

# Enhancing Law Enforcement Efforts in Combating Corruption

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# INT: Basic Facts

- Created in 2001
- Operationally independent
- Approximately 100 professional staff (investigators, attorneys, economists, accounting/finance, business, procurement, IT professionals, operational staff, engineers, communications professionals)

## INT's Mandate:

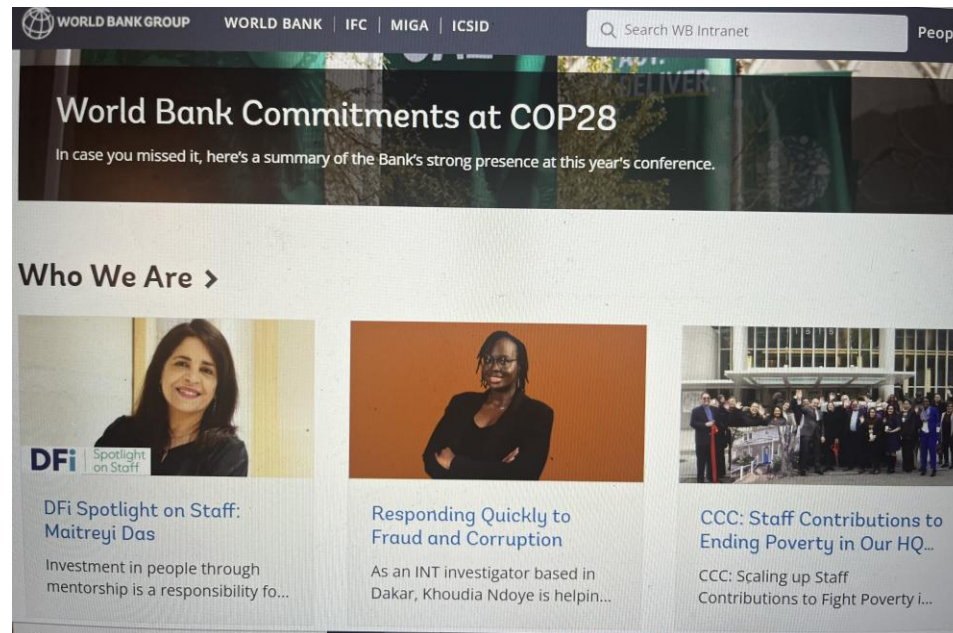
- Investigate allegations of fraud and corruption in WB-financed operations (including Trust funds)
- Investigate allegations of certain types of misconduct involving WB staff and of fraud and corruption by corporate vendors
- Protect WB funds as well as funds entrusted to the Bank from misuse
- Deter fraud and corruption in Bank operations

## Three main functions within:

- Investigations (Internal and External) & Litigation
- Integrity Compliance
- Prevention, Risk and Knowledge Management

# AFW/MNA Team

- Opened its first regional office in Dakar in August, 2022.
- Two full-time investigators as of May, 2023.
- Services 44 countries and territories in AFW and MNA regions, including Francophone Africa and The Maghreb and The Mashriq



# What does INT Investigate? (5 Sanctionable Practices)

## FRAUD

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.

## CORRUPTION

Offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party.

## COERCION

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.

## COLLUSION

Arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party.

## OBSTRUCTION

(i) Deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank 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 the investigation or from pursuing the investigation, or (ii) acts intended to materially impede the exercise of the Bank's contractual rights of audit or access to information.

# INT INVESTIGATIONS: ADMINISTRATIVE

*“The Sanctions Board notes that INT does not have the power to compel the production of evidence or witness testimony, and that its investigative toolkit is limited.”*

Sanctions Board Decision No. 93 (Romania), para. 83 (2017))

- Two paths to audit:

1. Contractual
2. Non-Contractual (Anti-Corruption Guidelines)



# Obstructive Practices

## OBSTRUCTION

Deliberately destroying, falsifying, altering or concealing of material evidence material or making false statements to investigators and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of relevant matters, and/or acts intended to materially impede the exercise of the Bank's contractual rights of audit or access to information



# Integrity Audits

- Integrity Audits are fact-finding reviews that are forensic in nature.
- Strictly Confidential in nature in order to preserve integrity of the fact-finding process.
- Integrity Audits typically involve (i) documentary review (ii) witness interviews; and (iii) site visits
- Integrity Audits Guidance: <https://policies.worldbank.org/en/policies/all/ppfdetail/a9b36fa8-b8dd-44e4-a710-b2115491464c>

# ANTI-CORRUPTION GUIDELINES

- Incorporated by reference in the General Conditions of Contract between Borrower and Supplier/Contractor (but not Bank).
- Applies to all “recipients” of Bank funds (Loan Proceeds from Borrower)
- “Recipients” defined broadly to include (i) all entities which receive Loan Proceeds, directly or indirectly; (ii) entities responsible for deposit or transfer or Loan Proceeds (whether or not they are beneficiaries of such proceeds); and/or (iii) entities which take or influence decisions regarding Loan Proceeds.



# WHO CAN BE SANCTIONED?

## YES

Companies/Individuals competing for, or executing, Bank-financed contracts

- Covered by the World Bank Sanctions System.
- May be suspended/debarred from receiving new contracts under World Bank-financed projects and might be cross-debarred.

Bank staff members and consultants

- Under the World Bank Internal Justice System, misconduct may result in termination and prohibition against future employment with the World Bank

## NO (QUALIFIED)

Government agencies and officials *if* they are acting in their official capacity

(Referrals to Member governments)

- Evidence of misconduct by government agencies and officials may be referred to member governments

# WBG SANCTIONS SYSTEM

## INVESTIGATIVE

### Integrity Vice Presidency (INT)

- Investigates allegations of sanctionable practices in World Bank-financed projects.
- Prepares and submits Statements of Accusations and Evidence (SAEs) to the SDO.
- Negotiates settlement agreements with Respondents.
- Makes referrals to national authorities.

## ADJUDICATIVE

### Suspension & Debarment Officer (SDO); Evaluation Officers (EOs)

- Determines sufficiency of evidence of sanctionable practices in SAEs presented by INT.
- Issues Notices of Sanctions Proceedings (Notices) to respondents.
- Temporarily suspends respondents pending final outcome of proceedings.
- Recommends sanctions (become effective if respondents do not contest).
- Reviews Explanations submitted by respondents in response to Notices.
- Approx. 70% of cases resolved at this level.

### Sanctions Board (SB)

- If respondents appeal, reviews cases *de novo*.
- Comprised of 7 external members (including chair).
- May hold hearings with parties and witnesses.
- Determines whether sanctionable practices occurred.
- Imposes sanctions (not bound by SDO's recommendations).
- Decisions are final and not appealable.
- Approx. 30% of cases resolved at this level.

## COMPLIANCE

### Integrity Compliance Officer (ICO)

- Monitors integrity compliance by sanctioned companies (or codes of conduct for individuals).
- Decides whether compliance condition(s) established by the SDO or Sanctions Board as part of a sanction have been satisfied.

# RANGE OF SANCTIONS

- 5 Types of Sanctions:
  - Debarment with Conditional Release ('baseline' or default);
  - Indefinite or Fixed-Term Debarment (without conditions);
  - Conditional Non-Debarment;
  - Letter of Reprimand; and
  - Restitution or other Remedy.
- Ineligibility: Debarment excludes entities from participating in WBG-financed projects.
- Sanctions list is made public at [www.worldbank.org/debarr](http://www.worldbank.org/debarr).

# MDB Cross-Debarment Agreement



- The [Agreement for Mutual Enforcement of Debarment Decisions](#) was signed in March 2010.
- Five multilateral development banks (MDBs): the African Development Bank (AfDB); Asian Development Bank (ADB); European Bank for Reconstruction and Development (EBRD); the Inter-American Development Bank (IDB); and the WBG.
- Covers debarments that are public; over one year in length.
- Harmonized definitions of sanctionable practices.
- Cross-debarment automatic, subject to ‘opt out’ by MDB in exceptional cases on legal/policy grounds

# Public Debarment



Date of issuance: June 13, 2018

Sanctions Board Decision No. 112  
(Sanctions Case No. 454)

IDA Credit No. 4869-UZ  
Uzbekistan

Decision of the World Bank Group<sup>1</sup> Sanctions Board imposing (i) a sanction of debarment with conditional release on a respondent entity in Sanctions Case No. 454 (the "First Respondent Firm"), together with certain Affiliates,<sup>2</sup> for a minimum period of four (4) years and nine (9) months beginning from the date of this decision; and (ii) a sanction of debarment with conditional release on a second respondent entity in Sanctions Case No. 454 (the "Second Respondent Firm"), together with certain Affiliates, for a minimum period of four (4) years and nine (9) months, also beginning from the date of this decision. These sanctions are imposed on the First Respondent Firm and the Second Respondent Firm (together, the "Respondents") for fraudulent and collusive practices.

## I. INTRODUCTION

1. The Sanctions Board met in panel sessions in March and May 2018, at the World Bank Group's headquarters in Washington, D.C., to review this case. The Sanctions Board was composed of J. James Spinner (Chair), Ellen Gracie Northfleet, and Catherine O'Regan.

2. A hearing was held on March 16, 2018, following requests from the First Respondent Firm and the World Bank Group's Integrity Vice Presidency ("INT"), and in accordance with Section III.A, paragraph 6 of the Sanctions Procedures. INT participated in the hearing through its representatives, all attending in person. The Respondents were each represented by outside counsel, all attending in person. The Sanctions Board deliberated and reached its decision based on the written record and the arguments presented at the hearing.

3. In accordance with Section III.A, sub-paragraph 8.02(a) of the Sanctions Procedures, the written record for the Sanctions Board's consideration included the following:

- i. Notice of Sanctions Proceedings issued by the World Bank's Suspension and Debarment Officer (the "SDO") to the Respondents on March 8, 2017 (the "Notice").

<sup>1</sup> In accordance with Section II(y) of the World Bank Procedure: Sanctions Proceedings and Settlements in Bank Financed Projects, issued by the World Bank on June 28, 2016 (the "Sanctions Procedures"), the term "World Bank Group" means, collectively, 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 Group" includes Bank Guarantee Projects and Bank Carbon Finance Projects, but does not include the International Centre for the Settlement of Investment Disputes ("ICSID"). As in the Sanctions Procedures, the terms "World Bank" and "Bank" are here used interchangeably to refer to both IBRD and IDA. See Sanctions Procedures at Section II(x).

<sup>2</sup> Section II(a) of the Sanctions Procedures defines "Affiliates" as "any legal or natural person that controls, is controlled by, or is under common control with, the Respondent, as determined by the Bank." The sanctions imposed by this decision apply only to those Affiliates that are directly or indirectly controlled by either of the Respondents. See [infra](#) Paragraph 58.

Procurement - World Bank Listing of Ineligible Firms & Individuals

## World Bank Listing of Ineligible Firms & Individuals

Available in: [English](#)  
This List is Current

The firms and individuals listed in Table 1 below are ineligible to be awarded a World Bank-financed contract for the periods indicated because they have been sanctioned under the Bank's fraud and corruption policy as set forth in the [Procurement Guidelines](#) or the [Consultant Guidelines](#). Such sanction was imposed as the result of:

(1) an administrative process conducted by the Bank that permitted the accused firms and individuals to respond to the allegations. Through July 2007, this process was conducted in accordance with the [Sanctions Committee Procedures](#) adopted on August 2, 2001. Since then, the process has been conducted in accordance with the [Sanctions Procedures of the World Bank Group Sanctions Board](#). For more information on the two-tier sanctions process go to [Sanctions Management](#) webpage.

OR

(2) cross-debarment in accordance with the Agreement for Mutual Enforcement of Debarment Decisions dated 9 April 2010, which, as of July 1, 2011, has been made effective by the World Bank, Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank, and African Development Bank.

Click [here](#) to see additional notes on debarred firms and individuals and [here](#) to see an explanatory note on the application of cross-debarment.

The Bank may also apply other actions to firms and individuals that do not result in debarment. For the current list, see **Table 2: Other Actions** which is located further down this page.

To report allegations of fraud and corruption in Bank-financed projects, please contact the [Integrity Vice Presidency](#).

Table 1: Debarred & Cross-Debarred Firms & Individuals

Note: To obtain the best results when performing a search, it is advised that only a portion of the firm/individual name be entered. This allows for the greatest chance of seeing all sanctioned entities with names close to or exactly as those being searched. For example, to search for:

C.V. ABCD, enter ABCD;  
ABCD Engineers SRL, enter ABCD or ABCD Engineers; or  
ABCD Royal Consulting Co., enter ABCD, or ABCD Royal, or Royal Consulting

Please also avoid accentuated characters and generic terms such as: Ltd.; Limited; Corp.; etc.

Firms and individuals on the list may have an (\*) and number associated with them. Please refer to this [Notes on Debarred Firms and Individuals PDE](#) to see the details.

Debarred Firms and Individuals				
Name:		Country:	GO	Reset
Firm Name	Address	Country	Ineligibility Period From To	Grounds
CODEF & ALQUILER DE MAQUINARIA	AV. FRANCISCO MORA 2401, ZONA SI PETROLERO SUR, SANTA CRUZ	Bolivia	28-JUN-2018 21-JAN-2021	Cross-Debarment: IDB
FABIOLA POZO DORADO (POZO)	AV. FRANCISCO MORA 2401, ZONA SI PETROLERO SUR, SANTA CRUZ	Bolivia	28-JUN-2018 21-JAN-2021	Cross-Debarment: IDB
MR. SIMON CHARBEL	MAMA POINT, MONROVIA, LIBERIA OR BUSHROD ISLAND, POINT FOUR INTERSECTION,	Liberia	28-JUN-2018 12-JUN-2019	Cross-Debarment: AFDB
<a href="http://web.worldbank.org...ml?main%3Fsite%3F=64266&amp;contentMDK%3F=64069844&amp;mem%3F=116730&amp;pagePK%3F=64148989&amp;tpPK%3F=64148984%3F=629%3F=2018%3F=645%3F=29%3F=PM">http://web.worldbank.org...ml?main%3Fsite%3F=64266&amp;contentMDK%3F=64069844&amp;mem%3F=116730&amp;pagePK%3F=64148989&amp;tpPK%3F=64148984%3F=629%3F=2018%3F=645%3F=29%3F=PM</a>				
SHENZHEN ZHUODA TECHNOLOGY FLAT 807,		Hong Kong SAR, China	15-JUN-2018 27-OCT-2021	Cross-Debarment: ADB

<http://web.worldbank.org...ml?main%3Fsite%3F=64266&contentMDK%3F=64069844&mem%3F=116730&pagePK%3F=64148989&tpPK%3F=64148984%3F=629%3F=2018%3F=645%3F=29%3F=PM>

Publication of full Sanctions Board decisions including their rationale since May 2012.



# Press coverage

## Le Monde

ÉCONOMIE • ENTREPRISES

Partage    

### ADP, Bouygues et Colas sanctionnés par la Banque mondiale pour pratiques frauduleuses

Les trois sociétés sont accusées d'avoir contourné les règles de la Banque mondiale, notamment en rencontrant des dirigeants pour influencer les décisions.

Par Julien Bouissou et Emeline Cazi

Publié le 14 janvier 2022 à 03h42 - Mis à jour le 14 janvier 2022

L'information a été publiée sur le site Web de la Banque mondiale, parce qu'elle a eu recours à des pratiques « frauduleuses » pour avoir négocié des politiques lors d'une procédure de restructuration (ex-ADP Management), la filiale chargée du développement à l'échelle mondiale. Aucun projet dans le monde n'a été financé par l'institution basée à Washington pendant cette période, un marché pour lequel

BBC NEWS | TIẾNG VIỆT

Tin chính Việt Nam Thế giới Diễn đàn Kinh tế Nhip sống mới Thể thao Học tiếng Anh Video

### Ngân hàng Thế giới cấm vận công ty công nghệ Việt Nam vì gian lận

25 tháng 6 2020

Công ty Công nghệ Sao Bắc Đẩu của Việt Nam vừa bị Ngân hàng Thế giới trừng phạt vì liên quan đến lừa đảo và gian lận.

Ngân hàng Thế giới (WB) hôm 24/6 công bố cấm vận 7 năm Công ty Công nghệ Sao Bắc Đẩu (SBD) có trụ sở tại Việt Nam, liên quan đến các hoạt động lừa đảo và gian lận trong Dự án Phát triển giao thông đô thị Hà Nội và Dự án Phát triển bền vững thành phố Đà Nẵng.

WB, trong thông cáo được công bố trên website, nêu rõ: "Việc cấm vận sẽ khiến SBD không đủ điều kiện tham gia vào các dự án hoặc hoạt động do các tổ chức thuộc Nhóm Ngân hàng Thế giới tài trợ. Đây là một phần của các thỏa thuận giải quyết, theo đó SBD thừa nhận trách nhiệm đối với những hành vi vi phạm và phải đáp ứng các yêu cầu cụ thể mới đủ điều kiện thoát khỏi cấm vận".

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### World Bank announces two debarments for 'fraudulent practices'

Harry Cassin August 19, 2020 9:48 am

## BNamericas

### World Bank imposes 3-year ban on Odebrecht

281 words

30 January 2019

Business News Americas

WBNA

English

(c) 2019 Business News Americas (BNamericas.com)

The **World Bank** banned for three years **Odebrecht** subsidiary Construtora Norberto **Odebrecht** from projects financed by the multilateral lender due to its involvement in a corruption scheme.

The decision comes after the exposure of fraudulent and collusive practices in the **World Bank**-financed Río Bogotá environmental recuperation and flood control project in Colombia.

"The debarment makes Construtora Norberto **Odebrecht**, which is the construction and engineering subsidiary of the global firm **Odebrecht S.A.** and the largest such firm in Latin America, ineligible to participate in **World Bank**-financed projects," the bank said.

**PRESS RELEASE October 21, 2020**

**World Bank Group Debars [REDACTED] for Contracting Architectural and Construction and Its Executive**

**WASHINGTON, October 21, 2020** — The World Bank Group today announced the 10-month debarment of [REDACTED] for Contracting Architectural and Construction and its executive, [REDACTED], in connection with a fraudulent practice as part of the [Yemen Integrated Urban Services Emergency Project](#) in the Republic of Yemen.

The debarment makes [REDACTED], a Yemeni national, ineligible to participate in projects and operations financed by institutions of the World Bank Group. It is part of settlement agreements under which the company and the individual acknowledge responsibility for the underlying sanctionable practice and agree to meet specified corporate compliance conditions as a condition for release from debarment.

The project was designed to restore access to critical urban services in selected cities within the Republic of Yemen. According to the facts of the case, [REDACTED] misrepresented the company's past experience through false subcontracts to meet the requirements for a World Bank-financed tender, which is a fraudulent practice.

# Lessons Learned (Regional Corruption Typologies)

- Government Officials Steering Contracts to Companies they Own or Benefit or PIU staff seeking direct kickbacks
- Often in Collusion with JV with International Companies and Misrepresentation of prior experience by local JV Partner
- Embezzlement and Theft from Projects
- Procurement fraud (financials and past experience)



# REFERRALS TO NATIONAL GOVERNMENTS

## WHAT IS A REFERRAL?

- A Referral is to assist the government in determining whether national laws have been violated. Cleared by WBG's Legal Department.

## WHO RECEIVES A REFERRAL?

- Bank Governor or designee and/or national authorities.

## WHEN IS A REFERRAL ISSUED?

- INT generally issues Referral Reports after the conclusion of investigations but may issue 'interim referrals' earlier.