.

In addition, INT engaged with its partners through attendance at the Organisation for Economic Co-operation and Development's (OECD) Working Group on Bribery in International Business Transactions meetings, the United Nations Office on Drug and Crime's (UNODC) Global Operational Network of Anti-Corruption Law Enforcement Authorities (GlobE Network) launch and plenary meetings, and the Conference of International Investigators, among other meetings. In total, INT staff participated in more than 40 programs, workshops, and panels to raise awareness of integrity risks to external audiences, promote integrity compliance standards in the private sector, and strengthen ties with peer anticorruption organizations. INT also continued its standing collaboration with the other MDBs through the Heads of Integrity meetings. This roundtable allows the MDB integrity offices to discuss topics of common interest, discuss challenges arising from anticorruption investigations, and advance the MDB's collective efforts to strengthen and harmonize the work of their offices.



This year is particularly momentous for OSD as our unit celebrates 15 years of work dedicated to promoting good governance by addressing fraud and corruption impacting World Bank operations.

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 thrilled to share the WBG Sanctions System Annual Report for FY22 with our internal and external stakeholders. The Office of Suspension and Debarment (OSD) plays a pivotal role in ensuring that the World Bank's development financing is used solely for its intended purposes. This year is particularly momentous for OSD as our unit celebrates 15 years of work dedicated to promoting good governance by addressing fraud and corruption impacting World Bank operations.

Over the past fiscal year, OSD continued to successfully deliver on its core mandate of providing the first level of adjudication in sanctions cases. Adding to OSD's efficiency in providing an impartial and timely sanctions process, the sanctions system deployed a new digital case management system designed to streamline our case flow and facilitate interactions between OSD, INT, and the Sanctions Board. Throughout its 15 years of operations, OSD has identified best practices and learned valuable lessons from our casework. This experience positions OSD to continuously contribute to the development of WBG sanctions policy. During the past year, OSD engaged in discussions with numerous internal stakeholders to ensure that the lessons learned from practice are integrated into the sanctions system's framework.

We also continued our outreach and knowledge-sharing activities to inform internal and external stakeholders about the mission, processes, and results of the WBG's sanctions system. One relevant event was a hybrid-format international symposium on Supranational Responses to Corruption organized by OSD in collaboration with leading institutions, such as the American Society of International Law and the Anti-Corruption Division of the OECD. The purpose of the symposium was to study and reflect upon existing and prospective anticorruption efforts that transcend national boundaries or governments. Further, OSD is particularly proud to have published the Global Suspension & Debarment Directory in partnership with the International Bar Association's Anti-Corruption Committee. The Directory provides consultative information on the exclusion systems of 23 different jurisdictions and institutions and serves as a unique one-stop resource on the topic for practitioners and academics.

As a key player in the sanctions system, OSD's work has a global footprint in the fight against corruption. We at OSD will persevere in our efforts to maintain the sanctions system's integrity and objectivity and contribute to the larger anticorruption community by sharing the knowledge and experience gained over a decade and a half of work. I am pleased to present this summary of OSD's operations and achievements over the past fiscal year.

Jamieson A. Smith
Chief Suspension and Debarment Officer

Who We Are

The Office of Suspension and Debarment (OSD) 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 brought by INT against respondent firms and individuals 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

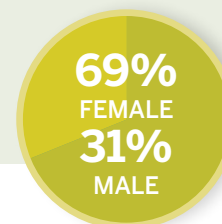
to evaluate each sanctions case solely on its merits and in accordance with the *Bank Procedure: Sanctions Proceedings and Settlements in Bank Financed Projects* (Sanctions Procedures). In deciding a case, the SDO is entirely independent and does not take instructions or recommendations from any other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

The SDO is supported by three staff attorneys, one legal consultant, one paralegal, one program assistant, and up to two law student interns. During FY22, OSD's staff members and consultants had diverse regional backgrounds—hailing from Brazil, China, Greece, Kazakhstan, the Netherlands, Romania, Tajikistan, the United States, Denmark, and Vietnam—and brought solid expertise in international development, anticorruption, corporate law, public procurement, and compliance. All of OSD's staff are normally based in Washington, DC.



Pictured: World Bank Office of Suspension and Debarment (left to right): Riya Gavaskar, Program Assistant; Muslima Maksudzoda, Legal Consultant; Gaukhar Larson, Counsel; Jamieson Smith, Chief Suspension & Debarment Officer; Hai Anh Tran, Legal Intern; Collin Swan, Senior Counsel; Kaiqi Bao, Legal Intern. (Not pictured: Alexandra Manea, Counsel, Haiyue "Stephanie" Xue, Paralegal)

OSD Staff & Consultants At-A-Glance



Muslima Maksudzoda, Legal Consultant

Muslima Maksudzoda is a Legal Consultant at OSD, where she assists the SDO and staff attorneys with the review and disposition of sanctions cases and other office activities. Ms. Maksudzoda holds a law degree from the Russian Tajik Slavonic University in Tajikistan and a master's degree in International Legal Studies from American University's Washington College of Law. Prior to joining the WBG, Ms. Maksudzoda worked as an associate at AAA Law Offices LLC, practicing business law in Tajikistan. Ms. Maksudzoda is also an alumna of the Fulbright Foreign Student Program and a co-founder of a Tajik free online legal guide in support of the rule of law and the fight against corruption.



What drew you to come work for OSD?

Working at OSD provides an opportunity to support the noble purpose of tackling corruption and promoting integrity as an essential component of development. The fact that I can contribute to this greater cause and see positive results motivates me and brings me satisfaction in the workplace. I share the values and vision of OSD—a world free of corruption and a commitment to diversity and equality. As a lawyer, I am attracted by the impartiality and independence in OSD's work, which has the ultimate goal of serving people's well-being. OSD has a uniquely engaging and supportive workplace culture where I work side by side with, and learn from, outstanding and accomplished specialists committed to high ethical standards.

What do you see as OSD's impact on anticorruption efforts in development?

OSD's contribution to anticorruption efforts in international development is manifold. The significant work that OSD does by adjudicating sanctions cases involving development funds contributes to addressing corruption on a practical level. By imposing sanctions on respondent firms and individuals, OSD not only safeguards development financing but also discourages the global business community from engaging in sanctionable practices, which promotes good governance and integrity. Further, OSD is always open to opportunities for awareness-raising and other knowledge activities to share the latest developments and lessons learned from the WBG sanctions system's anti-corruption efforts. OSD organizes events, such as colloquia and symposia, that create a platform for promoting cooperation and coordinated collective actions in the global anticorruption space.

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 sanctions 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 Legal Internship Program

Every year, OSD offers 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.

OSD Case Summary

In FY22, OSD received 18 sanctions cases, reviewed 15 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 accusation in each case. OSD also reviewed 12 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.

The SDO referred eight of the 15 reviewed cases back to INT for revisions after determining that there was insufficient evidence to support one or more of the accusations made. Once INT has made any necessary revisions to a case, the SDO issues a Notice of Sanctions Proceedings to the named respondents. In FY22, the SDO issued Notices of Sanctions Proceedings in 14 cases, which resulted in the temporary suspension of 20 respondents (14 firms and six 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 FY22, OSD reviewed a written Explanation submitted by one respondent and reduced the recommended sanction against this respondent. Furthermore, 11 out of the 20 respondents whose appeal deadline fell in FY22 did not appeal to the



In FY22, OSD received **18** cases and reviewed **15** cases.



In FY22, OSD temporarily suspended **14** firms and **6** individuals.



In FY22, **11** out of **20** 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%**

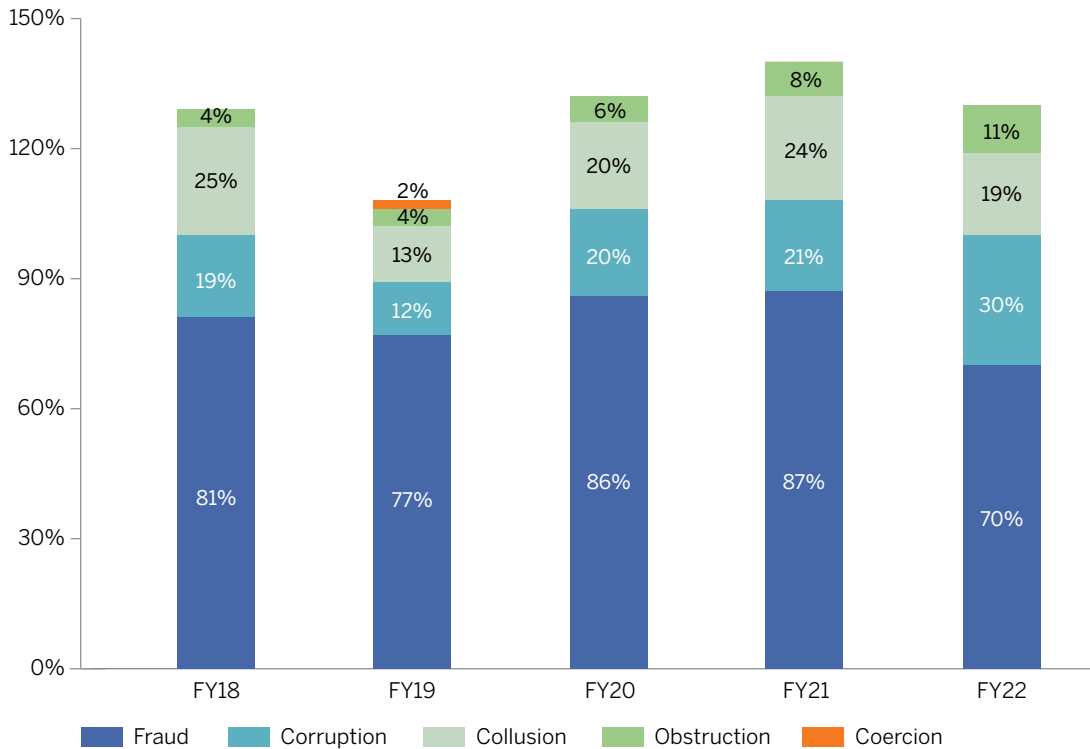
Submission of Respondent's Explanation to the SDO

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.

FIGURE 8: Percentage of cases & settlements reviewed by OSD by type of sanctionable practice*



* Includes all INT submissions reviewed by OSD (sanctions cases and settlements) (221 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

WBG Sanctions Board, and the WBG 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.

Consistent with historical trends, most of the cases and settlements reviewed by OSD this fiscal year (70%) contained at least one fraudulent practice accusation. Four of the 15 cases and two of the 12 settlements reviewed this fiscal year contained accusations of two or more different types of misconduct (e.g., *fraudulent and corrupt practices*). This fiscal year, about 19% of cases and settlements reviewed by OSD alleged at least one collusive practice accusation. Corrupt practice and obstructive practice accusations were

present in 30% and 11% 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 and settlements against respondents from every region of the world.

As shown in the graphs above, this breakdown is relatively consistent in both the 110 cases that resulted in sanctions pursuant to the WBG's adjudicative process (either by an uncontested determination of the SDO or through a decision of the WBG Sanctions Board), and the 103 cases resolved through settlement agreements with the World Bank, as

FIGURE 9: Regional Origin of Respondents Sanctioned by the SDO and the WBG Sanctions Board (110 Cases) (FY18–FY22)

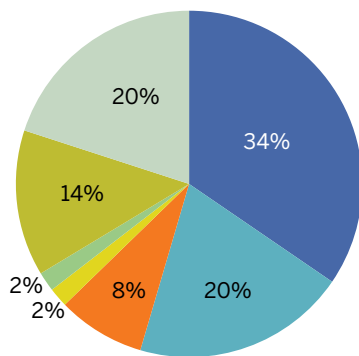


FIGURE 10: Regional Origin of Respondents Sanctioned by Settlement (103 Cases) (FY18–FY22)

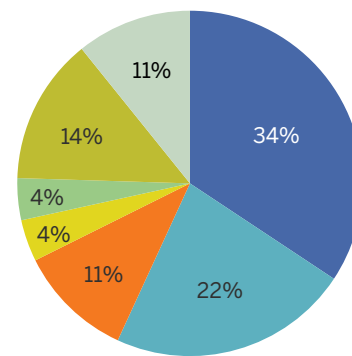


FIGURE 11: Location of Misconduct Sanctioned by the SDO and the WBG Sanctions Board (161 Sanctions) (FY18–FY22)

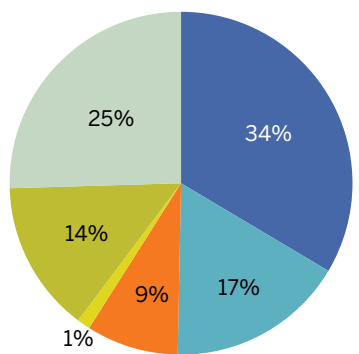
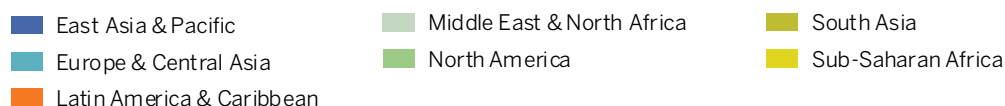
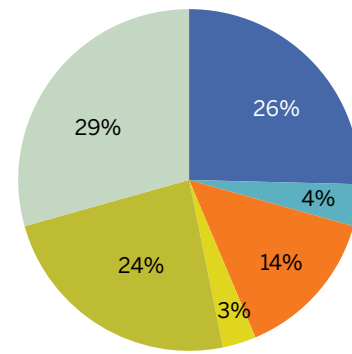


FIGURE 12: Location of Misconduct Sanctioned via Settlement (126 Sanctions) (FY18–FY22)



negotiated by INT and reviewed by the SDO. OSD’s tracking of settlements reviewed by the SDO shows 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 misconduct may be in any given region. INT receives complaints from all regions and considers many factors when deciding how to best allocate its resources to investigate potential misconduct. For its part, OSD plays no role in INT’s review of complaints and selection of cases. Nevertheless, the data suggests that WBG 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 “baseline” 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 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 in 2010. 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 472 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, 2022; or (ii) were withdrawn or settled after an SDO recommendation). Of those 472 respondents, 339 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.

Aggravating Factors from the WBG Sanctioning Guidelines

AGGRAVATING FACTORS INCREASE	AGGRAVATING FACTOR
1–5 years for this category	A. Severity of the Misconduct 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. Harm Caused by the Misconduct 1. Harm to public safety/welfare. 2. Degree of harm to project.
1–3 years for this category	C. Interference with Investigation 1. Interference with investigative process. 2. Intimidation/payment of a witness.
10 years	D. Past History of Adjudicated Misconduct Prior debarment or other penalty.

Mitigating Factors from the WBG Sanctioning Guidelines

MITIGATING FACTORS DECREASE	MITIGATING FACTOR
Up to 25%	A. Minor Role in Misconduct
Up to 50%; a greater reduction may be warranted in exceptional circumstances.	B. Voluntary Corrective Action Taken 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.	C. Cooperation with Investigation: 1. Assistance and/or ongoing cooperation. 2. Internal investigation. 3. Admission/acceptance of guilt/ responsibility. 4. Voluntary restraint.

FIGURE 13: SDO Application of Aggravating Factors (472 Respondents) (12/16/10–6/30/22)

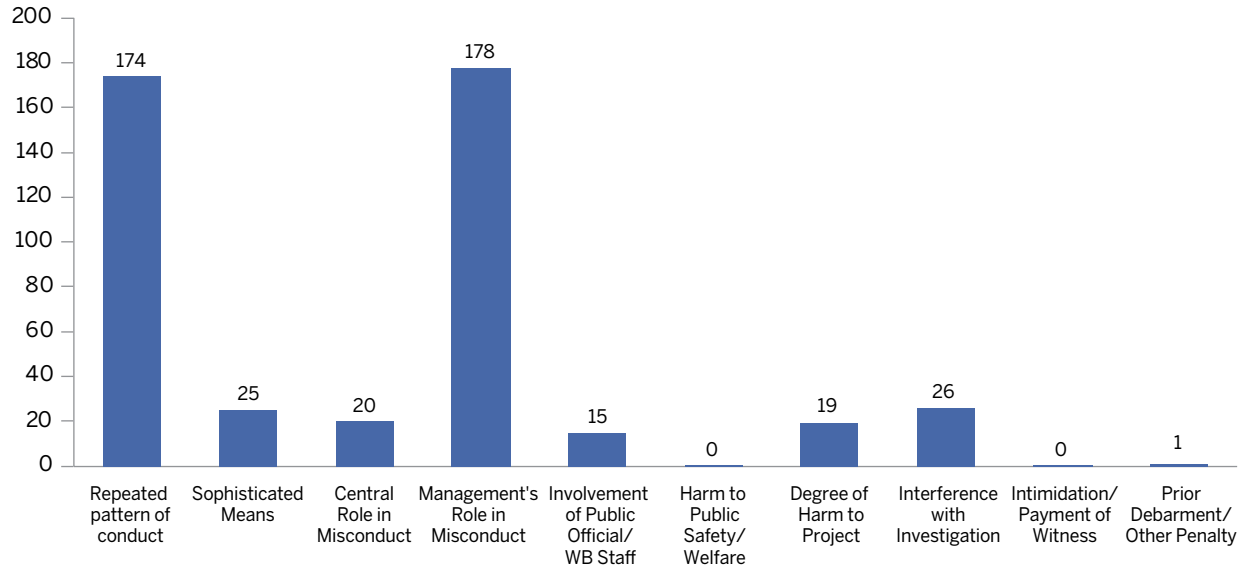
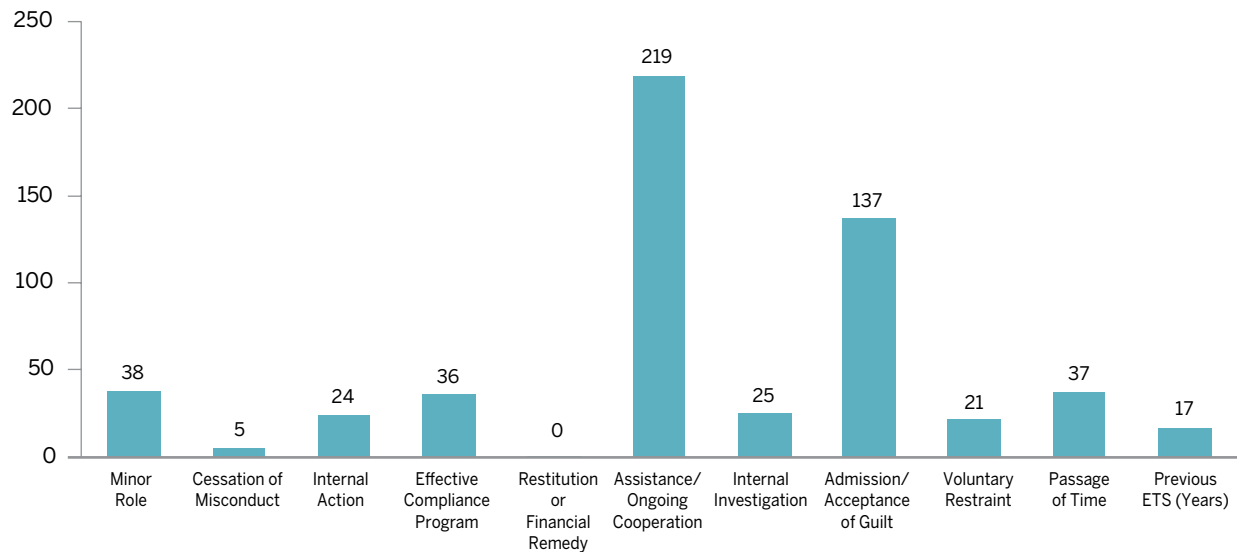


FIGURE 14: SDO Application of Mitigating Factors from WBG Sanctioning Guidelines (472 Respondents) (12/6/10–6/30/22)



*Excludes (i) the 11 respondents against whom sanctions proceedings were ongoing as of June 30, 2022; and (ii) the 24 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.

Symposium on Supranational Responses to Corruption

In April 2022, OSD led the organization of a two-day symposium on Supranational Responses to Corruption in Vienna, Austria. Through its hybrid approach, 40 participants attended in person alongside over 300 online participants. The symposium brought together experts from multiple

international organizations, governments, the private sector, non-governmental organizations, and academia. Speakers included representatives from various international organizations including UNODC, the OECD, prosecutors from the European Public Prosecutors Office and the UK Serious Fraud Office, and experts from Transparency International as well as from leading universities and research centres from across the globe. The symposium’s main objective

was to reflect on current and prospective anticorruption efforts that have transcended national boundaries or governments. Overall, the symposium took stock of the current supranational anticorruption mechanisms and standards to help enhance the multiplier effect that joint learning, coordination, and collaboration can achieve in the fight against corruption.

The symposium was co-organized with the Anti-Corruption Law Interest Group of the American Society for International Law and the OECD's Anti-Corruption Division. Partner organizations included the International Anti-Corruption Academy, the World Economic Forum's Partnering Against Corruption Initiative, the Austrian Federal Ministry for European and International Affairs, and the OPEC Fund for International Development.

The symposium's agenda, organized around six sessions, was based on selected papers submitted following a call for papers launched in the previous fiscal year, in an effort to learn more about supranational initiatives against corruption. Detailed information on the agenda can be found on OSD's website. In the introductory panel, high-level representatives from MDBs, the private sector, government, and academia discussed the role of their sectors in promoting integrity and fighting corruption. The second panel explored regional responses to anticorruption, focusing mainly on efforts to

establish regional/global investigative and adjudicatory anticorruption institutions. The speakers discussed the establishment of the European Union's Public Prosecutor's Office and the future of the European Union's anticorruption policy, the prospects of enhanced anticorruption efforts based on the Inter-American Convention Against Corruption, and the implications of linking grand corruption to human rights. The panel highlighted the need for cataloguing past and present prosecutorial and adjudicatory regional/global bodies to provide a comprehensive understanding of lessons learned from such otherwise disconnected efforts, with the goal of informing future initiatives.

In the third session, the speakers analyzed how anticorruption investigations, carried out by national and international authorities, including the World Bank and the Green Climate Fund, work in an increasingly globalized and complex world. The speakers discussed issues including the benefits and challenges of negotiated resolutions, highlighting the need for enhanced transparency and predictability, as well as standardizations across jurisdictions. Emphasizing the crucial importance of collaboration and knowledge-sharing among authorities, a representative from the UNODC discussed the recently established GlobeE Network, designed to facilitate formal and informal cooperation among national authorities and help with capacity building.





The following session discussed international pathways to accountability for “grand corruption,” a proposed new OECD dispute settlements mechanism to fight transnational corruption, the prospects of an international anticorruption court to address grand corruption, and the use of targeted sanctions against foreign corruption. The fifth session explored the capacities and roles that investment arbitration tribunals should have when dealing with corruption issues. The speakers discussed the prospects of rethinking international investment law’s responses to corruption through the prism of global governance theory and the use of a corruption defense in arbitration procedures. The final session tackled how the non-governmental sector can play a fundamental role in supranational anticorruption efforts. The speakers discussed the corporate legal profession’s obligations to and opportunities for contributing to collective action, the power of civil society organizations that engage productively in influencing and supporting the design and implementation of government-led efforts, the importance of granting legal standing to non-governmental organizations in corruption proceedings, the operationalization of voluntary anti-bribery management system standards, the role of trade associations, the ethical frameworks promoted by public-private partnerships, and collective action initiatives in the healthcare field.

The symposium provided a valuable opportunity to raise awareness of the WBG sanctions system, connect with and learn from a diverse range of relevant stakeholders, and expand the WBG sanctions system’s network at a global level

in pursuit of varied efforts against corruption. The discussions highlighted both the need and interest to create more opportunities to share knowledge and experiences with partners as we respond to significant shifts to the world. OSD is working on a symposium knowledge report that will be made available to the public during the next fiscal year.

Other Events and Outreach

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 external stakeholders. 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 FY22, OSD’s staff:

- Co-organized with the WBG Sanctions Board Secretariat the second MDB Joint Workshop between the first-tier officers and appellate body secretariats of the AfDB, ADB, EBRD, IDB, and WBG.
- Co-hosted—with the George Washington Law School’s Government Procurement Law Program and the American Bar Association’s International Anti-Corruption Committee—a free webinar on the Global Suspension & Debarment Directory. The recording of the webinar is available at <https://www.youtube.com/watch?v=QMGrD-c7DHLg>.

- Organized a virtual panel of procurement and anticorruption experts from across the WBG to discuss the Global Suspension & Debarment Directory, the use of exclusion as an integrity tool, and how this research can inform WBG operations and advice to clients and borrowers.
- Following the release of the Directory, published pieces in The FCPA Blog, an international website covering anti-corruption and compliance, and on the World Bank's Governance for Development blog.
- The SDO participated in an interview series conducted by the "Unspoken Giants" podcast regarding the sanctions and debarment regimes at various MDBs. The interview with the SDO is available at <https://www.rpc.co.uk/perspectives/unspoken-giants/>.

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

The Global Suspension & Debarment Directory



In July 2021, OSD published the Global Suspension & Debarment Directory, the first-ever consultative resource on exclusion systems. The Directory serves as a resource for anyone interested in learning how the covered countries and organizations employ exclusion. Using data captured through the 2020 Global Suspension & Debarment Survey, the Directory summarizes the exclusion systems of 23 different jurisdictions and institutions and includes references and available links to the relevant laws and regulations.

The Directory presents information on six key areas for each exclusion system surveyed:

1. Government-Wide Legal and Institutional Framework
2. Functioning and Enforcement of the Government-Wide Exclusion System
3. Substantive Grounds for Government-Wide Exclusion
4. Scope and Effect of Government-Wide Exclusion
5. Government-Wide Transparency: The Exclusion List
6. Limited Scope Exclusion Systems

To accompany the Directory, an interactive database has been launched for users to sort and compare specific aspects of the included systems, access relevant resources

for each jurisdiction, and download individual summaries from the full Directory.

The inaugural Directory revealed several interesting findings. First, research confirmed the prevalence of exclusion systems across many countries and institutions. Indeed, only one of the 23 jurisdictions included in the Directory did not have any type of government-wide exclusion framework at the national level. Second, almost all jurisdictions included in the Directory provide an opportunity for the accused supplier to respond to or challenge the basis for its exclusion.

While accused suppliers generally have an opportunity to respond, the timing of this opportunity varies widely and does not always come before the exclusion takes effect.

Furthermore, the effect of an exclusion varies across countries and organizations. A slight majority of jurisdictions included in the Directory have a "traditional" debarment system that prohibits offending suppliers from participating in all procurements across the government and publicly lists the suppliers' ineligibility. But at least eight of the summarized jurisdictions use exclusion as a basis to disqualify offending suppliers on a contract-by-contract basis. In these jurisdictions, the exclusions do not extend beyond a single procurement process and are not publicly listed.

The process for imposing an exclusion on an offending supplier also varies across jurisdictions. In certain countries, the decision to exclude a supplier is made during the procurement process as part of the qualification examination. In others, exclusion decisions are made by independent decision-makers outside the procurement process. And in other jurisdictions, both avenues are possible.

Perhaps the most important takeaway is that there is not a one-size-fits-all approach when it comes to exclusion. As shown in the individual summaries, many nuances exist in the legal frameworks that made it difficult to neatly categorize certain jurisdictions. More research, including a deeper dive into a select few of these jurisdictions, would help to illuminate these nuances.

The Directory was created with the support of the Debarment and Exclusions Subcommittee of the International Bar Association's Anti-Corruption Committee and the partnership among the World Bank's OSD, the Sanctions Officer for the IDB Group, and Le Bureau de l'Inspecteur General de la Ville de Montréal.

The Directory and an interactive table of jurisdictions and their summaries are accessible online at www.worldbank.org/exclusionsurvey.

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

During FY22, the SDO issued Notices of Uncontested Sanctions Proceedings in eight cases, resulting in sanctions against 11 respondents for engaging in fraudulent and collusive practices in connection with Bank operations in the public sector reform, urban infrastructure, transportation, water, and sustainable city development sectors of client countries. All of these Notices of Uncontested Sanctions Proceedings are publicly available on the WBG's sanctions website. These cases included:

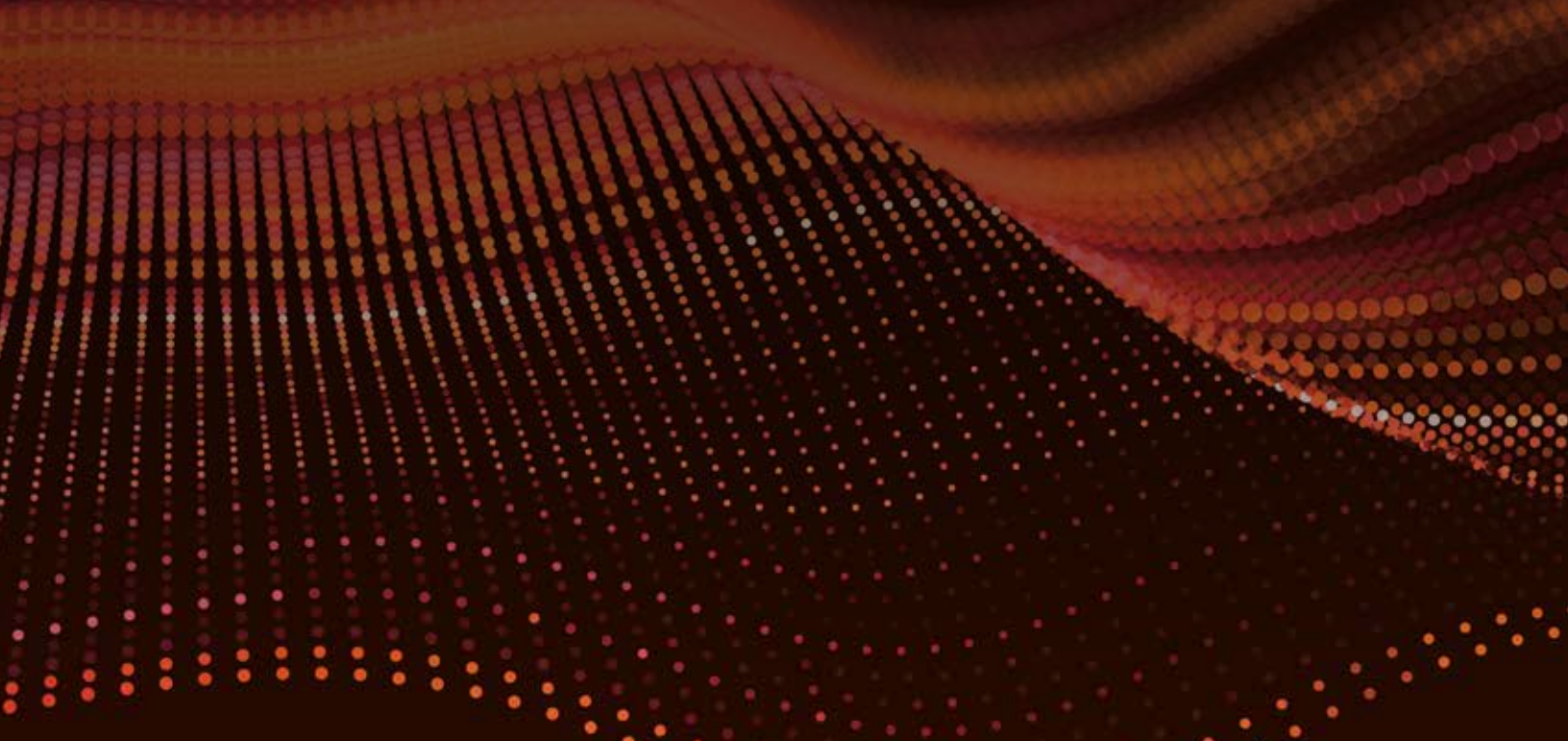
- **SANCTIONS CASE NO. 653**—The SDO determined that the respondent, a firm based in the Democratic Republic of Congo, engaged in fraudulent practices by misrepresenting its own experience and the experience of its proposed personnel in its bids for three consulting contracts under two public sector reform projects in the Democratic Republic of Congo. Specifically, the SDO found that the respondent claimed the experience of a third party as its own in its bid for a procurement contract on secure identification cards for government officials. The respondent also partially misrepresented the experience of two of its proposed personnel in its bids for two consulting contracts to support the recruitment of subject-matter experts. The SDO imposed on the respondent a debarment with conditional release for a minimum period of three years and nine 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's misconduct related to three contracts under two different Bank-financed projects. The SDO also took into account, as a mitigating factor, INT's representations regarding the respondent's limited cooperation during the course of the investigation, noting that the respondent responded to INT's Show Cause Letter and provided relevant information.
- **SANCTIONS CASE NO. 659**—The SDO determined that the respondent, a Vietnamese company, engaged in a collusive practice in connection with its consortium bid for the supply and installation of ticketing and intelligent transport systems for a contract under a sustainable city development project in Vietnam. The SDO found that the respondent entered into an improper arrangement with another local firm, which had been temporarily suspended by the WBG, designed to help the ineligible firm circumvent its temporary suspension and participate in the project. The respondent's arrangement with the ineligible firm involved, among other things, embedding two of the ineligible firm's staff members in its operations, accepting assistance from the ineligible firm to source necessary suppliers for the contract, and expecting that the ineligible firm would be involved in the contract's execution. The SDO imposed on the respondent a debarment with conditional release for a minimum period of five years. In determining this sanction, the SDO took into account, as aggravating factors, (i) the sophisticated means through which the respondent engaged in the collusive practice, noting that the respondent embedded two of its collusive partner's employees into its operations, acted through intermediaries, and actively misled the relevant project management unit to conceal the collusive arrangement; and (ii) the respondent's interference with the investigative process, noting that the respondent provided INT with a falsified document and interfered with INT's attempts to access certain email correspondence and digital records.
- **SANCTIONS CASE NO. 702**—The SDO determined that the respondent, an Uzbek firm, engaged in a fraudulent practice in connection with a construction works contract under a water supply project in Uzbekistan. In particular, the SDO found that the respondent misrepresented, in its bid for the contract, that it did not have a conflict of interest, whereas the owner and director of the respondent had a close family relationship with an individual that served as the head of the procuring entity for the contract that participated in the evaluation of the respondent's bid. The SDO imposed on the respondent a debarment with conditional release for a minimum period of two years and five months. In determining this sanction, the SDO did not take into account any aggravating factors. As mitigating factors, the SDO considered (i) INT's representations regarding the respondent's limited cooperation during the course of the investigation, noting that the respondent's representatives met with INT and provided some relevant information, and (ii) the significant amount of time that had elapsed since the fraudulent practice occurred.
- **SANCTIONS CASE NO. 705**—The SDO determined that the respondents, two Indonesia-based companies, engaged in fraudulent practices in the form of collusion by coordinating the pricing and drafting of their respective bids for a contract to improve irrigation infrastructure under

a water resources and irrigation sector management project in Indonesia. The SDO imposed on one respondent a debarment with conditional release for a minimum period of one year and seven months. In determining this recommended sanction, the SDO took into account, as mitigating factors, (i) the significant passage of time since the misconduct occurred and since the Bank became aware of it, and (ii) the respondent's cooperation during the course of the investigation, noting that the respondent's representatives agreed to be interviewed and acknowledged that the respondent had collaborated with another bidder on their bids for the relevant contract, although the representatives did not ultimately accept responsibility or admit that the collusive practice had occurred. The SDO imposed on the other respondent a debarment with conditional release for a minimum period of two years. In determining this recommended sanction, the SDO took into account, as a mitigating factor, the significant passage of time since the misconduct occurred and since the Bank became aware of it.

- **SANCTIONS CASE NO. 712**—The SDO determined that the respondents, two Uzbekistan-based companies, engaged in fraudulent practices by misrepresenting their past experience in their consortium bid for a sewerage networks and pumping station works contract under a water, sanitation, and waste management project in Uzbekistan. In particular, the SDO found that one respondent misrepresented that it had previously completed a US\$16.2 million construction contract, and the other respondent misrepresented that it had previously completed a US\$9.8 million construction contract. The SDO imposed on one respondent a debarment with conditional release for a minimum period of three years. In determining this recommended sanction, the SDO did not apply any aggravating or mitigating factors. The SDO imposed on the other respondent a debarment with conditional release for a minimum period of two years and 10 months. In determining this recommended sanction, the SDO took into account, as a mitigating factor, evidence of the respondent's limited voluntary corrective action, noting that the respondent informed INT that it had convened a meeting of its founders after receiving INT's Show Cause Letter and decided to terminate the contracts of several individuals.
- **SANCTIONS CASE NO. 720**—The SDO determined that the respondents, an Azerbaijan-based company and an Azerbaijani national, engaged in fraudulent practices by misrepresenting past experience in multiple bids for construction contracts under a water supply project in Uzbekistan. The SDO imposed on the corporate respon-

dent a debarment with conditional release for a minimum period of six years. In determining this recommended sanction, the SDO took into account, as aggravating factors, (i) the corporate respondent's repeated pattern of fraudulent practices involving multiple misrepresentations regarding the company's past experience across four bids, and (ii) the involvement of the corporate respondent's Director in the misconduct. On the individual respondent, the SDO imposed a debarment with conditional release for a minimum period of five years. In determining this recommended sanction, the SDO took into account, as aggravating factors, (i) the individual respondent's repeated pattern of fraudulent practices involving multiple misrepresentations regarding the corporate respondent's past experience across two bids, and (ii) the fact that the individual respondent was the Director of the corporate respondent.

- **SANCTIONS CASE NO. 726**—The SDO determined that the respondent, an Iranian firm, engaged in a fraudulent practice in connection with a road construction contract under an infrastructure development project in Kazakhstan. The SDO found that the respondent submitted fraudulent performance and advance payment securities to the relevant project implementing unit. The SDO imposed on the respondent a debarment with conditional release for a minimum period of three years and four months. In determining this sanction, the SDO took into account, as an aggravating factor, the degree of harm to the project arising from the respondent's conduct, noting in particular that the respondent's misconduct caused substantial delays to the project. As a mitigating factor, the SDO took into account the passage of time since the misconduct occurred and since the Bank became aware of it.
- **SANCTIONS CASE NO. 753**—The SDO determined that the respondent, a Vietnamese firm, engaged in a fraudulent practice in connection with a public transportation contract under an urban infrastructure development project in Vietnam. The SDO found that the firm omitted, from its bid in a joint venture with a foreign company, its intent to subcontract more than 10% of the contract's total work volume to another company. The SDO imposed on the respondent a debarment with conditional release for a minimum period of two years and 10 months. In determining this recommended sanction, the SDO took into account, as a mitigating factor, the respondent's limited cooperation during the course of the investigation, noting that the respondent's representatives met with INT and provided some relevant information but did not accept responsibility for the misconduct.



The Sanctions Board continues to resolve all contested sanctions cases fairly, transparently, and expeditiously—thereby ensuring the highest standards of accountability within WBG-financed projects.

The WBG Sanctions Board

The second and final tier of the WBG's adjudicative sanctions system



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

This past year was marked by renewal and new energy—with the Sanctions Board and Secretariat emerging from the waning pandemic stronger than ever. Most notably, we welcomed the appointment of a new Sanctions Board Chair. We benefited tremendously from the steady leadership of Mr. John Murphy during his tenure. And we are so lucky that his successor, Ms. Maria Vicien Milburn, has so ably stepped into the role since her appointment. I would be remiss if I failed to mention that Ms. Milburn is the first woman to Chair the Sanctions Board since it was fully constituted in 2007. Ms. Milburn's selection has further enhanced the diversity and credibility of the sanctions system and we look forward to the year ahead with her at the helm of the Sanctions Board.

Another driver of renewal and new energy this past year has been the Secretariat's transition to a hybrid operating model. We continue to leverage the new technologies and skills developed during the pandemic for a mix of virtual

and in-person formats for the conduct of Sanctions Board deliberations and hearings. In doing so, the Sanctions Board continues to resolve all contested sanctions cases fairly, transparently, and expeditiously—thereby ensuring the highest standards of accountability within WBG-financed projects.

In this annual report, in addition to sharing key statistics and outcomes, we introduce our new Sanctions Board Chair and newest member and provide an overview of the Sanctions Board's core work program. We also take a closer look at two areas of jurisprudence addressed by the Sanctions Board in its decisions this year. First, we examine the Sanctions Board's treatment of "rogue employee" defenses to liability. Second, we highlight decisions that define the bounds of disclosure obligations relating to payments to agents. We conclude with a summary of key facts and takeaways from the Sanctions Board's most recent set of published decisions.

We hope this section of the report helps to illustrate the Sanctions Board's central contributions—through its composition, transparency, and case law—to the fairness and credibility of the sanctions system and the WBG's fight against corruption around the world.

Giuliana Dunham Irving
Executive Secretary to the WBG Sanctions Board

Who We Are

The WBG Sanctions Board is an independent administrative tribunal that serves as the sanctions system's second and final tier of review for contested sanctions cases. The Sanctions Board issues non-appealable decisions in sanctions cases arising from projects financed, co-financed, or guaranteed by any member institution of the WBG. 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. The Sanctions Board considers sanctions cases in dedicated three-member panels or as a five-member plenary group. The Sanctions Board has issued more than 137 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 nominated by the WBG President and appointed by the WBG Boards of Executive Directors. Sanctions Board members serve single, non-renewable terms of up to six years. They 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 may also receive input from an internal advisor appointed by the relevant institution.

Sanctions Board Members



Maria Vicien Milburn
Sanctions Board Chair
(World Bank)
Argentina, Spain



Rabab Yasseen
Member
(World Bank)
Switzerland



John R. Murphy
Member
(World Bank)
South Africa



Adedoyin Rhodes-Vivour
Member (IFC)
Nigeria

In FY22, the Sanctions Board welcomed a new Chair and filled the post vacated by Mr. Mark Kantor (term completed in 2021). As reflected here, the new Sanctions Board Chair is Ms. Maria Vicien Milburn, and the new member is Mr. Michael Ostrove.



Cavinder Bull
Member (IFC)
Singapore



Michael Ostrove
Member (MIGA)
France, United States



Eduardo Zuleta
Member (MIGA)
Colombia

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 within 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, the Philippines, Russia, and the United States. Members of the Secretariat have diverse experiences in WBG institutional administration and operations, U.S. 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 FY22 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 FY22, the Secretariat welcomed Mr. Edward Obinna Nwaba (United States).

What We Do

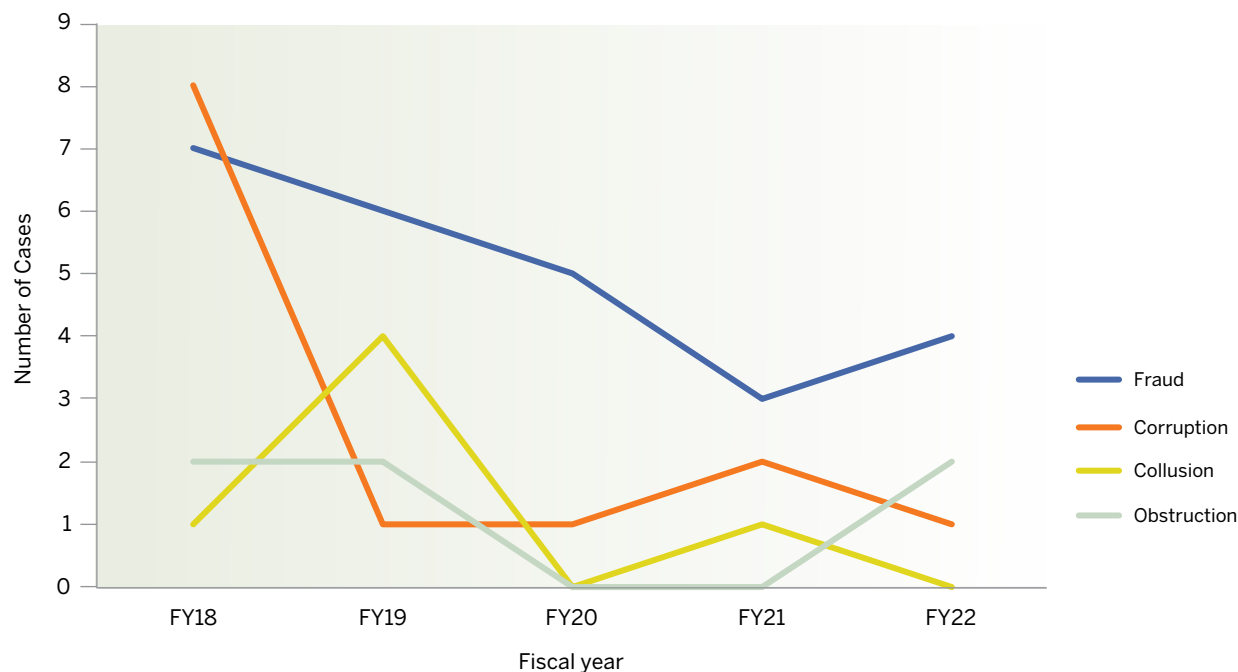
Review of Contested Sanctions

Cases

The Sanctions Board provides a full, fair, and independent review of all sanctions cases where the respondent contests the allegations made by INT and/or the sanction recommended by any of the WBG’s first-tier officers. In its review of contested sanctions cases, the Sanctions Board applies a “more likely than not” standard of proof. This 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 in which INT bears the initial burden of proof to present sufficient evidence of misconduct. Upon such a showing by INT,

33%
Proportion of respondents that contested cases to the Sanctions Board in FY22.

FIGURE 15: Trend in the Type of Misconduct Alleged in Cases Contested to the Sanctions Board (by Case) (FY18–FY22)



New Sanctions Board Chair and Member Profiles

MARIA VICIEN MILBURN, the new Sanctions Board Chair, has broad experience as a high-level international lawyer in the UN system—having served as General Counsel of UNESCO and as Director of the General Legal Division of the UN Legal Office, among other senior roles. Presently, Maria is a judge and arbitrator in the context of disputes of an international character. She has been appointed to serve on numerous international adjudicative bodies—including the Administrative Tribunals of the International Monetary Fund, the EBRD, and the IDB. In addition, Maria was designated on the list of panelists of the Dispute Settlement Body of the WTO.

What inspired you to serve on the Sanctions Board?

During my years as a senior legal advisor within the UN system, I provided advice on issues arising from alleged corruption in public procurement. In connection with the Oil-for-Food Programme, and after the issuance of the Independent Inquiry Report chaired by Paul Volcker, I was directly responsible for the UN's cooperative activities with national authorities prosecuting those who had allegedly engaged in corrupt practices under the auspices of the Programme. In these contexts, I witnessed the pervasiveness of the "cancer of corruption" and its deleterious effects on the UN system, Member States, and the delivery of public goods and services. This is a shocking problem with global reach and massive economic and social costs. Clearly, corruption is a major impediment to development. It diverts scarce development funds from those who most desperately need them—while illicitly enriching the corrupt actors. I have a visceral disdain for all forms corruption and firmly believe that no public money should ever be made available to sustain corrupt conduct. I see my work on the Sanctions Board as a continuation of my contributions to the fight against corruption that I began some decades ago at the UN. This is an important institution that provides a powerful platform—through its detailed public decisions—to signal to the world that we will fight corruption wherever we find it.

How does diversity impact the work of the Sanctions Board?

I must begin by saying that I am so delighted to have been nominated by the President of the Bank to serve as Sanctions Board Chair. I understand that I am the first woman to be elevated to this role since the Sanctions Board was fully constituted 15 years ago. While I would have hoped that a woman might have led this institution sooner, I applaud the President and the Board of Directors for showing their commitment to diversity. As a practicing international lawyer for over 40 years, I understand the importance of diversity—and I know so much more needs to be done on this front. During my UN service, I worked very hard to create a diverse environment, including by fighting to achieve a 50/50 balance of men and women lawyers in my office. I did this because I know that diverse and inclusive groups are more innovative and critical than their more homogenous counterparts. I have observed this first-hand with the Sanctions Board, which represents a wide diversity of nationalities, backgrounds, and experiences. We constantly challenge each other to see issues from all angles and perspectives in a way that I know results in nuanced, balanced, and judicious outcomes for the parties. Our diversity is among our greatest strengths.

MICHAEL OSTROVE, the Sanctions Board's newest member, is the Global Co-Chair of DLA Piper's International Arbitration group and a Vice-President of the ICC International Court of Arbitration. A member of both the Paris and New York bars, he has over 25 years' experience handling international arbitrations, public international law disputes, domestic litigation, and corruption investigations. Michael acts routinely for sovereign states, multinational corporations, international organizations, and individuals. His arbitrations have involved a variety of sectors, including mining, oil and gas, pharmaceuticals, infrastructure, agriculture, telecoms, and distribution. His litigation experience includes cases before national courts, the International Court of Justice, and the Court of Justice of the European Union. Michael teaches international arbitration at the University of Paris II. He is ranked by *Chambers* as a Global Market Leader for International Arbitration and has been repeatedly recognized by *Jeune Afrique* as among the most influential lawyers working in francophone Africa.

What inspired you to serve on the Sanctions Board?

I have seen how fraud and corruption undermine development. I have also seen the important role that the World Bank Group plays in ensuring development in accordance with the rule of law. I was definitely inspired by the opportunity to participate in an essential part of the World Bank Group's integrity system—one that at the same time ensures the fair treatment of all participants.

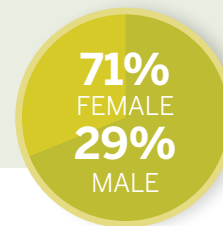
What lessons can the private sector learn from Sanctions Board precedent?

The transparency of the Sanctions Board system allows private sector actors to become more acutely aware of the many types of fraud, collusion, and corruption that can arise in Bank Group-supported transactions. This can allow the private sector not only to ensure that their compliance programs take into account the reality on the ground, but also to benefit from concrete examples of the consequences of compliance failures.



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

Sanctions Board Secretariat Staff & Consultants At-A-Glance



the burden of proof shifts to the respondent to show that INT’s allegations are not supported by a preponderance of the evidence.¹⁰ Between FY18–FY22, the Sanctions Board reviewed and decided 39 contested sanctions cases against 56 respondents.

The Sanctions Board hears cases *de novo*, which means that it reviews each case anew without deference to 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 written 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. As a result, the Sanctions Board may reach different con-

clusions on liability and appropriate sanctions as compared to the first-tier officers.

Among all cases contested during the FY18–FY22 period, the Sanctions Board held 98% of those respondents liable for alleged misconduct. For 2% 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.

In contested cases where the Sanctions Board reaches a finding of liability, it conducts an analysis of all relevant aggravating and mitigating factors in selecting the appropriate sanction. During the FY18–22 period, sanctions applied by the Sanctions Board “matched” those at the first tier in 9% of instances. For 54% of contesting respondents, the Sanctions Board applied a sanction that included a lesser period of minimum debarment. For 36% of contest-

ing respondents, the minimum debarment period imposed by the Sanctions Board was greater.¹¹ For the remaining 2% of respondents, as noted above, the Sanctions Board found insufficient evidence of misconduct and did not, therefore, impose any sanction. This variance in decision outcomes between the first tier and the Sanctions Board is reflective of a well-functioning quasi-adjudicative system where the second tier reviews an extended case record. 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. 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 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 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,¹² 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 informal. They 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. In certain circumstances, the Sanctions Board may call witnesses, who may be questioned only by Sanctions Board members. The parties do not have the right to directly question or cross-examine witnesses. 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.

Cases with oral hearing (FY22):

25%

Cases involving outside counsel: (FY22):

50%

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

In FY22, **6** firms and individuals were sanctioned by the Sanctions Board

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.

» Appeals of ICO determinations

» Appeals of settlement compliance determinations

» Appeals by designated successors and assigns

» Requests for reconsideration of Sanctions Board decisions

Vicarious Liability and the “Rogue Employee” Exception

As a rule, corporate respondents may be held vicariously liable for the acts of their owners, staff, and authorized representatives pursuant to the doctrine of respondeat superior. Under this standard, the Sanctions Board has consistently imposed sanctions against companies in cases where the culpable employees were acting within the course and scope of their employment and were motivated, at least in part, by a purpose to serve their employer. The relevant question here is not whether the misconduct was condoned by the employer, but whether it was a mode (albeit improper) to carry out the employee’s responsibilities. Accordingly, this doctrine does not require proof that the company specifically authorized, approved, or even knew of the misconduct by the employee. This notwithstanding, respondent firms may be exempted from liability where they can prove that the employee

in question acted in contravention of specific corporate policies (i.e., the “rogue employee” defense). Under Sanctions Board precedent, for this exception to apply, the record must show that the respondent firm had implemented internal controls reasonably sufficient to prevent or detect the sanctionable practices at issue; that the employee nevertheless evaded such controls; and that the respondent firm meaningfully disciplined the employee for the misconduct. Consistent with such standards, this year, the Sanctions Board rejected a respondent firm’s “rogue employee” defense in the case resolved by Decision No. 137 (discussed further below). Notably, while the Sanctions Board found that some internal controls were in place at the time of the misconduct, the record contained insufficient evidence showing that the respondent firm enforced them in a meaningful way.

FIGURE 16: Type of Sanctions Imposed on the Respondents by the Sanctions Board (FY18–FY22)

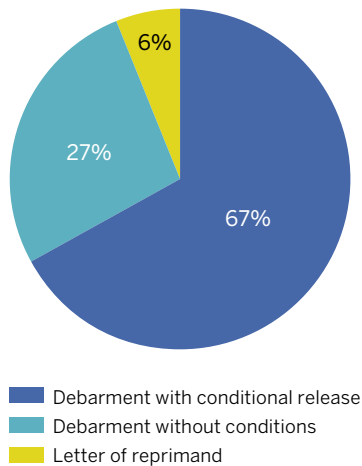
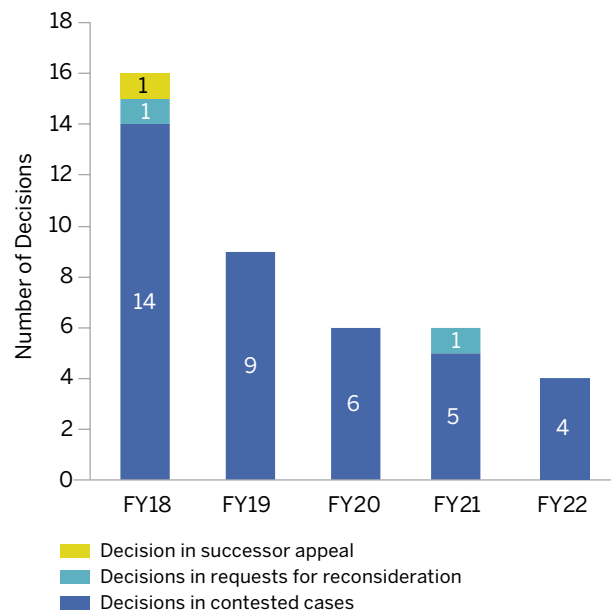


FIGURE 17: Number of Decisions Issued by the Sanctions Board (FY18–FY22)



* 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 FY18–FY22, the Sanctions Board issued a decision every 44.5 days, on average

Defining the Scope of Disclosure Obligations Related to Agents

Bidding documents for WBG-financed contracts generally require bidders to make an array of disclosures. Where a bidder fails to make a requisite disclosure, the bidder risks subjecting itself to possible sanctions for fraud. This year, the Sanctions Board resolved a dispute between INT and a respondent regarding the propriety of the respondent's non-disclosure of payments to a third party. In that case, resolved in Decision No. 136 (discussed further below), INT argued that the respondent engaged in fraud because he knowingly failed to disclose commissions paid to an agent in connection with the World Bank procurement process in question. The respondent argued, inter alia, that he did not consider the firm to be a "simple sales agent" requiring disclosure. In rejecting the respondent's defense, the Sanctions Board explicitly declined to adopt the narrow reading of the term "agent" implicit in the respondent's argument—observing that a key purpose of the disclo-

sure requirement established in the bidding documents is to "help reveal and deter potentially corrupt relationships in Bank-Financed Projects." Referencing its past precedent, the Sanctions Board further observed that "the risk of corrupt relationships arises not only when a principal-agent relationship exists between a bidder and a third party, but whenever a bidder pays a commission or gratuity to a third party in relation to the contract." The Sanctions Board noted that a narrow reading of the term "agent" would be inconsistent with this underlying purpose of the disclosure obligation. By clarifying the scope of the respondent's disclosure obligations, the Sanctions Board enhances the Bank's ability to scrutinize those who might participate in, or benefit from, Bank-financed projects—while at the same time transparently highlighting where non-disclosures may constitute a fraudulent practice.

Knowledge Sharing and Engagement with Stakeholders

In addition to resolving contested sanctions cases, the Sanctions Board recognizes the value of knowledge sharing and engagement with the global anticorruption community. To that end, this past year, the Sanctions Board and the Secretariat provided internal consultations to WBG management on the functioning of the WBG sanctions system, engaged in dialogue with peers at other international development organizations, and participated in public forums focused on the fight against corruption in development.

- **Publications in a leading industry forum**

Continuing its role as a thought leader among global anticorruption practitioners, the Secretariat authored timely pieces that were published on The FCPA Blog, a widely read international forum for commentary on anticorruption. In one piece, the Secretariat imagined hypothetical scenarios where a party requests that the Sanctions Board conduct an expedited review of a matter or grant provisional relief—even though the Sanctions Procedures do not explicitly contemplate such mechanisms. The Secretariat then discussed how the Sanctions Framework may already be flexible enough for the Sanc-

tions Board to entertain and resolve requests for interim expedited relief. In another piece, the Secretariat highlighted that the sanctions imposed by the Sanctions Board are fair and proportionate—focusing on instances where debarment may be appropriate for fraud.

- **Second MDB workshop between first-tier officers and appellate body secretariats**

The Secretariat organized, with OSD as its partner, the second MDB workshop between the first and second tiers of the sanctions systems at the AfDB, ADB, EBRD, IDB, and WBG. The workshop covered a range of areas of mutual interest and provided an opportunity for the world's major development institutions to learn from each other's experiences and practices. Discussion topics included additional areas for harmonization across the institutions, potential new signatories to the MDB Cross-Debarment Agreement, and imposition of permanent debarments on respondents.



- **IDB-hosted Conference of MDB Sanctions Appeals Bodies**

The Sanctions Board and Secretariat actively participated in the Conference of MDB Sanctions Appeals Bodies, which was hosted by the IDB this past year. Over the course of the two-day conference, participants engaged in active plenary and small group discussions, listened to expert lectures, and participated in mock deliberations. Among other topics, participants discussed expedited sanctions proceedings, extension of sanctions to affiliated companies of corporate groups, and trends in the selection of sanctions for misconduct. The conference also provided an opportunity for members of the various MDB Sanctions Appeals Bodies to informally network with each other and share case-related experiences.



- **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 Armenia, Colombia, Ecuador, Georgia, Lebanon, Liberia, Mexico, the Philippines, and the United States. The course, which sought to review WBG-specific measures against corruption in public procurement, forms part of a larger program focusing on anticorruption law and practice. This knowledge-building initiative brought together diverse participants from the Bank's anticorruption agenda, including colleagues from the Governance Global Practice, Operations, Procurement, INT, OSD, and the ICO.



- **Sanctions Board Newsletter**

In September 2021, the Secretariat launched its inaugural newsletter—"Sanctions Board Insights"—which the Secretariat plans to publish bi-annually going forward. This new publication provides readers with regular updates on Sanctions Board membership changes, key case statistics, and relevant sanctions policy developments. In addition, the newsletter features an overview of recently issued Sanctions Board decisions—setting out key findings and highlighting any particularly novel or interesting aspects of the cases. Subscribers can sign up for the newsletter at <https://www.worldbank.org/en/newsletter-subscription>.



- **ICC Sanctions Module**

On May 31, 2022, the Executive Secretary opened the International Chamber of Commerce (ICC) Institute of World Business Law's first online module of the newly established ICC Institute SME Lab on Compliance. In this online module, "Introduction to Trade Sanctions," the Executive Secretary aimed at providing guidance to small and medium enterprises by explaining the nature of economic sanctions and trade restrictions, examining their impacts on SMEs, and exploring practical ways to ensure compliance and mitigate risks.



Summary of Precedent in FY22

During FY22, the Sanctions Board issued four decisions (Sanctions Board Decisions No. 134–No. 137) arising from contested cases that were reviewed in Fall 2021 and Spring 2022. The cases were diverse in scope and involved allegations of fraud, corruption, and obstruction relating to contracts financed by IBRD, IDA, and the Strategic Climate Fund. The projects at issue sought to develop the financial capacity, health, infrastructure, and water sectors of several countries including Kenya, Romania, and Vietnam.

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 relating to personnel's experience and obstruction of a Bank audit:

DECISION NO. 134. In this decision, the Sanctions Board imposed sanctions of debarment with conditional release on two respondent firms, for a minimum period of six years each. The first firm was part of a joint venture that won three contracts financed by the Bank under the Project Preparation Technical Assistance Facility Project and the Da Nang Sustainable City Development Project in Vietnam. The second firm was named as a subcontractor or authorized representative of the first firm in each of these contracts.

Allegations, evidence, and findings: INT alleged that both respondents misrepresented the experience of key experts in two proposals and related contracts, and that the first firm obstructed a Bank audit by concealing evidence and imped-

ing INT's review of pertinent books and records. With respect to the first accusation, the respondents did not dispute the alleged misrepresentations, and the record reflected the involvement of both firms' staff in the preparation of the proposals. While the respondents denied acting with the requisite intent, testimonial and documentary evidence indicated that the second firm's staff knowingly included false information in the proposals; and that the first firm's staff acted at least recklessly in certifying the authenticity of the information in question without any verification or oversight and in submitting the proposals to the relevant government agency. With respect to the obstruction accusation, the first firm argued that it did not refuse INT's audit, but rather was unable to locate or produce documents that were not in its possession. However, the record showed that the first firm's representatives intended to impede the audit, including by producing incomplete materials despite INT's detailed requests, failing to cooperate during interviews, and concealing material evidence. The Sanctions Board found both respondents liable for fraudulent practices, and the first firm liable for an obstructive practice.

Sanctioning analysis: In its sanctioning analysis, the Sanctions Board applied aggravation for both respondents' repeated pattern of misrepresentations and lack of candor in the proceedings. The Sanctions Board applied additional aggravation for the severity of the second firm's involvement in the fraudulent practices (central role, participation of senior management, mode of misconduct) and for the first firm's interference with the Bank's audit. The Sanctions Board granted both respondents some mitigation for the passage of time since the misconduct. The Sanctions Board declined to apply any credit for asserted factors that were either unsupported by the record (minor role, internal action, cessation of misconduct, cooperation, compliance program, changes in management) or unrelated to the respondents' culpability or responsibility for the misconduct (absence of harm or history of misconduct).

Fraudulent misrepresentation for failure to disclose subcontractors and obstruction of a Bank investigation:

DECISION NO. 135. In this decision, the Sanctions Board imposed a sanction of debarment with conditional release for a minimum period of six years and six months on the respondent firm. The respondent won a contract to build three primary schools under the Mekong Delta Region Urban Upgrading Project in Vietnam.

Allegations, evidence, and findings: INT alleged that the respondent failed to disclose certain subcontractors during the implementation of the contract and also impeded a

Bank investigation, including by making false statements and submitting forged evidence to INT's investigators. Testimonial and documentary evidence revealed that, contrary to express contractual provisions, the respondent engaged several subcontractors without seeking or obtaining proper authorization; and made concerted efforts to conceal or disguise the true nature of these relationships from the relevant authorities, including by mischaracterizing the subcontractors as suppliers. The respondent argued that this subcontracting was public and that the relevant authorities were involved in this arrangement, including by instructing the respondent to hire specific subcontractors and by assisting the respondent in settling disputes with the companies in question. The Sanctions Board was not persuaded by this defense, seeing no evidence that the relevant authorities had any knowledge of the subcontractors prior to their engagement. In addition, the record showed that, during interviews with INT, the respondent's staff misrepresented the respondent's relationship to one of the subcontractors, by claiming that the subcontractor's owner was the respondent's employee. Evidence also revealed that the respondent produced forged employment records to support such false claims, and attempted to induce the subcontractor's owner to fabricate additional documents for submission to INT. The Sanctions Board found the respondent liable for fraudulent and obstructive practices.

Sanctioning analysis: In its sanctioning analysis, the Sanctions Board applied aggravation for the sophisticated nature of the misconduct and for the involvement of the respondent's senior personnel. Considering the finding of obstruction, the Sanctions Board declined to grant any mitigation for the respondent's cooperation.

Corruption and fraudulent misrepresentation for failure to disclose payments to an agent:

DECISION NO. 136. In this decision, the Sanctions Board imposed a sanction of debarment for a period of two years on a respondent individual. The respondent was the managing director of a company that won a Bank-financed contract under the Avian Influenza Control and Human Pandemic Preparedness and Response Project in Romania.

Allegations, evidence, and findings: INT alleged that the respondent made a corrupt payment to a Bank consultant through an intermediary, in order to influence the award of the relevant contract. INT also alleged that the respondent failed to disclose commissions to an agent in his company's bid. With respect to the first accusation, the respondent admitted to paying a percentage of the contract to an intermediary but denied being aware that any amounts would be

transferred to the Bank consultant. However, the respondent himself had stated during INT's investigation that the purpose of the payment was to ensure that the Bank consultant would not cause undue delays in the procurement process. In addition, the Sanctions Board concluded that the circumstances of the payment, including its close time proximity to the signature of the contract, further demonstrated the respondent's corrupt intent. With respect to the second accusation, the respondent conceded that his company had paid a commission to a third party and that he signed the company's bid without disclosing this information. Nevertheless, the respondent argued that this payment was not subject to disclosure because the third party did not act as his company's agent. The Sanctions Board rejected this defense, noting that the respondent's reading of the term "agent" was too narrow and that, in any case, the applicable disclosure requirements comprised payments to any firms or individuals. With respect to both accusations, the respondent raised that he, his company, and others had been exonerated in national legal proceedings relating to the same facts. The Sanctions Board was unpersuaded, noting that national law standards and judgments are not binding on the Bank. The Sanctions Board found the respondent liable for corrupt and fraudulent practices.

Sanctioning analysis: In its sanctioning analysis, the Sanctions Board applied aggravation based on the respondent's sophisticated means of misconduct, and mitigation for the significant passage of time since the relevant events. The Sanctions Board declined to apply aggravation for repetition, management's role, involvement of a public official, and lack of candor.

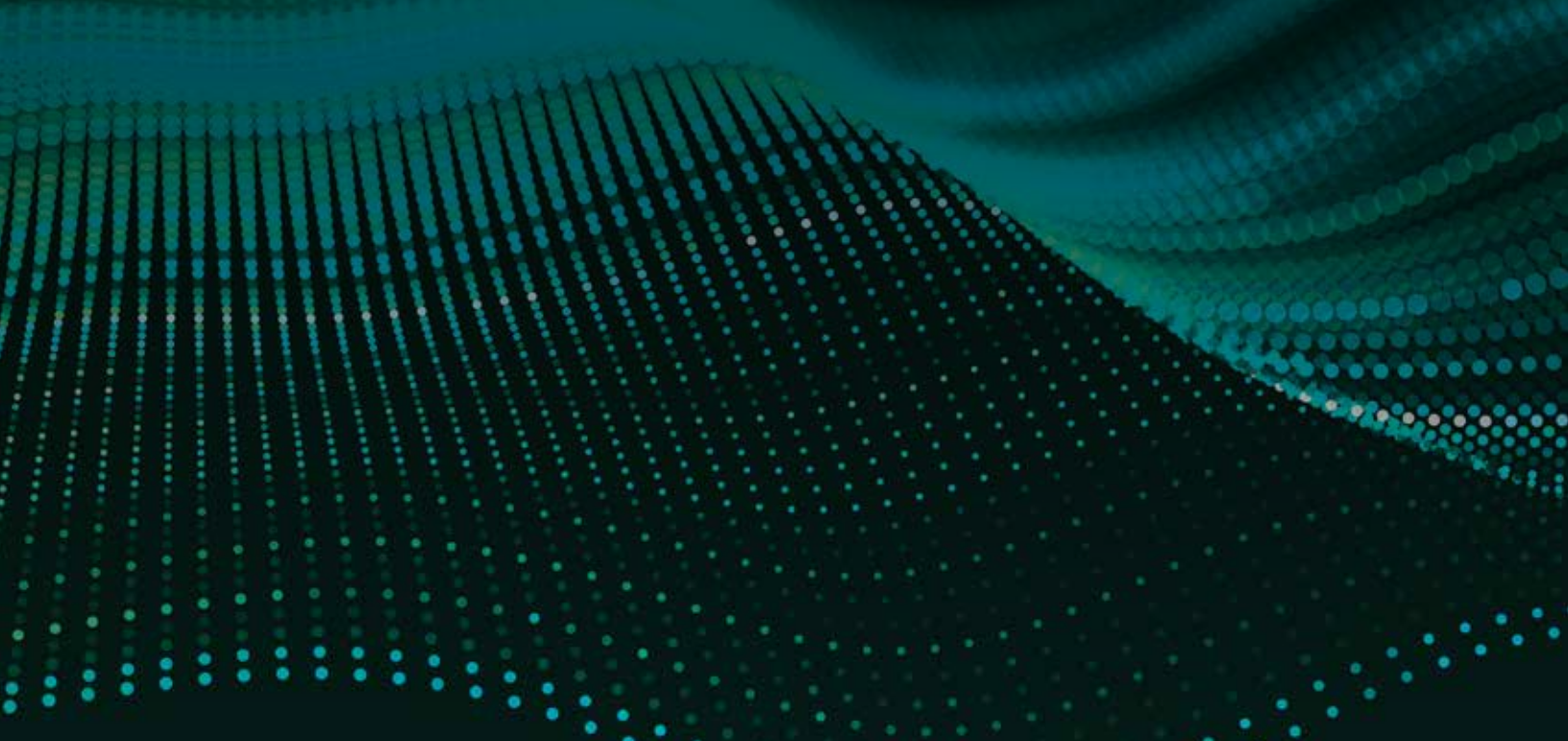
Fraudulent misrepresentations for failure to disclose payments to an agent and for submission of forged documents:

DECISION NO. 137. In this decision, the Sanctions Board imposed sanctions of debarment with conditional release on a company and its managing director, with minimum periods of ineligibility of three years for the former and one year and six months for the latter. The respondent firm was part of a joint venture that submitted six bids and won two contracts under the Electricity Modernization Project in Kenya.

Allegations, evidence, and findings: INT alleged that, in connection with the joint venture's bids, the respondents failed to disclose commissions to a consultant and submitted forged documents relating to the respondent firm's finances and experience. The respondents admitted to these misrepresentations but claimed no intent to mislead.

Instead, the respondents asserted that the consultant and a former employee had prepared the bids and engaged in the misrepresentations in question, in violation of clear instructions and company policy. The respondents further argued that the respondent individual had relied on the work of the consultant and former employee and signed the documents without any supervision or verification. However, the totality of the evidence, particularly considering the circumstances and nature of the misrepresentations, indicated that the respondents intended to mislead the relevant authorities. For example, the respondents signed the consultancy agreement and made the undisclosed payment in close time proximity to the submission of the bids—indicating knowledge of the fraudulent omission. Alternatively, documents showed that the respondent firm had previously identified the risk that the consultant might make misrepresentations on the respondent firm's behalf, yet the respondents admittedly failed to implement any controls to mitigate this risk—indicating at least recklessness. The respondents also argued that the respondent firm was responsible neither for the acts of the consultant, who was an independent contractor, or for those of the former employee, who purportedly acted as a rogue employee. The Sanctions Board found the respondent firm responsible for the acts of its employees and explicitly rejected the rogue employee defense, observing that the respondent firm failed to show that it had effectively implemented existing controls in place at the time of the misconduct. In light of these findings, the Sanctions Board declined to consider arguments based on the acts of the consultant. The Sanctions Board found the respondent firm liable for all misrepresentations, and the respondent individual liable for the failure to disclose the payment to the consultant.

Sanctioning analysis: In its sanctioning analysis, the Sanctions Board applied aggravation for the severity of the respondent firm's conduct (repetition, management's role). The Sanctions Board applied varying levels of mitigation for the respondent's various corrective measures (internal action against responsible individuals, effective compliance program), cooperation (assistance and/or ongoing cooperation, internal investigation, voluntary restraint), and the passage of time since the misconduct. The Sanctions Board declined to grant any mitigating credit for asserted factors that were not supported by the record (minor role), were redundant with other mitigating factors (cessation of misconduct, voluntary disclosure), or were not related to the respondents' culpability or responsibility for the sanctionable practices at issue (project completion).



Annexes

FISCAL YEAR 2022 SANCTIONS SYSTEM DATA

A. Investigations Overview

EXTERNAL INVESTIGATION CASES BY ALLEGATION, FY18–FY22

	FRAUD	CORRUPTION	COLLUSION	COERCION	OBSTRUCTION	TOTAL
Active at End of FY22	72	51	39	4	0	94
%	77%	54%	41%	4%	0%	
Opened in FY22	41	19	16	1	0	48
%	85%	40%	33%	2%	0%	
Completed in FY22	21	14	9	0	0	30
%	70%	47%	30%	0%	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%	

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 number of cases in the Total column.

INTERNAL INVESTIGATION CASES, FY22

	STAFF	VENDOR	TOTAL
Carried over from FY21	14	7	21
Opened	14	12	26
Total	28	19	47
Closed	21	7	28
<i>Substantiated</i>	1	3	4
<i>Unsubstantiated</i>	18	2	20
<i>Unfounded</i>	2	2	4
Ending caseload	7	12	19

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 or corporate vendor.

OVERVIEW OF INTERNAL INVESTIGATION OUTCOMES, FY18–FY22

	FY18	FY19	FY20	FY21	FY22
Cases					
<i>Substantiated</i>	11	10	7	8	4
<i>Unsubstantiated</i>	15	8	17	24	20
<i>Unfounded</i>	3	5	10	3	4
<i>Referred</i>	0	5	14	3	0
<i>Other</i>	1	1	0	0	0
Closed	30	29	48	38	28
Complaints Referred (Not Investigated)	46	31	27	57	55

Notes: **Referred** case: A determination that the case involved issues more suitably addressed by other venues within the WBG (e.g., EBC, HR, SPADR). **Complaints Referred (Not Investigated)**: Complaints involving issues not within INT's investigative mandate were referred to other appropriate venues within the WBG for intervention.

B. Sanctions System and Results

SANCTIONS CASES, FY18–FY22

	FY18	FY19	FY20	FY21	FY22	5 YEAR TOTAL
Sanctions Cases Submitted to SDO/EO by INT	28	37	26	17	18	126
SDO/EO Initial Review Completed	27	36	29	20	15	127
Sanctions Cases Issued by SDO/EO to Respondents	29	30	30	17	14	120

SETTLEMENT AGREEMENTS, FY18–FY22

	FY18	FY19	FY20	FY21	FY22	5 YEAR TOTAL
Settlement Agreements Submitted to SDO/EO by INT	23*	16	22	18	15**	94
SDO/EO Review Completed	27*	16	22	18	15**	98

SANCTIONS RESULTS, FY18–FY22

	FY18	FY19	FY20	FY21	FY22	5 YEAR TOTAL
Firms and Individuals Temporarily Suspended	40	34	38	23	20	155
Sanctions Imposed Pursuant to SDO Determinations	24	19	19	29	11	102
Sanctions Imposed Pursuant to SB Decisions	20	14	7	8	6	55
Sanctions Imposed Pursuant to Settlement Agreements	39*	20	23	20	18**	120

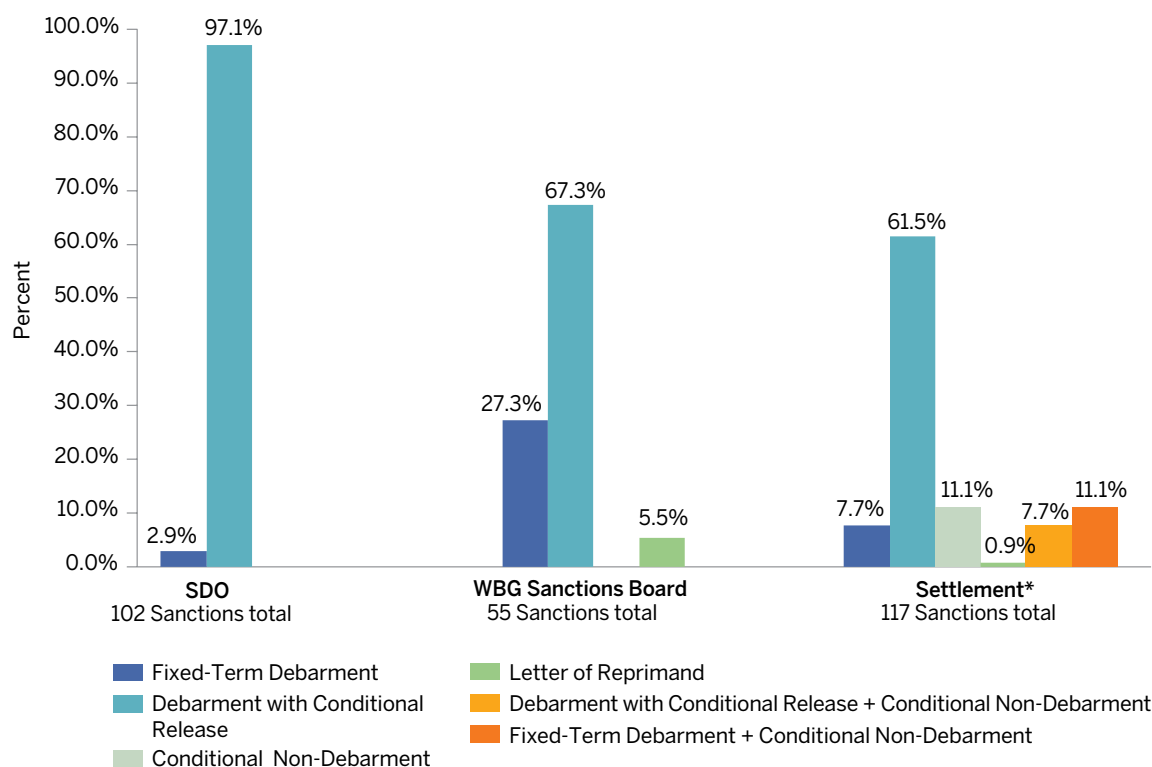
Notes:

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

**In FY22, the IFC EO reviewed three settlement agreements entered into between the WBG and three respondents.

SANCTIONS IMPOSED, FY18–FY22

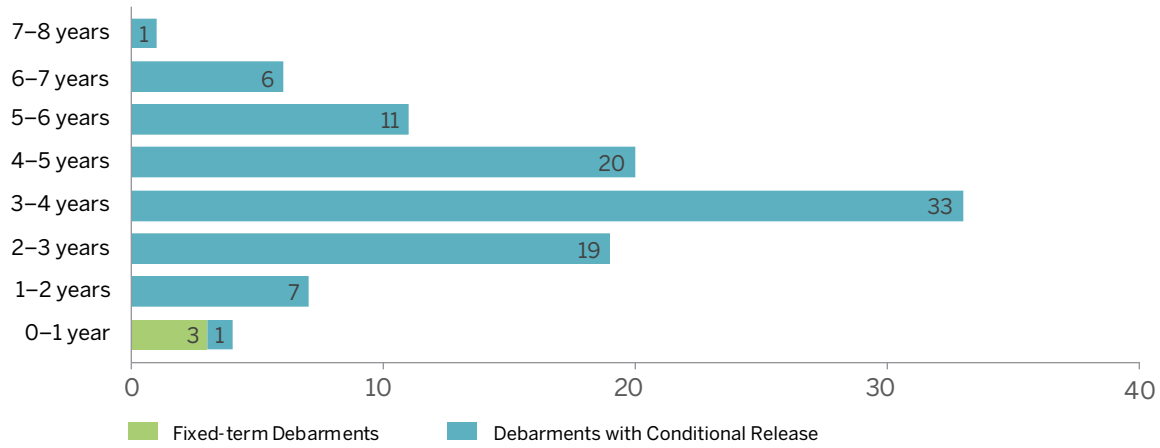
Type of Sanctions Imposed by the SDO, the WBG Sanctions Board, and Pursuant to Settlement
(Total of 274 Sanctions Imposed) (FY18–FY22)



Note: * Includes one settlement agreement that the World Bank entered into with three respondents in FY18, and three settlement agreements that the World Bank entered into with three respondents in FY22, in connection with IFC operations.

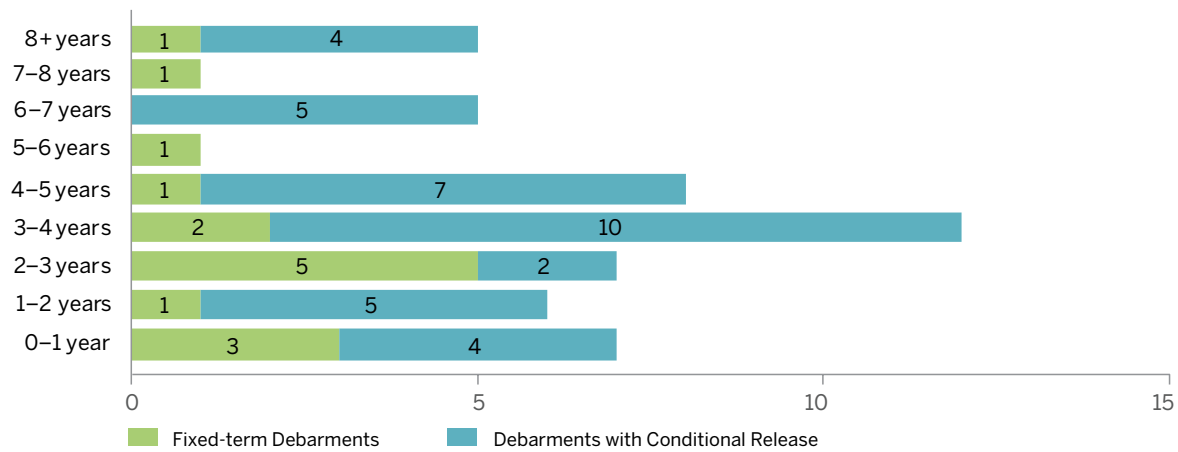
LENGTH AND TYPE OF DEBARMENTS IMPOSED BY THE SDO*

(Total of 102 Debarments) (FY18–FY22)



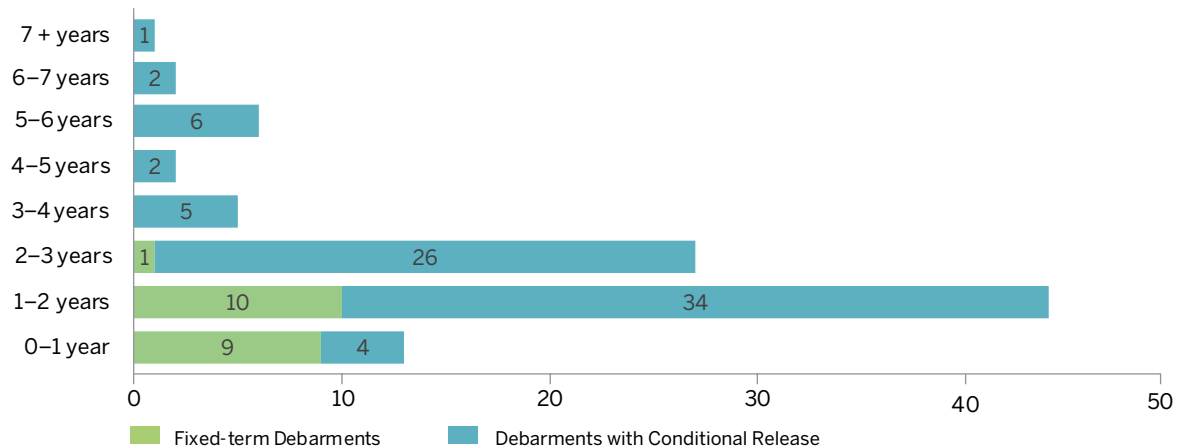
LENGTH AND TYPE OF DEBARMENTS IMPOSED BY THE WBG SANCTIONS BOARD, FY18-FY22*

(Total of 52 Debarments; Excludes 3 Non-Debarment Sanctions)



LENGTH AND TYPE OF DEBARMENTS IMPOSED VIA SETTLEMENT, FY18-FY22*

(Total of 100 Debarments; Excludes 14 Non-Debarment Sanctions)



Note: *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

FIRMS/INDIVIDUALS DEBARRED IN FY22

*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	SDO Uncontested Determination	Technique Import Export Joint Stock Company	Vietnam	Vietnam	Collusion	5 years
2	Settlement Agreement	Newstech Vietnam Trading and Investment Construction Joint Stock Company	Vietnam	Vietnam	Fraud	2 years, 6 months
3	Settlement Agreement	Mr. Salihu Shehu Ahmad Tijani	Nigeria	Nigeria	Corruption	3 years, 2 months
4	Settlement Agreement	Africa Development Professional Group Ltd.	Kenya	Somalia	Fraud	1 year, 9 months
5	Sanctions Board Decision	TPF Getinsa Euroestudios S.L.	Spain	Vietnam	Fraud and Obstruction	6 years
6	Sanctions Board Decision	Getinsa Ingeniería Vietnam Co. Ltd.	Vietnam	Vietnam	Fraud	6 years
7	Sanctions Board Decision	Thai Son Traffic Work Construction JSC	Vietnam	Vietnam	Fraud and Obstruction	6 years, 6 months
8	Settlement Agreement	Ramky Enviro Engineers Limited	India	India	Fraud	1 year, 8 months
9	Settlement Agreement	Mr. M. Goutham Reddy	India	India	Fraud	1 year, 8 months
10	SDO Uncontested Determination	"KogonNefteGazEnergo-Service" LLC	Uzbekistan	Uzbekistan	Fraud	3 years
11	SDO Uncontested Determination	JV "KogonRemStroy-Komplekt"	Uzbekistan	Uzbekistan	Fraud	2 years, 10 months
12	SDO Uncontested Determination	PT. Tirta Wijaya Karya	Indonesia	Indonesia	Fraud (in the form of collusion)	1 year, 7 months
13	SDO Uncontested Determination	PT. Karuniaguna Intisemesta	Indonesia	Indonesia	Fraud (in the form of collusion)	2 years
14	SDO Uncontested Determination	Alyans Beton Limited Liability Company	Azerbaijan	Uzbekistan	Fraud	6 years
15	SDO Uncontested Determination	Mr. Ramil Bahadir Oğlu Aliyev	Azerbaijan	Uzbekistan	Fraud	5 years
16	Sanctions Board Decision	Mr. Herbert Untersteiner	Austria	Romania	Corruption and Fraud	2 years
17	Settlement Agreement*	Colas Madagascar S.A.	Madagascar	Madagascar	Collusion and Fraud	2 years
18	Settlement Agreement*	ADP International S.A.	France	Madagascar	Collusion and Fraud	1 year**then CND for 1 year
19	Settlement Agreement	AIM Consultants Limited	Nigeria	Nigeria	Corruption	2 years, 10 months
20	Settlement Agreement	Engr. Amin Moussalli	Nigeria	Nigeria	Corruption	2 years, 10 months***then CND for 1 year, 6 months

continued

FIRMS/INDIVIDUALS DEBARRED IN FY22, continued

	SANCTIONED PURSUANT TO	FIRM/INDIVIDUAL NAME	COUNTRY OF RESPONDENT	PROJECT COUNTRY	GROUND FOR DEBARMENT	LENGTH OF DEBARMENT
21	Settlement Agreement	SoftTech IT Solutions and Services Ltd.	Nigeria	Nigeria	Corruption	4 years, 2 months
22	Settlement Agreement	Mr. Isah Salihu Kantigi	Nigeria	Nigeria	Corruption	5 years
23	SDO Uncontested Determination	Dena Rahsaz Construction Co. CJSC	Iran	Kazakhstan	Fraud	3 years, 4 months
24	Settlement Agreement	Mr. Dicliah Taureka	Papua New Guinea	Papua New Guinea	Collusion and Fraud	3 years
25	Settlement Agreement	Voith Hydro GmbH & Co. KG	Germany	Congo, Dem. Rep.; Pakistan	Collusion	1 year, 3 months**then CND for 6 months
26	Settlement Agreement	Voith Hydro Shanghai Ltd.	China	Pakistan	Collusion and Corruption	2 years, 10 months**then CND for 6 months
27	SDO Uncontested Determination	"Supper Fortuna" LLC	Uzbekistan	Uzbekistan	Fraud	2 years, 5 months
28	SDO Uncontested Determination	Links Allen SARL	Congo, Dem. Rep.	Congo, Dem. Rep.	Fraud	3 years, 9 months
29	Settlement Agreement	Centre for Training and Consultancy	Georgia	Georgia	Fraud	1 year, 6 months
30	SDO Uncontested Determination	NiemTin Company Limited	Vietnam	Vietnam	Fraud	2 years, 10 months
31	Sanctions Board Decision	Lukenya Greens Limited	Kenya	Kenya	Fraud	3 years
32	Sanctions Board Decision	Mr. Martin Kuria Kibaara	Kenya	Kenya	Fraud	1 year, 6 months

OTHER SANCTIONS IMPOSED IN FY22

*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 FOR SANCTION	SANCTION IMPOSED
1	Settlement Agreement	Bouygues Bâtiment International	France	Madagascar	Collusion	CND for 1 year
2	Settlement Agreement	Tetra Tech International Development B.V.	Netherlands	Somalia	Fraud	CND for 1 year, 3 months
3	Settlement Agreement	Voith Hydro Holding GmbH & Co. KG	Germany	Pakistan	Failure to supervise controlled affiliates	CND for 1 year, 9 months

CROSS-DEBARMENTS RECOGNIZED BY THE WORLD BANK GROUP IN FY22

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

	FIRM/INDIVIDUAL NAME	COUNTRY	GROUND FOR DEBARMENT	LENGTH OF DEBARMENT
1	Tuan Hung Ltd.	Vietnam	Cross Debarment: ADB	5 years
2	Mr. Luu Duc Tuan	Vietnam	Cross Debarment: ADB	5 years
3	Aqua RIL S.A.C.	Peru	Cross Debarment: IDB	3 years
4	Pedro Alejandro Egusquiza Melendez	Peru	Cross Debarment: IDB	3 years
5	Sargittarius Nigeria Limited	Nigeria	Cross Debarment: AfDB	2 years, 6 months
6	Sargittarius Henan Water Conservancy Engineering Ltd	Nigeria	Cross Debarment: AfDB	2 years, 6 months
7	Empresa Constructora Gami S.R.L.	Bolivia	Cross Debarment: IDB	3 years
8	Félix Espinoza Martínez	Bolivia	Cross Debarment: IDB	3 years
9	Gonzalo Darwin Espinoza Guerrero	Bolivia	Cross Debarment: IDB	3 years
10	Marvin Deheri Espinoza Guerrero	Bolivia	Cross Debarment: IDB	3 years
11	Ivanof Said Espinoza Guerrero	Bolivia	Cross Debarment: IDB	3 years
12	Noah Rosenkrantz	Canada	Cross Debarment: IDB	8 years
13	Christopher Thibedeau	United States	Cross Debarment: IDB	4 years
14	TTEK Inc.	Barbados	Cross Debarment: IDB	4 years
15	Sino-Kenya Engineering Group Company Limited	Kenya	Cross Debarment: AfDB	3 years
16	Mr. Yuehua Bai	Kenya	Cross Debarment: AfDB	3 years
17	Asesores Bypsa	Venezuela	Cross Debarment: IDB	10 years
18	BFG Consulting Limited	British Virgin Islands	Cross Debarment: IDB	10 years
19	Digimax Services Limited	Hong Kong SAR, China	Cross Debarment: IDB	10 years
20	Orange Capital Limited	Hong Kong SAR, China	Cross Debarment: IDB	10 years
21	Ademhan Makine Tarim Insaat Gida Nakliyat Ithalat Ihracaat Sanayi Ve Ticaret Limited Sirketi	Türkiye	Cross Debarment: ADB	3 years, 6 months
22	Mr. Abdulhamit Ademhan	Türkiye	Cross Debarment: ADB	3 years, 6 months
23	Mr. Agus Bastoni	Indonesia	Cross Debarment: ADB	Indefinite
24	Mediredes S.A.S. o Gestión y Proyectos Construcciones Group S.A.S.	Colombia	Cross Debarment: IDB	14 years
25	Harry Villalobos Tejada	Colombia	Cross Debarment: IDB	14 years
26	Omar Enrique Álvarez Escorcía	Colombia	Cross Debarment: IDB	9 years
27	Christiam Andrés Navarro Guarín	Colombia	Cross Debarment: IDB	3 years
28	Profinco Ltda.	Colombia	Cross Debarment: IDB	3 years
29	Armando Gómez Monsalve	Colombia	Cross Debarment: IDB	3 years
30	Ingenieros Consultores y Asesores Técnicos Sociedad de Responsabilidad Limitada de Capital Variable	Honduras	Cross Debarment: IDB	12 years
31	Walterio Romero Valladares	Honduras	Cross Debarment: IDB	12 years
32	Tractebel Engineering S.A.	Belgium	Cross Debarment: IDB	3 years, 10 months
33	Sami Kunkar Kafatti	Honduras	Cross Debarment: IDB	3 years
34	Constructora Santa Helena S.A. (Kundera)	Honduras	Cross Debarment: IDB	3 years
35	Allan Fabricio Fiallos Williams	Honduras	Cross Debarment: IDB	3 years
36	Proyecto de Ingeniería Centro Americana S. de R.L.	Honduras	Cross Debarment: IDB	3 years

continued

CROSS-DEBARMENTS RECOGNIZED BY THE WORLD BANK GROUP IN FY22, continued

	FIRM/INDIVIDUAL NAME	COUNTRY	GROUNDS FOR DEBARMENT	LENGTH OF DEBARMENT
37	Elsa Marina Rodríguez Teruel	Honduras	Cross Debarment: IDB	3 years
38	Enorey International Brasil Consultoria Ltda. (Quanam Brazil)	Brazil	Cross Debarment: IDB	3 years
39	Fabricio Silveira Alvez	Brazil	Cross Debarment: IDB	3 years
40	Sacha Breckenfeld Reck	Brazil	Cross Debarment: IDB	8 years
41	Weihai Construction Group Co., Ltd.	China	Cross Debarment: AfDB	2 years, 11 months
42	Freddy Conrado Osorio Zepeda	Honduras	Cross Debarment: IDB	3 years
43	Mactebac Contractors Limited	Kenya	Cross Debarment: AfDB	3 years
44	Mr. Joram Opala Otieno	Kenya	Cross Debarment: AfDB	3 years
45	Express Automation Limited	Kenya	Cross Debarment: AfDB	3 years
46	Mr. Robert Kamau Wachira	Kenya	Cross Debarment: AfDB	1 year, 6 months
47	Rockey Africa Limited	Kenya	Cross Debarment: AfDB	2 years
48	China CAMC Engineering Co., Ltd.	China	Cross Debarment: ADB	5 years
49	CP Power East Africa Limited	Kenya	Cross Debarment: ADB	2 years
50	Mr. Dawit Wondwossen	Kenya	Cross Debarment: ADB	2 years
51	CP Power East Africa Limited	Kenya	Cross Debarment: AfDB	4 years
52	Mr. Dawit Wondwossen	Kenya	Cross Debarment: AfDB	4 years
53	Pau Llopart Vidal	Spain	Cross Debarment: IDB	10 years
54	Javier Olcina Feliú	Spain	Cross Debarment: IDB	9 years
55	Pro-Immables S.L.	Spain	Cross Debarment: IDB	10 years
56	Ulife América Central S.A.	Panama	Cross Debarment: IDB	8 years
57	Bienes Raíces y Construcciones Nostrot S.A.	Panama	Cross Debarment: IDB	9 years
58	Logitrans Logística Engenharia e Transportes Ltda.	Brazil	Cross Debarment: IDB	6 years
59	Antonio Carlos Marchezetti	Brazil	Cross Debarment: IDB	6 years
60	Mr. Mohan Krishnan Poduval	Malaysia	Cross Debarment: ADB	Indefinite
61	Construtora COESA S.A.	Brazil	Cross Debarment: IDB	3 years
62	Liberty Construction Limited	Uganda	Cross Debarment: AfDB	3 years
63	Mr. Edmund Mabiho	Uganda	Cross Debarment: AfDB	3 years
64	Mr. Ben David Etcheverry Ergueta	Bolivia	Cross Debarment: IDB	6 years
65	Mr. KimChhean Yim	Cambodia	Cross Debarment: ADB	Indefinite
66	Project Consult Institute PCI Co., Ltd.	Cambodia	Cross Debarment: ADB	Indefinite
67	Pyramid E&C Co. Ltd.	Cambodia	Cross Debarment: ADB	Indefinite
68	Branch of Canada Construction Cooperation Limited	Cambodia	Cross Debarment: ADB	Indefinite
69	Branch of Royal Road Limited	Cambodia	Cross Debarment: ADB	Indefinite
70	Asian Technical Assistance Co., Ltd.	Cambodia	Cross Debarment: ADB	Indefinite
71	M.N. Mallick & Company	Bangladesh	Cross Debarment: ADB	4 years
72	Mr. Mahabub Alam Mallick	Bangladesh	Cross Debarment: ADB	4 years

VENDORS DECLARED INELIGIBLE IN FY22¹³

	VENDOR NAME	COUNTRY	GROUNDS FOR INELIGIBILITY	LENGTH OF INELIGIBILITY
1	Comsis IT Solutions Services	Afghanistan	Engaged in fraudulent and collusive practices to improperly secure business from the Bank	5 years

D. Referrals Overview

REFERRALS MADE IN FY22

	DATE OF REFERRAL	REFERRAL RECIPIENT	NATURE OF MISCONDUCT	PROJECT
1	Aug-21-2021	Bangladesh	Fraud & Corruption	Chittagong Water Supply Improvement and Sanitation Project
2	Dec-15-2021	French Ministry of Economy	Fraud & Corruption	Hanoi Urban Transport Development Project
3	Dec-15-2021	French Ministry of Economy	Fraud, Corruption & Collusion	Río Bogotá Environmental Recuperation and Flood Control Project
4	Dec-16-2021	French Ministry of Justice	Fraud, Corruption & Collusion	Río Bogotá Environmental Recuperation and Flood Control Project
5	Dec-16-2021	French Ministry of Justice	Fraud & Corruption	Hanoi Urban Transport Development Project

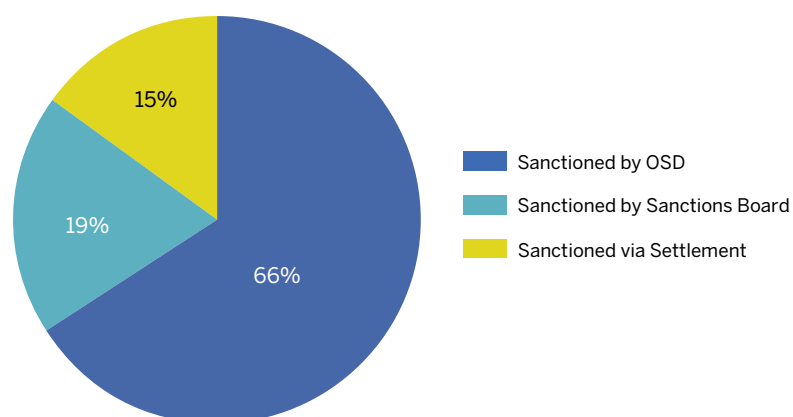
E. Integrity Compliance Overview

Note: 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.

INTEGRITY COMPLIANCE DATA, FY21–FY22

	FY21	FY22
Entities sanctioned with conditional release (as at the end of the fiscal year)	400	406
Entities actively engaged with the ICO (as at the end of the fiscal year)	72	59
Notifications to newly sanctioned entities	58	33
Interim Notifications to sanctioned entities ¹⁴	—	62
Entities whose sanctions were continued	29	36
Entities released from sanction	30	22
Entities whose sanctions were converted	2	1
Debarment with conditional release to conditional non-debarment	2	1
Conditional non-debarment to debarment with conditional release	0	0

FIRMS AND INDIVIDUALS RELEASED FROM WBG SANCTIONS UPON SATISFACTION OF COMPLIANCE CONDITIONS, BY SOURCE OF ORIGINAL SANCTION, FY18–FY22



FIRMS/INDIVIDUALS RELEASED FROM WBG SANCTION UPON SATISFACTION OF COMPLIANCE CONDITIONS, FY22

* Affiliates of released firms/individuals

	SANCTIONED PURSUANT TO	FIRM/INDIVIDUAL NAME	COUNTRY	DATE OF RELEASE
1	SDO determination	Fujian Lugang (Group) Corporation Ltd.	China	8-Jul-21
2	Settlement	SAI Consulting Engineering Limited (Systra)	India	9-Jul-21
3	Sanctions Board Decision	Joca Ingeniería y Construcciones, S.A.	Spain	14-Jul-21
4	Settlement	Golden Maritime Technology	Bangladesh	16-Aug-21
5	Settlement	Jalal Ali Hussein Hatim Alhudiqi	Yemen, Rep.	20-Aug-21
6	Settlement	Rowad Al-Yemen for Contracting Architectural and Construction	Yemen, Rep.	20-Aug-21
7	Settlement	China Railway First Group Co. Ltd.	China	17-Sep-21
8	Settlement	Ms. Josephine Namaganda	Uganda	18-Nov-21
9	Sanctions Board Decision	Quick Projects Limited	Nigeria	22-Nov-21
10	Sanctions Board Decision	Mr. Elie Abou Ghazaleh	Nigeria	2-Dec-21
11	Sanctions Board Decision	Mr. Fadi Abou Ghazaleh	Nigeria	2-Dec-21
12	Sanctions Board Decision	Abou Ghazaleh Contracting Nigeria Ltd.	Nigeria	2-Dec-21
13	Settlement	Ingeniería Especializada Obra Civil e Industrial S.A.U. (formerly Acciona Ingeniería S.A.)	Spain	10-Jan-22
14	Settlement	CNO S.A. (formerly Constructora Noberto Odebrecht S.A.)*	Brazil	28-Jan-22
15	Settlement	China Railway Construction Corporation Limited China Railway Construction Corporation (International) Limited China Railway 23rd Bureau Group	China	4-Mar-22
16	Settlement	Kalpataru Power Transmission Ltd	India	8-Mar-22
17	Sanctions Board Decision	Aktor Technical Société Anonyme	Greece	15-Mar-22
18	Settlement	Ferrostaal Oil & Gas GmbH	Germany	23-Mar-22
19	Settlement	China National Electric Engineering Co., Ltd.	China	27-Apr-22
20	Settlement	China Electric Design and Research Institute Co., Ltd.	China	27-Apr-22
21	Sanctions Board Decision	Angelique International Limited	India	18-Jun-22
22	Settlement	Mr. Francisco Ayala**	Ecuador	30-Jun-22

Notes:

* Several related entities remain cross-debarred via a sanction imposed by the Inter-American Development Bank.

** Two affiliates of Mr. Ayala (Ayala Consulting Cia Ltda. and Soproen Corp.) separately remain on the WBG List of Non-Responsible

Endnotes

1. 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.
2. 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>).
3. To date since the two-tier system's implementation in 2007, the IFC EO has reviewed three sanctions cases and four settlements; all remaining cases have been resolved by the SDO.
4. 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.
5. 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.
6. 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."
7. 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.
8. CNO and certain of its affiliates remain cross-debarred, however, pursuant to a separate settlement agreement between Novonor and the Inter-American Development Bank.
9. Details can be viewed at OEC's integrity website: <https://www.oec-eng.com/en/who-we-are/integrity>.
10. 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>
11. In each contested case, the Sanctions Board considers the respondent's period of temporary suspension in determining any sanction.
12. As determined by the WBG.
13. One of the vendor cases that INT substantiated in FY22 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.
14. In FY22, the ICO began to send Interim Notices to non-engaged sanctioned entities approximately half-way through their respective sanction period.

