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WORLD BANK
SANCTIONS SYSTEM
ANNUAL REPORT
2023

The World Bank's commitment to fighting corruption is reflected in robust mechanisms across the institutions 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 reviews all complaints it receives, including those submitted anonymously. All information provided will be treated in the strictest confidence. The World Bank will not disclose any information that may reveal your identity without your consent.

For further information on the World Bank'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	LCR	Latin America & the Caribbean Region
AFE	Africa Eastern and Southern Region	MDBs	Multilateral development banks
AFW	Africa Western and Central Region	MIGA	Multilateral Investment Guarantee Agency
AfDB	African Development Bank	MNA	Middle East & North Africa Region
DFL	Digital Forensics Lab	OECD	Organisation for Economic Co-operation and Development
EAP	East Asia & Pacific Region	OSD	World Bank's Office of Suspension and Debarment
EBRD	European Bank for Reconstruction and Development	PaCVP	People and Culture Vice President
ECA	Europe & Central Asia Region	PIU	Project implementation unit
EO	Evaluation and Suspension Officer	PSU	Preventive Services Unit
FCS	Fragile and Conflict-Affected Situations	SAO	Supreme Audit Office
FCV	Fragility, Conflict, and Violence	SAR	South Asia Region
IBRD	International Bank for Reconstruction and Development	SDO	World Bank's Chief Suspension and Debarment Officer
ICC	International Chamber of Commerce	SPADR	World Bank's Director of Strategy, Performance and Administration
ICHA	World Bank's International Corruption Hunters Alliance	STC	Short-term consultant
ICO	Integrity Compliance Office	TTL	Task team leader
ICP	Integrity Compliance Program	UNODC	United Nations Office on Drugs and Crime
IDA	International Development Association	UNWTO	United Nations World Tourism Organization
IDB	Inter-American Development Bank		
IFC	International Finance Corporation		
INT	World Bank's Integrity Vice Presidency		

Message from the Managing Director and World Bank Chief Administrative Officer



The world is facing a pivotal moment of urgent global challenges such as climate change, fragility, pandemic preparedness, food security, energy and water access, addressing learning losses, digitization, and trade integration. These intertwined crises require that the world come together and act with common purpose to overcome them.

Today, the World Bank is working to revitalize its mission to meet the urgency this moment calls for. There are many good lessons from our past to draw from, but we will also need to think creatively to develop new tools for bringing more development resources to the table and expanding our impact.

Yet, one thing that will not change is the World Bank's commitment and vigilance against corruption in the projects we finance. Corruption is corrosive to development and undermines the progress that we aspire to achieve. The victims of corruption are the people whose lives should be improved by the projects we invest in. We will not waver in our efforts

to ensure that the World Bank's development resources are used transparently, accountably, and only for their intended purposes.

It is critical for our institutions to have robust mechanisms to help ensure that if companies or individuals engage in fraud or corruption involving World Bank funds, there are ways to hold them to account. That is the driving mission behind the offices of the World Bank's sanctions system, which include the Integrity Vice Presidency (INT), the Office of Suspension and Debarment (OSD), and the Sanctions Board and its Secretariat. Together these independent offices provide our institution and respondent parties with a fair, impartial, and transparent process for investigating and adjudicating allegations of fraud and corruption in World Bank operations. In this way, they support the World Bank's development mission by strengthening the integrity of our operations.

This year, the offices of the sanctions system continued their mission with diligence. INT supported the World Bank's operations by working to detect, deter, and prevent fraud and corruption. INT's investigations are the starting point for accountability, but they are also the basis for how our

We will not waver in our efforts to ensure that the World Bank's development resources are used transparently, accountably, and only for their intended purposes.



institution gains insights into fraud and corruption risks and adapts future operations to mitigate such risks. As the first tier of adjudicative review, OSD worked to provide fair assessments and efficient decisions across the World Bank's sanctions cases and settlement agreements, as well as the cross-debarments received from our partner multilateral development banks. And the Sanctions Board continued to review contested sanctions cases, issuing their decisions to provide a second and final determination through the impartial views of a panel of independent external experts.

Moreover, this year the offices of the sanctions system amplified their engagement with partners around the world to strengthen the global coalition of anticorruption actors. I was pleased to speak at the World Bank's International

Corruption Hunters Alliance (ICHA) 2023 Forum, held this year in Abidjan, Côte d'Ivoire. More than 350 anticorruption actors from over 80 countries gathered to share knowledge and experience, and reinforce the view that only through collective action will we be able to overcome our common challenges.

One can draw some optimism from the dedication to integrity, transparency, and accountability exhibited by the staff across the sanctions system offices. Their professionalism and determination reinforce the World Bank's commitment to anticorruption. The work ahead will not be easy, but whether it be achieving development outcomes at the scale the world needs, or fighting corruption with vigor and urgency, the World Bank stands ready as a partner for development.

Shaolin Yang

Managing Director and World Bank Chief Administrative Officer

Fiscal Year 2023 Summary Results

This annual report covers fiscal year 2023—from July 1, 2022, to June 30, 2023—and was prepared by the offices of the World Bank’s¹ 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 2023 (FY23):

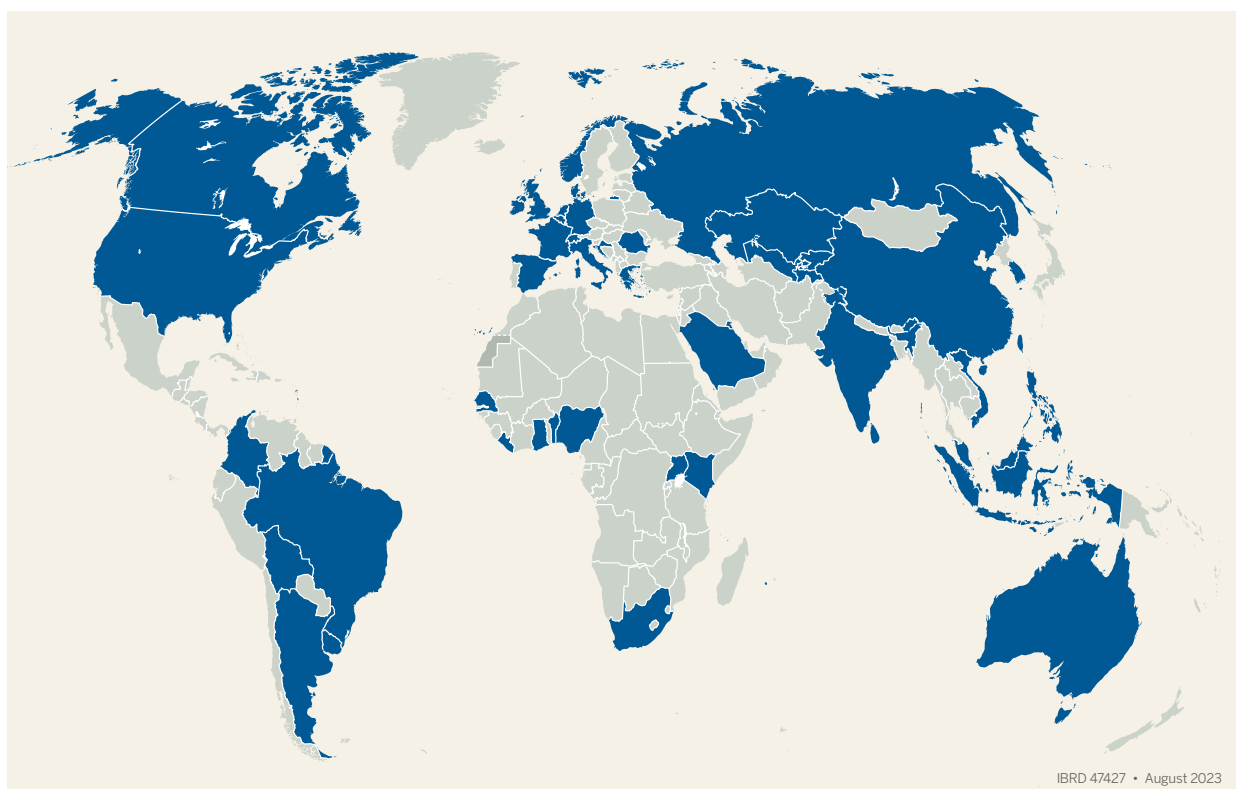
- INT received **4,646** complaint submissions, of which **292** were determined to be actionable. INT opened **64** new and closed **44** existing external investigations. INT submitted **13** sanctions cases and **five** settlements to OSD. **One** additional settlement was submitted to the IFC Evaluation Officer for review.
 - OSD reviewed **12** cases and **five** settlements, temporarily suspended **11** firms and **eight** individuals, and sanctioned **11** respondents via uncontested determinations.
 - The Integrity Compliance Office (ICO) sent **21** notices to newly sanctioned parties on their conditions for release from sanction and engaged with **91** sanctioned parties towards meeting their conditions for release.
 - In addition, the ICO determined that **17** entities had met their conditions for release from sanction, **one** entity had met the conditions for the conversion of its sanction to conditional non-debarment, and **one** entity had not met its conditions for non-debarment and its sanction was converted to a debarment with conditional release.
 - INT issued **12** referrals—**eight** detailed referrals and **four** summary notification letters—to **11** different recipient countries, when evidence indicated that a member country’s laws may have been violated.
 - The Sanctions Board published **four** fully-reasoned decisions resolving **four** contested sanctions cases against **six** respondents. The Sanctions Board convened for hearings in **three** of those cases.
- Beyond the core mandate of the World Bank sanctions system, in FY23:
- INT pursued **28** cases of alleged fraud and corruption involving World Bank staff and **18** cases involving corporate vendors. INT substantiated misconduct allegations in **three** World Bank staff cases and in **four** corporate vendor cases.
 - INT strengthened collaboration among its prevention, complaints intake, forensic and digital audits, and data analysis teams to deliver greater impact for the institution through prevention, risk analytics, and knowledge.
 - The sanctions system offices engaged with peer multi-lateral development banks (MDBs) to further inter-institutional harmonization efforts, including by adopting the “MDB General Principles for Business Integrity Programmes,” which outline the common approach and guidance for implementing such programs.
 - The International Corruption Hunters Alliance (ICHA) 2023 Forum convened more than **350** frontline anticorruption actors from over **80** countries in Abidjan, Côte d’Ivoire, to engage in three days of knowledge sharing.

networking, and strengthening partnerships for collective anticorruption action to combat global corruption challenges. Contributions from each of the sanctions system offices added to the Forum's success.

- OSD published a Knowledge Report on the Symposium on Supranational Responses to Corruption that convened in 2022, highlighting the lessons learned from panels, discussions, and informal exchanges in

support of enhancing supranational remedies against corruption.

- The Sanctions Board published the Third Edition of its Law Digest, which summarizes the evolving jurisprudence and precedent of the Sanctions Board, hosting a public event to discuss the importance of transparency in its work and the efforts to harmonize sanctions proceedings among the MDBs.



IBRD 47427 • August 2023

The staff across the World Bank's 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 **46 countries** spanning the world (*see map above*).

The Sanctions System

An Integral Part of the World Bank's Anticorruption Efforts

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

The World Bank's sanctions system is one aspect of the inter-institutional approach to anticorruption that encompasses its external and internal activities 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 Sanctions System Works

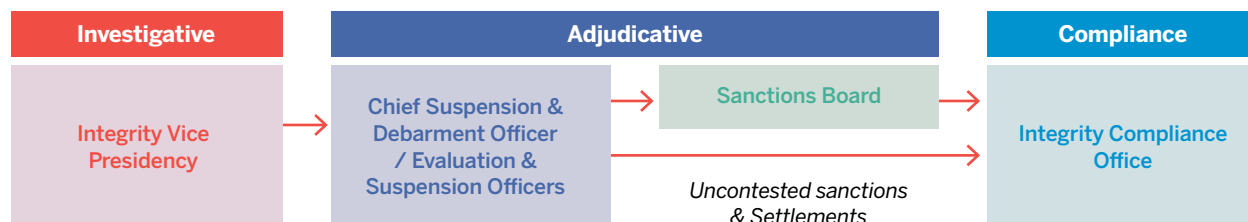
The World Bank's sanctions system addresses allegations of fraud, corruption, collusion, coercion, and obstruction (collectively known as "sanctionable practices") by firms

and individuals involved in World Bank 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) monitors integrity risks in World Bank operations and receives allegations about potential misconduct from a variety of sources. All allegations are reviewed and assessed by INT. Matters that relate to a sanctionable practice in a World Bank-financed project and fall within INT's responsibility may warrant a full investigation. Increasingly, INT is utilizing a risk-based approach to the assessment, follow-up, and analysis of complaints, to the selection of cases, and to the proactive identification of high-risk projects and cases. When INT completes an investigation and determines it has found credible 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 Sanctions System



Note: Investigations into World Bank staff and corporate vendors are adjudicated outside the sanctions system (see pg. 13).

What are the World Bank's 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 World 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 an investigation or from pursuing the investigation, or (b) acts intended to materially impede the exercise of the World Bank'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 Officers (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 World Bank 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 FY23, all sanctions cases, and five of the six settlements, submitted by INT were submitted to the SDO; the remaining settlement was submitted to the EO for IFC.³

Second Tier of Review. The Sanctions Board is an independent body comprising seven individual members who are entirely external to the World Bank. 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 and/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 respondents in the sanctions system are sanctioned with integrity compliance conditions that must be met before they can be released from sanction. To demonstrate this, they must engage with the World Bank Integrity Compliance Office (ICO), which works with sanctioned respondents 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 Integrity Compliance Officer determining whether the conditions have been met for the respondents' release from sanction.



INT's mission is to detect, deter, and prevent fraud and corruption in the World Bank's operations, which the staff within INT carry out with dedication and professionalism.

The Integrity Vice Presidency

Supporting the World Bank'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

With its mission to support sustainable and inclusive development, the World Bank is square in the middle of today's defining global challenges. Climate change. Pandemic diseases. War and conflict. Each brings with it real human impacts—on livelihoods, on health, on personal security. Unaddressed, poverty will persist, and could worsen. Moreover, in an era of lackluster global growth, high debt burdens, and tenuous economic outlooks, countries may have limited capacity to confront these mounting debts.

In this context, it is critical that the World Bank stand as a ready partner to help provide and mobilize resources for countries to address these challenges and invest in their development goals.

To ensure that these resources are deployed for their maximum impact, the World Bank must also be vigilant to the risks of corruption. Indeed, in all sectors of the World Bank's work, corruption can blunt the desired development results by draining and diverting much needed resources. Left unchecked, corruption can eat away at trust within society, weakening government ties to their citizens and raising tensions that may cause issues of fragility and conflict to fester. Corruption remains a concern for development, one that the World Bank takes very seriously in its work.

The Integrity Vice Presidency (INT) is central to the World Bank's anticorruption efforts to ensure accountability involving its financial resources. INT's mission is to detect, deter, and prevent fraud and corruption in the World Bank's operations, which the staff within INT carry out with dedication and professionalism. This fiscal year was no exception. INT opened 64 new and closed 44 existing external investigations and submitted 13 sanctions cases and five settlements for review and adjudication. As a result of some of these and earlier submitted cases and settlements, the World Bank debarred or otherwise sanctioned 23 firms and individuals. In addition, the Integrity Compliance Office within INT determined that 17 entities had met their conditions for release from sanction, making them eligible to again participate in projects financed by the World Bank.

Anticorruption investigations are the core of INT's work, providing the evidence for the World Bank's sanctioning determinations and forming the basis for insights into integrity risks that can help inform future projects in mitigating such risks. Yet, INT has also made progress in expanding our anticorruption toolkit to be more agile and deliver greater impact. Among our efforts this year:

- INT increasingly approached our preventive work to align in lockstep with the strategic priorities of World Bank operational units, in areas such as emergency operations and FCV settings. These efforts include facilitating integrity clinics and targeted trainings for project implementation units along with capacity-building initiatives for in-country partners.

- We have further developed our pipeline of knowledge products, which we began to roll out with key stakeholders within the World Bank. For example, packaging recent lessons learned from INT investigations in FCV settings to help inform operations staff of risks and options for mitigation.
- INT's data teams continue to leverage Cloud technology and expand the use of datasets to build out a robust digital infrastructure that can enhance our use of analytics not only in our investigative work, but also to help us better identify and address integrity risks at earlier stages.
- We have also expanded INT's global footprint with our first field office in Dakar, Senegal, now fully operational. This effort brings INT staff closer to World Bank projects, with the expectation that it will heighten our ability to respond to integrity risks on the ground.

These efforts will help INT continue to be effective in carrying out its mission. Still, we also recognize that in a world where corruption concerns are increasingly complex and transnational in nature, no single institution can confront them alone. This is why INT has actively engaged with our partners this year to bolster our ability to act collectively. From INT's

convening of the fifth International Corruption Hunters Alliance Forum, to our strong contribution at the International Anti-Corruption Conference, to our ongoing work with other MDBs to further harmonize our frameworks and coordinate our response to fraud and corruption in development, we are committed to strengthening the global network of frontline anticorruption partners—from across governments, the private sector, and civil society alike.

Through our collective action, we can draw on a deeper pool of resources and the comparative advantages of diverse stakeholders in combatting corruption. Moreover, we recognize that fighting corruption is a concern for and a shared responsibility of all countries, so we will continue to support efforts that help us act with urgency and in concert with our partners to advance the global anticorruption agenda.

The challenges facing us today make INT's mission of detecting, deterring, and preventing fraud and corruption for the World Bank more relevant than ever. Our commitment to that mission endures. Together with our partners inside the World Bank and around the globe, we look forward to continuing our work in support of the ambitious development agenda that the world needs, expects, and deserves.

Mouhamadou Diagne
Integrity Vice President

Who We Are

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

INT's staff consists of a global cadre of professionals who are dedicated to the unit's anticorruption mission. They consist of investigators, lawyers, forensic accountants, economists, risk specialists, data scientists, and information system specialists. As of the end of FY23, INT had 78 full-time staff, along with 21 consultants.⁴

INT Staff Profiles



LORNA JACOBSON, *Knowledge Management Analyst*

Lorna Jacobson is the Knowledge Management Analyst at INT. In this capacity, she coordinates INT participation in various trainings across the World Bank and with the institution's partners. Her work includes supporting INT staff with their learning, as well as INT's trainings on integrity risks and risk mitigation to Bank staff and implementation partners. Prior to joining INT, Lorna worked for various international organizations including the United Nations World Tourism Organization, where she worked with the agency's Executive Secretary of the UNWTO Knowledge Network.

How does INT support World Bank project teams and implementation partners to improve their knowledge and understanding about integrity risk issues?

INT works with diverse World Bank partners across all regions—procurement specialists, project implementation teams, country-based colleagues—by delivering training to highlight integrity risks that have been identified through INT investigations and mitigation measures that can be put in place; and producing knowledge products from lessons learned. For example, our [Warning Signs of Fraud and Corruption in Procurement](#) brochure, which was prepared in partnership with World Bank procurement colleagues, provides insights into the “red flags” that may indicate corruption in procurement and what our partners need to be mindful of to mitigate these risks.

Why is it critical for INT to conduct outreach to share its knowledge and expertise with World Bank development partners?

Outreach for INT is essential. It allows us an opportunity to raise awareness of integrity risks and to convey the critical role that World Bank staff and development partners play in identifying, managing, and mitigating corruption concerns. Exchanging knowledge and experiences with our partners is critical for our collective success. These exchanges help to surface today's corruption trends and challenges from many perspectives, how they can be overcome, and how to advance our common anticorruption agenda together.

INT Staff Profiles



ANTHONY PAN, Counsel, Integrity Compliance Specialist

Anthony Pan is an Integrity Compliance Specialist in INT. He advises on integrity compliance programs (ICPs) and facilitates the rehabilitation of entities under sanction for fraud and corruption in World Bank-financed projects. His work includes providing recommendations on sanctioned entities' ICP policies and procedures and assessing the effectiveness of their implementation. He also contributes to the ongoing outreach efforts of the World Bank's Integrity Compliance Office (ICO). Prior to joining INT, Anthony worked in investigations and compliance in the United States and in Asia.

The ICO team focuses on engaging with companies following sanctions decisions. How do these efforts support INT's anticorruption mission?

Each engagement with entities subject to World Bank sanction is a unique opportunity to promote the awareness of integrity compliance and to share our expertise and experience in anticorruption. Through collaborating closely with the ICO, sanctioned entities have the opportunity to come out of World Bank sanction with more effective and individually tailored tools to detect and prevent fraud and corruption. The knowledge and awareness that entities gain throughout the process also helps to cultivate a culture of integrity in regions and countries where the World Bank operates.

Beyond monitoring companies' progress toward meeting their release conditions, how does the ICO team help strengthen integrity standards more broadly?

The ICO works with a diverse array of entities, and to maximize our impact, we make every effort to be innovative in our outreach. We speak at conferences, we hold workshops, and we follow up on questions. These efforts have helped us successfully open dialogues with many sanctioned entities who were otherwise too intimidated or dejected to engage with the ICO initially. We have also made meaningful connections with industry associations and government actors who are in a position to help improve integrity standards in their business sectors and regions. In addition, the ICO has created a mentorship program, pairing entities who have successfully completed the conditional release process with currently sanctioned entities similar in size, industry, background, and/or language to share their experience in effectively developing and implementing ICPs and the associated positive outcomes.

INT Staff At-A-Glance



78 STAFF



FROM **34**
COUNTRIES



SPEAKING **40**
LANGUAGES



56% FEMALE
44% MALE

What We Do

INT's core anticorruption function is to support the development efforts of the World Bank by working to ensure that the institution's resources are used only for their intended purposes. INT does this by detecting, deterring, and preventing fraud and corruption in World Bank-financed activities.

- **DETECT:** Through preliminary reviews and investigations, INT ascertains whether firms and individuals doing business under World Bank-financed operations have engaged in one or more of the World Bank's sanctionable practices in violation of its anticorruption policies. INT's mandate includes investigating allegations involving World Bank staff and corporate vendors, which are addressed via administrative processes outside the sanctions system.
- **DETER:** When INT obtains evidence it believes demonstrates that firms and individuals have more likely than not engaged in sanctionable practices within World Bank 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 conduct.
In addition, through the ICO, the World Bank engages with sanctioned firms and individuals to support their efforts towards meeting the conditions for their release from sanctions. Through these engagements, the World Bank emphasizes rehabilitation through the adoption and effective implementation of appropriate integrity compliance measures and promotes higher business integrity standards in the countries where the World Bank operates.
- **PREVENT:** INT turns the unique knowledge gained from its complaints, investigations, diagnostics, and analytical activities into practical preventive advice and targeted advisory interventions and/or training for identifying, managing, and mitigating fraud and corruption risks in World Bank operations.

To encourage a global and coordinated response to corruption, INT also spearheads initiatives such as the cross-debarment agreement with other MDBs and leverages the World Bank's convening power to bring together global anticorruption professionals to strengthen collective action, including through the World Bank's ICHA Forum.

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 World Bank and in service of the institutions' development mission.

EXTERNAL INVESTIGATIONS

In FY23 INT opened 64 investigations, each addressing one or more sanctionable practices. Sixteen more new cases were opened compared to FY22 (48), which constitutes a 33% increase. During FY23, INT fully returned to operational investigative travel, permitting in-situ forensic audits in new investigations and pending investigations that started before or during the COVID-19 restrictions. At the end of FY23, INT had 113 active investigations across all the World Bank's 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 summarizing the findings of the investigation for submission to the appropriate operational staff, and ultimately to the World Bank President. In FY23, INT completed 44 investigations, 31 of which it deemed substantiated.

Although the nature and complexity of investigations can vary widely, INT strives to ensure that all its investigations

FIGURE 2: Regional Breakdown of External Investigation Opened in FY23

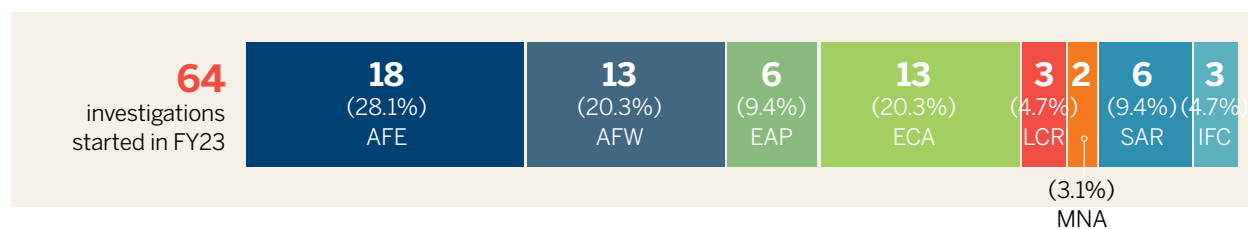


FIGURE 3: Duration and Regional Breakdown of Active External Investigations at the end of FY23

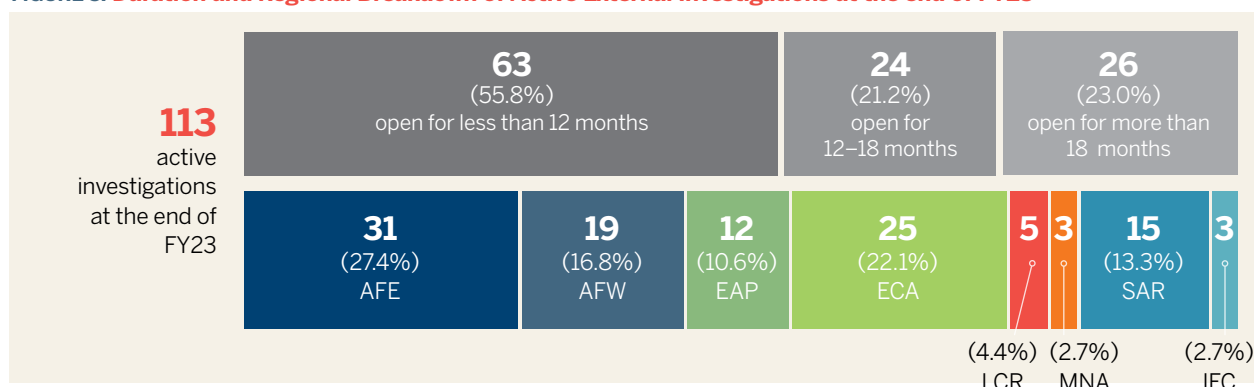
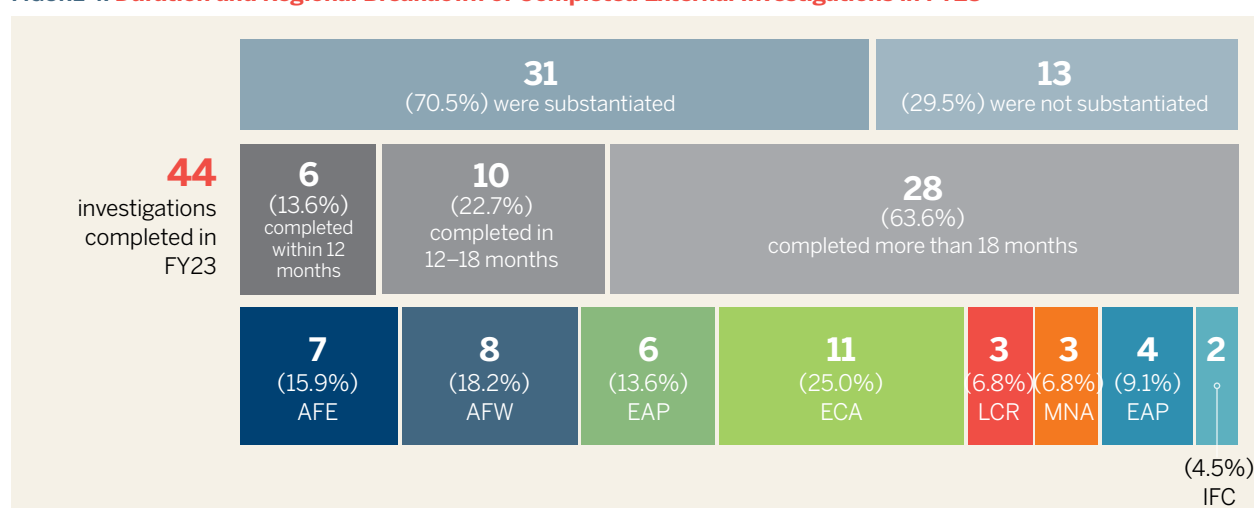


FIGURE 4: Duration and Regional Breakdown of Completed External Investigations in FY23



are impactful. This impact can be seen throughout the life cycle of a World Bank project. For example, information obtained through the investigation process is shared with management and operational counterparts, who are then better equipped to consider risks during project preparation and mitigate risks during implementation. Public sanctions arising from INT investigations not only remove debarred actors who have engaged in fraud and corruption from World Bank-financed 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 World Bank financing.

Once allegations have 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 typically include three parts: a sanction, a set of integrity compliance conditions, and ongoing cooperation requirements. The specific terms of the 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 World Bank’s General Counsel and then reviewed by the SDO or relevant EO.

Sanctions that may be imposed through a negotiated settlement or sanctions proceeding include debarment with conditional release; fixed-term debarment; conditional non-debarment; letter of reprimand; and restitution. The World Bank’s baseline sanction for firms and individuals is

Illustrative External Investigation in FY23

Uncovering a collusive scheme to influence contract tenders

INT completed investigations into allegations of fraud and collusion under two World Bank-financed projects in a country in Central Asia. INT initially began looking into allegations that the Project Coordinator for these projects had submitted falsified credentials in order to meet the qualifications for the role. As INT investigated, it not only found evidence supporting these allegations, but also uncovered a larger scheme at play.

Through records collected during a separate investigation of collusion in the same country, INT found evidence that the Project Coordinator along with two other public officials colluded with a consortium of several bidders to influence the procurement of two World Bank-financed contracts with a combined estimated value of approximately \$3 million. Specifically, these individuals leaked confidential information to the consortium, including draft bidding documents prior to their publication, correspondence with competing

bidders during the procurement process, and draft evaluation reports. INT also found evidence indicating that the consortium submitted falsified documents in its bids for the procurement of the contracts. Moreover, INT found evidence indicating that the evaluation committee was going to recommend the award of both contracts to the consortium.

Through early intervention during the procurement process, INT was able to help prevent the award of the contracts to the consortium. INT also shared its findings in a referral report to the country's government, leading to the removal of the Project Coordinator from their position. Through this investigation, INT helped to detect and prevent potential misconduct, protecting World Bank development resources and identifying lessons for strengthening policies and awareness of risks to help mitigate similar misconduct from occurring in the future.

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 FY23 are provided later in this report.)

INTERNAL INVESTIGATIONS

Ensuring the integrity of the World Bank's own staff is critical to maintaining institutional credibility in the global anticorruption arena. Through its internal investigations, INT investigates allegations of fraud and corruption involving staff and occurring in World Bank operations or supported activities (*i.e.*, operational fraud and corruption) or affecting the institution's 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 World Bank 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 World Bank's corporate

vendor eligibility determinations, leading to possible ineligibility and, in some cases, debarment from operational contracts as well.

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

During FY23, INT pursued 28 cases involving World Bank staff and 18 cases involving corporate vendors.⁵ Forty six percent of INT's investigations involved operations, 41% involved corporate administrative matters, and 13% were

a combination of both. In addition, INT assessed 174 complaints related to staff and corporate vendors—a record number of complaints. However, even as pandemic-related challenges abate, the complaints were often of lower quality both in terms of evidence provided and follow-up responses given by complainants upon INT’s request.

It is critically important that the World Bank meets the highest standards and addresses all material risks when it comes to the integrity of its own staff and entities it directly does business with. As a result, INT undertakes preliminary inquiries of all credible allegations against World Bank staff and corporate vendors and does not triage cases according to risk factors and strategic priorities at the complaint stage as is done for external investigations. Because of this, proportionally more allegations in internal investigations are unsubstantiated following preliminary inquiries.

Investigations of World Bank Staff

INT’s procedures for investigating allegations of staff misconduct are governed by the policies set forth in Staff Rule 8.01 and are further informed by the judgments issued by the World Bank’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, INT prepares a final investigative report, inclusive of all evidence, and provides it to the implicated staff member for comment. INT then finalizes the report, incorporating the staff member’s comments and any INT rebuttal to those comments, and submits the report to the World Bank’s People and Culture Vice President (PaCVP) for decision. If the PaCVP finds misconduct, discipline can range from an oral reprimand to termination of the staff member’s employment. A staff member has the right to appeal the PaCVP’s disciplinary decision to the Administrative Tribunal, whose judgments are binding.

In FY23, following the preliminary inquiries referenced above, INT conducted five Staff Rule 8.01 investigations and substantiated staff misconduct in three cases. In one of the substantiated staff cases, the PaCVP decided that the staff member should be terminated from employment, permanently ineligible for future World Bank employment, provide restitution, and be restricted from access to all

FIGURE 5: Subjects of Internal Investigations in FY23

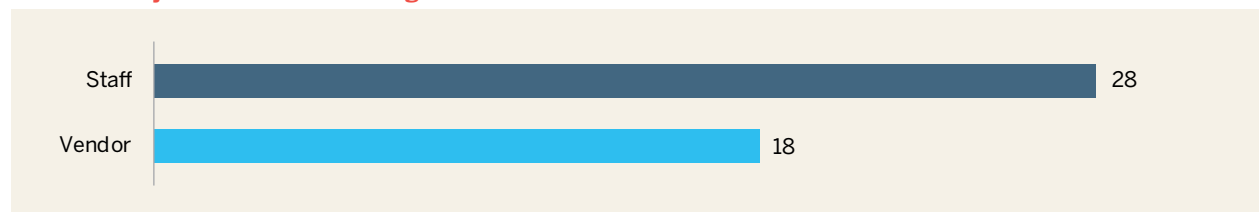
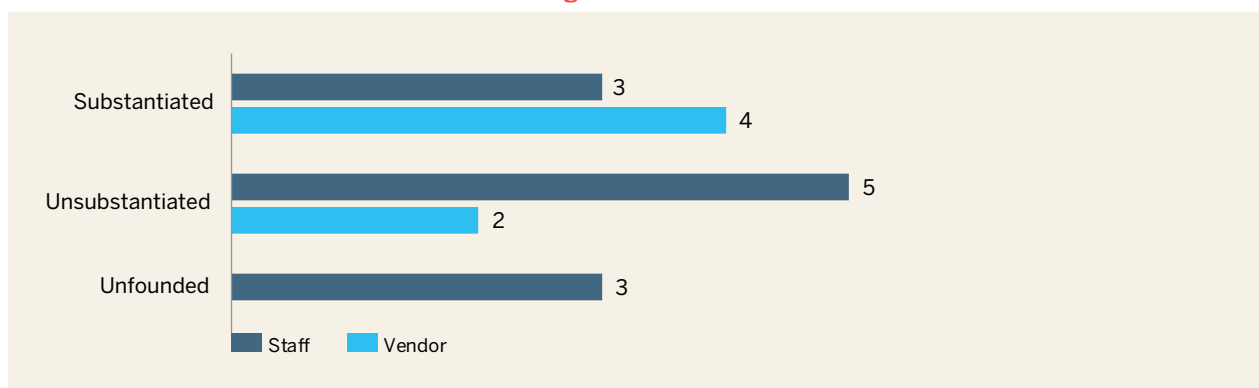


FIGURE 6: Outcomes of INT’s Closed Internal Investigations in FY23



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 vendor.

World Bank premises. Two other staff cases are pending PaCVP decisions.

INT aims to complete staff cases within nine months (270 days).⁶ In FY23, the average turnaround time for the 11 staff cases closed was 475 days or approximately 16 months.⁷ The increased turnaround time was a direct consequence of several investigative staff prioritizing substantive and resource-intensive complex, multidimensional, high-risk cases.

Investigations of World Bank Corporate Vendors

INT's investigations of allegations against World Bank corporate vendors support the institution's vendor eligibility reviews.⁸ 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 World Bank and/or bid on World Bank 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 FY23, INT closed six corporate vendor cases, four of which were substantiated. Of the four substantiated vendor cases, one was concluded through the simplified off-ramp procedure.⁹ All four substantiated cases are pending non-responsibility determinations by the SPADR as of the end of FY23. The SPADR also temporarily suspended two corporate vendors pending vendor eligibility determinations.

Disclosures Made by World Bank Staff

During FY23, 40 World Bank 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 8.02.¹⁰ In addition, 69 of the 292 external actionable complaints received in FY23 were based on information provided to INT by World Bank 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 World Bank, and INT appreciates the assistance and cooperation provided by many staff members in the resulting investigations.

Impactful Internal Investigations in FY23

Corruption involving abuse of consultant contracts

INT substantiated a multi-year staff investigation establishing that a now-former World Bank staff threatened retaliation and engaged in fraud, corruption, abuse of position and misuse of World Bank funds for personal gain and the gain of others, and reprisals, and failed to meaningfully cooperate with INT's investigation. The scope of the misconduct concerned 95 short-term consultant (STC) contracts involving 35 country office STCs, as well as more than 30 lending and Reimbursable Advisory Service projects (including at least five trust funds) in three different countries. This case demonstrates the potential risks that can occur when World Bank staff have control over STCs with limited visibility, oversight, and lack of segregation of duties, along with issues of low STC awareness of World Bank rules and policies. Drawing lessons from this case will help ensure that existing

policies are consistently enforced or potentially bolstered to mitigate future misconduct of this type.

Contract steering and undisclosed financial interests by staff

INT's multi-pronged approach to investigations sometimes creates hybrid cases, which combine subjects of both internal and external investigations, allowing for more efficient outcomes. In two such hybrid cases, INT established that two staff members based at a country office located in a fragile and conflict-affected situation (FCS) repeatedly steered World Bank-financed contracts and other business to a company and its principals, at times in exchange for corrupt payments or an undisclosed financial stake in the company, and otherwise unfairly benefited the company. Both cases substantiated misconduct.

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 World Bank gives effect to INT's investigative findings. Debarments protect World Bank resources by excluding firms and individuals that have engaged in sanctionable misconduct from its projects. Referrals to national authorities or other organizations can also prompt actions that increase the effectiveness of INT's investigative work.

The World Bank's standard conditions for release from sanction, which typically include the development and implementation of an integrity compliance program, further enhance debarment's deterrent value. Firms and individuals debarred with conditional release may only pursue new World Bank-supported work after they have taken concrete steps, satisfactory to the World Bank, to improve their business practices.

SANCTIONS

In FY23, INT submitted 13 sanctions cases, and five settlements to OSD for review. An additional settlement was submitted to the EO for IFC for review. As a result of these and earlier INT-submitted cases and settlements, the World Bank debarred, or otherwise sanctioned, 23 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 World Bank 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 World Bank recognize each other's public debarments of more than one year's duration—further enhances that deterrent effect. Firms and individuals know that if they engage in sanctionable misconduct under a World Bank project, that will carry consequences beyond just the World Bank. In FY23, the World Bank recognized 49 cross-debarments from other MDBs, and 17 World Bank debarments were eligible for recognition.

Settlements provide a complementary way for the World Bank to resolve cases of sanctionable misconduct. Under World Bank 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. Through their efficient resolution of cases and detailed compliance and cooperation provisions, settlements provide a valuable tool to promote higher integrity standards in World Bank-supported projects.

REFERRALS

Referrals are a means for INT to cooperate with other authorities, and a reflection of the fiduciary duty that underlies INT's mandate and work. INT sends referral reports to relevant World Bank member country counterparts when evidence indicates that a 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 FY23, INT issued 12 referrals, comprised of eight detailed referrals and four summary notification letters, to 11 different recipient countries. (A list of the detailed referrals is provided in Annex D of this report.) These referrals notably included the findings of a significant INT investigation into allegations of fraud, collusion, and corruption under two World Bank-supported power projects in Pakistan; and the findings of an investigation into allegations of fraud and collusion under two World Bank-supported projects in Tajikistan.

INTEGRITY COMPLIANCE

In FY23, the ICO continued engaging collaboratively with sanctioned entities around the world on their efforts to implement effective integrity compliance reforms as a condition of release from their World Bank sanction. In that regard, the ICO notified 21 newly sanctioned entities of their conditions for release and actively engaged with 91 sanctioned entities during FY23.¹¹ The ICO also continued the sanctions of 34 entities beyond their initial period of sanction until such time as they have met the conditions imposed for their release from sanction. The ICO also sent interim notices to entities sanctioned with release conditions that were not engaging with the ICO, inviting them to engage with the ICO. Fifteen such notices were sent in FY23, leading to engagement by three sanctioned entities. In addition, the ICO continued conducting site visits, both virtually and in person, to speak with relevant personnel of sanctioned companies and assess their implementation of integrity compliance reforms. In total, 412 entities were under sanction, with conditional release, at the end of FY23, of which 66 were actively engaging with the ICO at that time.

Impactful Sanctions in FY23

Incentivizing Corporate Reform, While Addressing Serious Misconduct

If World Bank projects are to achieve their development goals, then the firms and individuals who implement those projects must abide by the highest ethical standards. To promote corporate integrity while protecting World Bank-financed projects, the sanctions system imposes case-specific, proportionate sanctions that balance incentivizing reform with deterring misconduct. Two significant FY23 sanctions cases demonstrate the impact of this system.

In the first case, INT investigated the conduct of a major Asian civil engineering firm, and one of its subsidiaries, when advising on the procurement of a \$200 million World Bank-financed contract to design, build, and operate a wastewater treatment plant. INT found that the engineering firm had engaged in fraudulent practices by recklessly failing to disclose a potential reasonably perceived conflict of interest with a bidder, and by recklessly failing to disclose contract-related payments made to third parties. Although the firm had shown willingness to improve its practices, evidence indicated that it lacked internal controls adequate to identify and disclose potential conflicts of interest.

To encourage the firm's reform, in FY23 the World Bank imposed a two-part sanction on the firm and its entire corporate group. For two years, the firm is conditionally non-debarred, during which it must develop and implement compliance measures designed to prevent, detect, investigate, and remediate these types of fraudulent practices. If the firm successfully concludes this work in a manner satisfactory to the World Bank, then its sanction will end without debar-

ment. However, if the firm fails to seize its opportunity, and does not fulfill these conditions within two years, then it will be automatically debarred, with conditional release, for a further two years. This sanction structure provides the firm with a final chance to improve its systems and controls, backed by significant costs if it does not do so.

In contrast, another INT investigation found evidence that a West African firm and its Managing Director had engaged in significant fraud and corruption. Evidence indicated that the firm and its Managing Director had misrepresented the company's past experience, the experience of its staff, and/or its finances in bids for 11 different World Bank-financed contracts. Based partly on these false claims, the firm won nine World Bank-financed contracts worth a combined \$21.4 million. In addition to these false claims, evidence further indicated that the firm and its Managing Director had made at least 19 corrupt payments, totaling nearly \$400,000, related to the procurement and execution of the contracts that it won.

Faced with such extensive misconduct, in FY23 the World Bank debarred the firm and its Managing Director for nine years with conditional release. This sanction is among the longest non-permanent debarments ever imposed by the World Bank, and represents the largest sanction that the World Bank has imposed in five years.

Viewed together, these two cases demonstrate how the World Bank encourages reform, while also deterring severe wrongdoing with significant consequences.

The ICO also reviewed the integrity compliance materials of several entities in connection with INT's pre-sanction interactions with respondents, including settlement discussions. Relatedly, the ICO participated in several settlement agreement reviews and negotiation processes.

Notably, during FY23, the ICO determined that 17 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. In addition, one entity failed to meet its conditions for non-debarment and its sanction was converted from conditional non-debarment to debarment with conditional release. The released entities include large multinational companies, state-owned enterprises, small and medium-sized enterprises, and individuals around the world, including in fragile and conflict-affected situations.

In FY23, the ICO was also heavily involved in significant drafting efforts and collaboration regarding the harmonized "MDB

Impactful Integrity Compliance Reforms in FY23

Among the 17 entities that met their conditions for release from World Bank sanction in FY23 were two companies, each respectively in France and the Republic of Korea. These companies operate in vastly different environments and employ unique compliance strategies, but they both have derived positive impacts from their compliance reforms.

The Value of Integrity Compliance Guidance: Yooshin Engineering Corporation

In Korea, a listed multinational company called Yooshin Engineering Corporation (Yooshin) was released from sanction in December 2022 following the ICO's determination that it had satisfied the applicable conditions for release under its settlement agreement with the World Bank. In this case, the conditions for release required that Yooshin develop and implement an integrity compliance program reflecting the principles of the World Bank's Integrity Compliance Guidelines. Throughout the 30-month period of sanction, Yooshin worked collaboratively with the ICO and the independent integrity compliance expert engaged by the company pursuant to the settlement agreement. Yooshin utilized information technology-based systems to enhance its integrity compliance controls. Yooshin also collaborated with various external entities to promote integrity compliance principles. As a Korean multinational company operating in over 200 locations across 14 countries, Yooshin has a powerful voice in support of integrity compliance and clean business practices.

Cicero said: "The function of wisdom is to discriminate between good and evil." Fortunately, such wisdom was available to us from the outset, thanks in part to the World Bank's Integrity Compliance Guidelines and valuable insights and guidance from the ICO and an independent expert.

In the face of challenges reforming the company that coupled with the pandemic crisis, the wisdom shed light on our path to restore trust, ensuring our values resonate with ethical standards in this transnational world. In essence, it is unwavering commitment and effective communication that creates a strong corporate culture of integrity; the messages should flow

from top to bottom, from front line workers to management, from the company to its business partners, and so on. Furthermore, Yooshin further harnessed the power of IT systems for better access and consistency.

As a closing note, I want to give my profound thanks to all for their concerted efforts, including the ICO and the independent expert, our management and employees and our business partners. And to those who found this article, I hope you join this greater circle of collective action.

Chung Hwan Kim

Yooshin Chief Compliance Officer

Sharing the Benefits of Integrity Compliance Reforms: Bouygues Bâtiment International

In France, a construction company called Bouygues Bâtiment International (BBI) was released from sanction in January 2023, following the ICO's determination that it had satisfied the applicable conditions for release under its settlement agreement with IFC. BBI is a subsidiary of Bouygues Construction, one of the largest construction companies in France and part of the CAC 40-listed Bouygues Group. As with Yooshin, the conditions for BBI's release from sanction included the development and implementation of an integrity compliance program reflecting the principles of the World Bank's Integrity Compliance Guidelines. During the period of sanction, representatives of BBI and Bouygues Construction engaged regularly with the ICO and the independent integrity compliance expert retained under the settlement agreement on the development and implementation of the integrity compliance program. Notably, Bouygues Construction took its engagement with the ICO as an opportunity to implement wide-reaching integrity compliance reforms not only at BBI but also across Bouygues Construction's international operations, with over 53,000 personnel in more than 60 countries. Like Yooshin, members of Bouygues Construction also engaged with external entities to promote integrity compliance in the broader business community. In addition, since BBI's release from sanction, Bouygues Construction has continued to collaborate with the ICO on a

continued

voluntary basis to mentor other entities currently sanctioned by the World Bank that are undertaking integrity compliance reform efforts.

Ethics and compliance issues have been a priority for Bouygues Construction for the past decade. They contribute to the trust the Group inspires in our customers, employees, investors and shareholders, and our community of partners. Preventing, detecting, investigating and, if necessary, remedying any poor practices, is a long, continuous journey that requires constant attention. The World Bank's Integrity Compliance Guidelines as well as the constructive dialogue with the World Bank's ICO and an independent expert, have been essential sources to strengthen Bouygues Bâtiment International's internal policy. We have therefore improved our processes and compliance documentations, to bring together all our commitments aimed at fostering a responsible business and a fairer world. We adhere to these fundamental values, on all our projects, in all the countries where we operate. We also strongly encourage any of our business partners to develop, if they have not already done so, their own ethics and compliance programme, based on standards com-

patible with ours. We are convinced that ethics and compliance is everyone's business, at every level, and must be the focus of attention at all times.

Pierre-Eric Saint-André

Deputy Chief Executive Officer of

Bouygues Construction

President of Bouygues Bâtiment International

These cases are further examples of how the ICO's work with sanctioned entities can lead to meaningful developmental impacts across industries and geographies. Beyond simply seeking to prevent fraud and corruption in their own operations, these and other companies have become champions of integrity by working to promote a cleaner business environment in their supply chains and communities. Indeed, many formerly sanctioned companies continue to collaborate with the ICO after their release from sanction, whether by participating in integrity-focused outreach activities or serving as mentors to other companies that are seeking to implement integrity compliance reforms. The ICO looks forward to further collaboration with its growing network of companies to continue promoting integrity compliance globally.

General Principles for Business Integrity Programmes" (General Principles) that were adopted by the respective MDBs in FY23. The General Principles explain the role business integrity programs play in the MDB's antifraud and anticorruption efforts and provide guidance for entities seeking to implement their own such programs.

In addition, the ICO launched the Integrity Compliance Knowledge Sharing Platform, a publicly available platform that will include integrity compliance-related guidance tools, resources, and learning programs. The platform is funded by a grant awarded under the Korea-World Bank Partnership Facility.

Learn more about the Integrity Compliance Knowledge Sharing Platform:

<https://www.integritycomplianceknowledgehub.org/>

CORPORATE INTEGRITY COMPLIANCE OUTREACH

In FY23, the ICO continued promoting integrity compliance principles among businesses and other stakeholders. Beyond its core work with sanctioned entities, the ICO champions the implementation of tailored integrity compliance programs as a good business practice for all companies. Indeed, an effective integrity compliance program is not only a means of seeking to prevent misconduct, but also can be a selling point for companies.

As part of the ICO's outreach efforts, ICO team members participated as presenters and moderators in various conferences and events throughout FY23. Some highlights include:

- An "Integrity Compliance Programs: Lessons Learned" workshop organized by the World Bank and AfDB's Office of Integrity and Anti-Corruption, in Abidjan, Côte d'Ivoire.

- A panel discussion on “Building Linkages with International Organizations and Business Ethics for APEC SMEs Initiative” during the plenary of the 2022 APEC Business Ethics for SMEs Forum in Bangkok, Thailand (virtually).
- Business Ethics Network of Africa’s Annual Conference, in Kigali, Rwanda (virtually).
- The “Anticorruption for Development Global Forum: Restoring Trust,” co-hosted by the World Bank and several external partners, in Washington, DC.
- The World Bank Civil Society Policy Forum, in Washington, DC.
- Anticorruption-focused events organized by the Agence Française Anticorruption, the Organisation for Economic Co-operation and Development, and the United Nations Office on Drugs and Crime, with support from other partners, in Paris, France.

By engaging with sanctioned entities working to meet their conditions for release from sanction and collaborating with peer organizations, industry groups, and civil society, the ICO promotes integrity compliance principles for companies of all sizes and in all sectors and geographies. The ICO’s connections with integrity champions around the world—including experienced compliance monitors and released companies that voluntarily serve as mentors and speakers at outreach events—further broadens the impact of the ICO’s work.

PREVENT: Prevention, Risk & Knowledge

The Prevention, Risk and Knowledge Management unit comprises INT’s Complaint Development Unit, Forensic Services Unit, the Data Lab, Risks Analytics, and Preventive Services Unit. Closer collaboration between these teams is at the core of INT’s strategic objectives to deliver greater impacts for the institution through prevention support, risk analytics, and knowledge. INT’s role in preventing and mitigating fraud and corruption risk in World Bank financed operations is supported on several fronts: through our complaint response and analysis, by developing new insights on risk from our forensic reviews, by leveraging data and tools to better understand risk and inform INT’s guidance and knowledge products, and through monitoring the institution’s project pipelines and advising operational teams about how to mitigate risks.

Enhancing INT’s Risk-based Approach to Complaint Assessment and Analysis

INT receives complaints about potential misconduct from a variety of sources, including from World Bank staff, Project Implementation Units (PIUs), companies, and private citizens. Complaints can be submitted anonymously, and INT’s processes are strictly confidential. INT performs an initial assessment of every complaint that it receives at intake. This assessment determines whether the complaint relates to a sanctionable practice in World Bank-financed projects and falls within INT’s jurisdiction. Complaints outside of INT’s mandate are redirected to the responsible unit in the World Bank or to external entities if appropriate.

Building on the new business processes and tools developed last year, INT’s intake function has taken on an ever more pivotal role in driving the risk-based approach to complaint assessment and enabling timely preventive support to operations where issues arise. In FY23, INT further automated the collection of key data points needed to assess complaints, enabling faster complaint handling and deeper discussions of the potential operational risks posed by complaints as well possible investigative avenues. While this data automation effort has focused initially on assessing individual complaints, INT is also leveraging data tools to enable a global view of complaints across the World Bank’s regions and portfolios based on a range of indicators. INT’s case management system was also enhanced to be able to catalogue thematic operational issues raised in complaints submitted to INT.

Forensic Audits and Digital Forensic Services

The Forensic Audits team plays a critical role in supporting INT’s investigations, in generating insights on integrity risks in operations from its in-depth reviews and in delivering expert training to clients and partners. In FY23, forensic audit support was provided to 51 investigations and complaints, involving a total of 134 subjects; was an integral part of 18 investigative missions across all regions (including one mission which was supported remotely); and played an important role in the success of a number of sanctions cases. The Forensic Audits team also partnered with the Preventive Services Unit and with World Bank operations on joint in-depth fiduciary reviews, which arise in the context of high-risk projects where an understanding and mitigation of integrity risk vulnerabilities requires a close look at current practices and potential gaps in operational controls.

FY23 continued to see an increasing relevance of Digital Forensics in INT investigations, made possible by INT's investments in its Digital Forensics Lab (DFL). These investments have included the onboarding of two full-time digital forensics experts, investments in additional hardware and the completion of enhancements to advanced software tools which now enable investigators to acquire and review a large variety and volume of digital evidence, and to review and tag digital evidence in real time using an online collaborative review platform. As of the end of FY23, this platform was hosting more than 2.6 terabytes of data related to 33 investigations. This year, the DFL team developed Standard Operating Procedures, a case tracking system, and produced guidance and delivered training to assist all investigations teams with their digital forensic needs, as well as participated in four investigative missions.

Corporate Integrity Disclosures, Preventive Advisory Work and Knowledge

The Preventive Services Unit (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 project teams in the preparation and implementation of high-risk projects, drawing on their experience identifying and mitigating integrity risks in different sectors, types of operations, and operational contexts.

An important contribution to risk mitigation is the advice the PSU provides to teams leading operations that may be impacted by a recent or ongoing investigation. This can result in helpful dialogue between PSU and project teams across the lifecycle of project preparation and implementation. The PSU now also plays an integral role in INT's complaint assessment processes and works closely with the Complaint Development Unit in providing timely follow-up to project teams in the context of allegations that may require or benefit from mitigation measures. In doing so, the PSU is deepening its role as a bridge between INT's investigative mandate and the operational teams leading projects.

In FY23 the PSU has also continued to respond to proactive requests from project teams to assist in identifying and mitigating integrity risks, particularly in the preparation of selected projects or programs that operational teams considered particularly high-risk. PSU advice on

high-risk projects has supported greater attention to integrity risk into the upstream analysis of risks by the sector or country team, the adoption of measures to operationalize the World Bank's anticorruption guidelines in the project context, and risk mitigation measures in project implementation arrangements, working closely with relevant partners in the World Bank.

A special emphasis has been given this year to deepening INT's support to operations in contexts of Fragility, Conflict, and Violence (FCV). This has involved extensive coordination with, for example, World Bank teams supporting operations in Ukraine and close collaboration with procurement teams in Ukraine to support both ongoing operations and new World Bank financing. INT has also delivered virtual and in-person training events to TTLs, PIUs and in some instances has supported country management units in dialogue with national oversight authorities in FCS settings, including Ukraine, Somalia, Mindanao, and the West Bank and Gaza.

To create sustainable momentum and extend the outreach of its advice in FCS settings, INT has worked closely with the World Bank's FCV group to develop a Knowledge Note on *Mitigating Fraud and Corruption Risks in World Bank Operations in FCV Settings: Lessons from INT Investigations*, and has both enriched and disseminated the findings through thematic events and workshops. This note and partnership with the FCV group will serve as a basis for ongoing learning and training events. Other knowledge products this year have included short notes for World Bank staff explaining key corporate risk instruments and a survey of TTLs and a knowledge note identifying operational practices that reduce the risk of integrity issues.

Modernizing Data Systems and Tools to Support all of INT's Strategic Objectives

Underpinning much of the innovation in INT's use of data has been the development of a dedicated cloud infrastructure, which was completed this fiscal year. This has been possible thanks to a close collaboration between INT's Data Lab and the World Bank's Information Technology Solutions department. Other systems enhancements have included a dedicated module for the Integrity Compliance function in INT's case management system, resulting in a fully integrated data environment, encompassing all sanctions related business areas from complaint intake to compliance.

In FY23, INT's Data Lab also continued to expand its risk analytics work program. This has included the design and testing of Gen2 cloud-based tools to help teams detect risks patterns in procurement data, and applications to draw data from a variety of INT and World Bank sources and databases in real time, creating a data rich environment that will enable the building of machine learning models and secure mechanisms to develop, test, and deploy generative artificial intelligence services. The Data Lab has also supported piloting the use of satellite and remote imagery to support evidence gathering for investigations, with a focus on contexts where supervision and investigations are particularly challenging.

FY23 was also marked by collaborations and knowledge sharing with other stakeholders on data analytics and cloud operations. The Data Lab participated in various sessions in the recently formed United Nations Working Group on Data Analytics, collaborated with the World Bank's Group Internal Audit on cloud engineering, and has given presentations on how INT is leveraging advanced technologies to identify and mitigate integrity risks to development and academic partners.

Training and Outreach

Raising World Bank staff awareness of INT's work helps strengthen their understanding of the key risks posed by fraud and corruption to the effectiveness of the World Bank. It also clarifies how INT supports the World Bank's work, the role of staff in reporting wrongdoing, and INT's availability as a resource for preventive guidance and risk mitigation support.

In FY23, INT delivered and participated in awareness raising sessions, training, and other programs reaching close to 3,500 World Bank staff and staff working for client project teams, project implementation units, government counterparts and officials, and the private sector. These included:

- World Bank corporate onboarding programs for new staff, as well as specialized onboarding sessions organized for incoming Executive Directors and Board Officials and staff; recruits to the World Bank's Young Professional Program; government officials participating in the Voice Secondment Program; and staff working in FCS contexts, to introduce new staff and Board Officials to INT's work, the World Bank's stance against fraud and corruption, and staff's duty to report suspected fraud and corruption;
- training on the identification and mitigation of fraud and corruption in World Bank-financed projects for staff

of PIUs in Bolivia, Chile, Comoros, Ecuador, Kenya, the Lao People's Democratic Republic, Madagascar, Peru, Saint Maarten, Somalia, Tajikistan, Türkiye, Uganda, and Ukraine;

- trainings organized in collaboration with the Global Governance Practice and delivered to members of the Working Group on the Fight Against Corruption and Money Laundering of the International Organization of Supreme Audit Institutions, intended to raise awareness of various types of fraud and corruption schemes relevant to project accountants, most common "red flags," and examples of control weaknesses that could potentially facilitate fraud and corruption;
- the World Bank's *Anticorruption for Development Global Forum*, which brought together more than 220 partners, leaders, and practitioners from government, private enterprise, academia, civil society, foundations, and other international development organizations working in anticorruption and integrity; and
- trainings introducing INT and the World Bank's sanctions system, emphasizing the importance of local staff engagement in identifying and reporting integrity risks and setting out the mechanics of how to report matters to INT, sharing integrity and fiduciary risk trends, and identifying and mitigating integrity risks, in close collaboration with other parts of the World Bank in countries including Afghanistan, Cabo Verde, Cambodia, Côte d'Ivoire, The Gambia, Georgia, Guinea-Bissau, India, Kenya, Lao PDR, Mauritania, Senegal, Somalia, Uganda, and Vietnam.

Revitalizing the World Bank's International Corruption Hunters Alliance

Under the theme of "Collective Action in an Era of Crises," the fifth meeting of the International Corruption Hunters Alliance (ICHA) Forum convened in Abidjan, Côte d'Ivoire, on June 14–16, 2023. This meeting of ICHA broke new ground, even as it maintained its focus on addressing corruption as a development challenge. For the first time since its inception in 2010, the ICHA Forum was held in an African country, thanks to the partnership of the Government of Côte d'Ivoire, who co-hosted the event with the World Bank.

Bringing the ICHA 2023 Forum to Abidjan was an opportunity for the World Bank to utilize its convening power to gather more than 350 anticorruption actors from over 80 countries around the world, but especially from across

the African continent. In so doing, the ICHA Forum provides space for the sharing of global knowledge and expertise, while recognizing and drawing on the skills and experience of professionals from countries within the region as well. Ultimately, the ICHA Forum provides the invited participants a chance to strengthen the network of partners engaged in anticorruption around the world.


A key theme of discussion across the ICHA 2023 Forum was the critical importance of collective action in the fight against corruption. Participants recognized that corruption manifests in many ways throughout society in all countries, and with advances in technology, these challenges have increasingly become transnational without respect for borders. It is imperative for all countries, then, to work together with common purpose on the solutions that help make an impact against corruption. Moreover, the Forum's program emphasized the need to expand the profiles of partners—including women, youth, and representatives from the private sector and across civil society.

The ICHA 2023 Forum reaffirmed the World Bank's commitment to fighting corruption in development and strengthening the global network of anticorruption partners engaged in collective action.



World Bank Integrity Vice President, Mouhamadou Diagne, speaks with Cote d'Ivoire's Minister for the Promotion of Good Governance and the Fight Against Corruption, Epiphane Ballo Zoro, and the State Minister and Minister of Justice and Keeper of the Seals for the Democratic Republic of Congo, Rose Mutombo Kiese, during the ICHA 2023 Forum.

Learn more about the ICHA 2023 Forum:
www.worldbank.org/icha



Over the past fiscal year, OSD provided fair and independent assessments and decisions regarding the World Bank's sanctions cases and settlement agreements, while ensuring due process for all accused parties.

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 delighted to present the World Bank Sanctions System Annual Report for FY23 and an overview of the activities and accomplishments of the Office of Suspension and Debarment (OSD) during the previous fiscal year. As a critical component of the Sanctions System, OSD continued to successfully carry out its core mandate of providing the first level of adjudication in cases involving allegations of sanctionable misconduct, and strengthened the coalition of anticorruption communities in support of larger international integrity efforts.

Over the past fiscal year, OSD provided fair and independent assessments and decisions regarding the World Bank's sanctions cases and settlement agreements, while ensuring due process for all accused parties. Further, OSD continued to uphold transparency and accountability by publishing and maintaining the list of companies and individuals sanctioned by the World Bank for misconduct. OSD's sanctions data has proved to be a valuable resource used by both internal and external stakeholders for integrity due diligence efforts, and OSD often supports these stakeholders by responding to related inquiries.

In FY23, OSD engaged extensively with counterparts and stakeholders around the globe and helped build and maintain

coalitions in the international anticorruption community. OSD staff were involved in key international anticorruption events, including the annual meeting of the MDBs' first-tier sanctions officers, International Bar Association conferences, and the World Bank's International Corruption Hunters Alliance (ICHA) Forum. I am particularly pleased that OSD contributed to the ICHA Forum, organizing sessions addressing anticorruption in climate change interventions and gender inclusion in integrity professions. Climate change and gender inclusion are topics of high priority for the World Bank, and OSD will endeavor to reflect this in its knowledge sharing work going forward. Further, OSD published a Knowledge Report on the Symposium on "Supranational Responses to Corruption" that OSD co-organized last year. Such knowledge sharing and collaboration play a pivotal role in helping the World Bank and the wider development community to better respond to evolving integrity risks faced in a rapidly changing world.

As a key component of the Sanctions System, OSD will remain committed to contribute to the World Bank's mission to fight poverty by ensuring that the World Bank's development financing is used solely for its intended purposes, and by bolstering collaboration among stakeholders for enhanced integrity outcomes across the global development community. And, I would like to express a warm welcome to the new Executive Secretary of the Sanctions Board Secretariat, Jodi Glasow, and my sincere excitement about carrying forward the Sanctions System's work into another successful 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 World Bank's Managing Director and 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 *World 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 FY23, OSD's staff members and consultants had diverse regional backgrounds—hailing from Bolivia, China, Kazakhstan, the Republic of Korea, the Netherlands, Norway, Romania, Tajikistan, the United States, and Vietnam—and brought solid expertise in international development, anticorruption, corporate law, public procurement, and integrity 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, Legal Assistant; Hai Anh Tran, Legal Consultant; Alexandra Manea, Senior Counsel; Adriana Montoya, Program Assistant; Jamieson Smith, Chief Suspension & Debarment Officer; Gaukhar Larson, Counsel; Catherine Hendicott, Legal Intern; Yoonhye Kim, Legal Intern; Chang Liu, Counsel

OSD Staff & Consultant Profiles



RIYA GAVASKAR, Legal Assistant

Riya Gavaskar is the Legal Assistant in OSD. Ms. Gavaskar prepares all the logistical tasks for issuing cases, conducts research related to anticorruption, and produces reports and other statistics related to casework. Prior to joining OSD, Ms. Gavaskar interned for the United States Agency for International Development and the Brookings Institution. A United States national, Ms. Gavaskar graduated from George Washington University with a B.A., *magna cum laude*, in International Affairs and Economics and a minor in Spanish.

What attracted you to work for OSD and what are some of the highlights of working in this office?

I have always been curious about what drives the success of impactful development programs and how institutions overcome roadblocks in the implementation process. It has been extremely rewarding to start my career in an office where I directly contribute to efforts combatting corruption and fraud in development financing. OSD plays an important role in protecting the integrity of the World Bank by imposing suspensions on firms and individuals involved in misconduct. Equally important, OSD provides a fair and rehabilitative process to ensure that those who want to participate have a chance to do so. The most rewarding part of working at OSD is meeting people from diverse backgrounds and finding more reasons to pursue a career in development. Through my time with the office, I have had the opportunity to write blog posts, share my data reports with different stakeholders, and accompany colleagues to the many events hosted by the World Bank. Development is ultimately dependent on collaboration, and I admire that OSD exemplifies, through integrity and transparency, how we can work together to support a brighter future for everyone.

How has the case issuance process changed through virtual and hybrid work?

During the recent pandemic's peak, OSD worked quickly to ensure that cases were processed efficiently while prioritizing staff health and safety. For respondents, OSD encouraged virtual submissions of Explanations and granted requests for retroactive extensions if respondents could not contest cases due to issues related to the pandemic. For staff, OSD moved most communications online and adopted paperless submission procedures but continued to champion close collaboration on case review and issuance. Now working in a hybrid setting, the attorneys, interns, program assistant, and I continue to review cases collaboratively and promote an efficient, effective, and fair sanctions process. Despite the challenges in the past several years, OSD has always been committed to upholding the World Bank's fiduciary duty, safeguarding development financing, and promoting collective and inclusive knowledge-sharing within and beyond the office.

OSD Staff & Consultants At-A-Glance



14 STAFF & CONSULTANTS



FROM **10** COUNTRIES



SPEAKING **17** LANGUAGES



79% FEMALE
21% MALE

OSD Staff & Consultant Profiles



HAI ANH TRAN, Legal Consultant

Hai Anh Tran 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. A native of Vietnam, Ms. Tran earned a Master of Laws degree (LL.M.) in Government Procurement and Environmental Law from The George Washington University Law School, an LL.M. in International Law, *summa cum laude*, from Transnational Law and Business University in the Republic of Korea, and a Bachelor of Laws (LL.B.) with distinction from Hanoi Law University in Vietnam. Prior to joining the World Bank, Ms. Tran served as a law clerk for the Vietnam Supreme People's Court.

What attracted you to work for OSD?

OSD is a unique office that attracts individuals who are passionate about fighting corruption, promoting diversity in the workplace, and sharing knowledge with other anticorruption communities. I have always been interested in legal work that promotes the integrity and efficacy of public funds, and I am deeply passionate about ensuring that development programs are implemented properly. Working in OSD provides me the opportunity to contribute to the global fight against corruption, which remains a challenging endeavor in numerous countries worldwide. In addition to its efficient disposition of sanctions cases, OSD's emphasis on sharing knowledge and collaborating with other anticorruption organizations creates a platform for continuous learning and professional growth in this field. Overall, working in OSD offers a truly gratifying and rewarding experience for those who are dedicated to promoting integrity and accountability in public service.

What are some highlights of your experience in OSD?

My journey began as an intern after a competitive selection process. This opportunity eventually led to my current legal consultant position, an achievement I deeply cherish. It is extremely valuable to work with and learn from highly experienced attorneys who possess the skills and experience needed to analyze and combat fraud and corrupt misconduct through an impartial and efficient sanctions process, while being highly protective of the due process rights of respondents. As a member of OSD, I have had the privilege of participating in world-class conferences on anticorruption, where I meet experts and global leaders from whom I learned enormously. On top of substantive anticorruption work, what sets OSD apart is its organizational culture, which is profoundly dedicated to diversity and inclusion and deeply supportive of employees from various backgrounds and experiences. In particular, I learned how important it is to be intentional about including women and youth in the battle against corruption and, in fact, across all professional fields. I will carry these lessons with me throughout my career.

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 World Bank 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 World Bank-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 Sanctions Board, and publishing a Notice of Uncontested Sanctions Proceedings on the World Bank'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 World Bank 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 World Bank's overall sanctions policy.

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 World Bank 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.

- Organizing outreach and knowledge-sharing activities to inform internal and external stakeholders about the mission, processes, and results of the World Bank's sanctions system.

OSD Case Summary

In FY23, OSD received 13 sanctions cases, reviewed 12 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 5 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 3 of the 12 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 FY23, the SDO issued Notices of Sanctions Proceedings in 15 cases, which resulted in the temporary suspension of 19 respondents (11 firms and 8 individuals).

Under the Sanctions Procedures, respondents may submit a written Explanation to the SDO within 30 days—and may appeal to the World Bank Sanctions Board within 90 days—after receiving the Notice of Sanctions Proceedings. In

FY23, OSD reviewed Explanations submitted by 3 respondents and reduced the recommended sanctions against all respondents. Furthermore, 11 out of the 15 respondents whose appeal deadline fell in FY22 did not appeal to the Sanctions Board, and the World Bank imposed the SDO's recommended sanction against those respondents. Since OSD began reviewing and issuing sanctions cases in 2007, about 68% of all cases did not involve an appeal and were resolved at OSD's level.

Percentage of cases resolved at OSD's level since OSD's formation in 2007:
68%

FIGURE 7: Number of cases and settlements reviewed by OSD, FY19–23

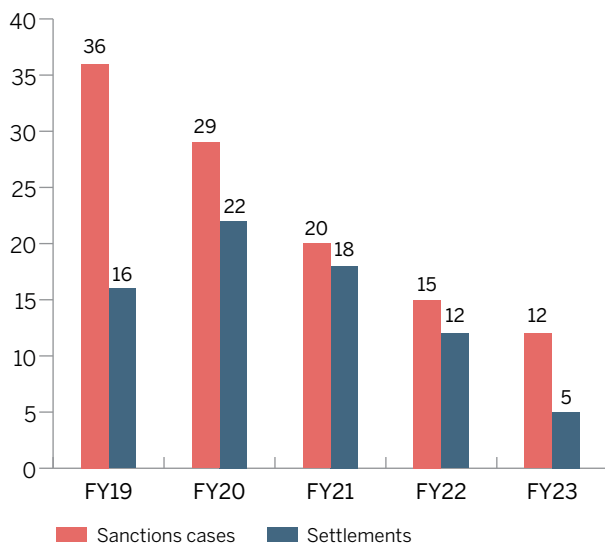


FIGURE 8: Number of sanctions cases submitted by INT and reviewed by OSD, FY19–23

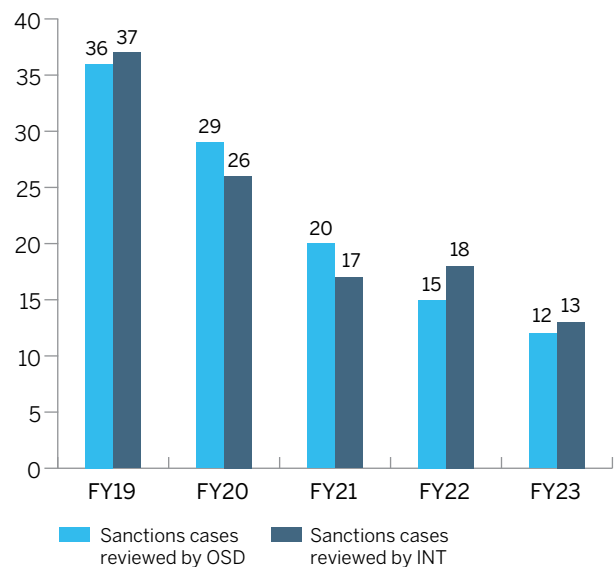


FIGURE 9: SDO findings of sufficient/insufficient evidence (by case)

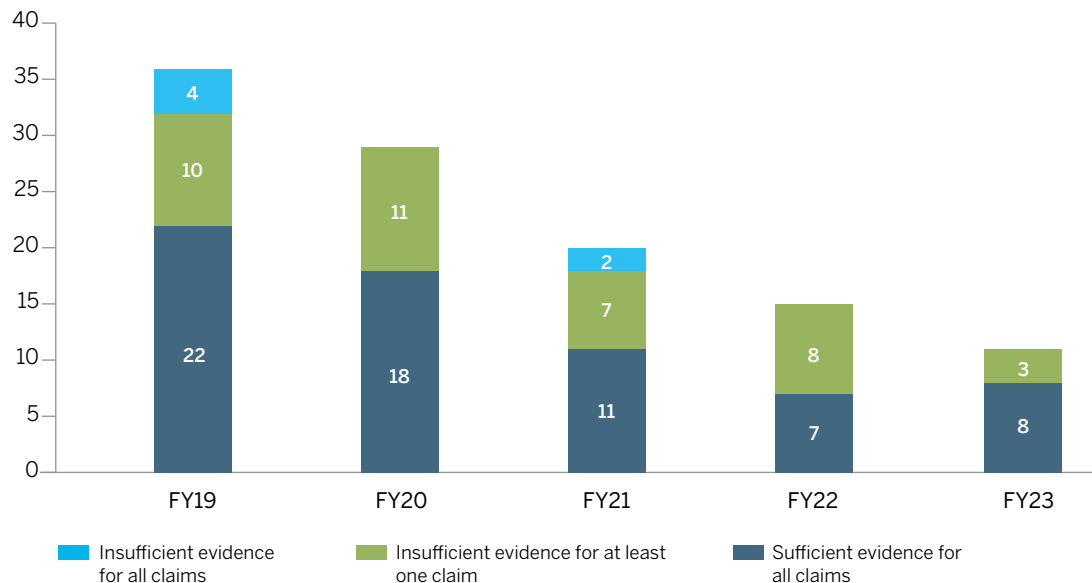
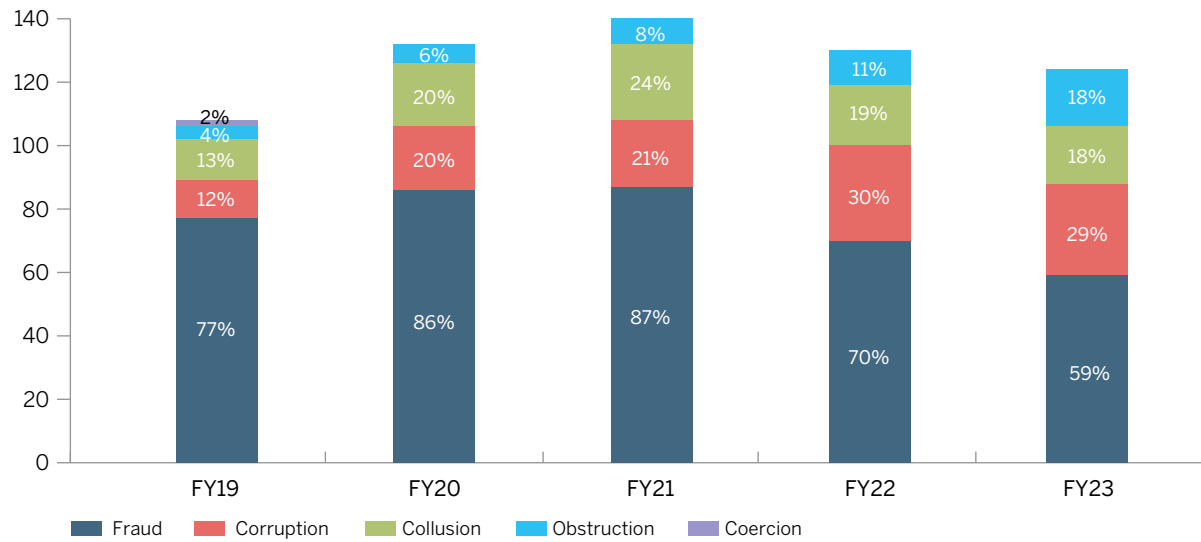


FIGURE 10: Percentage of cases & settlements reviewed by OSD, by type of sanctionable practice*



* Includes all INT submissions reviewed by OSD (sanctions cases and settlements) (185 in total). An individual case may include several types of sanctionable practices, each of which counted separately in the number of cases involving a certain type of sanctionable practice. "Collusion" includes cases containing allegations of collusive misconduct governed by the pre-2004 definition of fraudulent practice.

SUBMISSION OF RESPONDENT'S EXPLANATION TO THE SDO

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

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

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

Consistent with historical trends, most of the cases and settlements reviewed by OSD this fiscal year (59%) contained at least one fraudulent practice accusation. Four of the 12 cases reviewed this fiscal year contained accusations of two or more different types of misconduct (e.g., fraudulent and corrupt practices). This fiscal year, 18% of cases and settlements reviewed by OSD alleged at least one collusive practice accusation. Corrupt practice and obstructive practice accusations were present in 29% and 18% 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 96 cases that resulted in sanctions pursuant to the World Bank’s adjudicative process (either by an uncontested determination of the SDO or through a decision of the Sanctions Board), and the 73 cases resolved through settlement agreements with the World Bank, as 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 World Bank sanctions have a truly global reach.

Outreach, Knowledge, and Events

This year OSD continued its outreach activities both within and outside the World Bank to inform colleagues, other organizations, and national governments about the mission, processes, and results of the World Bank’s sanctions system, and to learn from external stakeholders. As the World Bank continues to evolve and face new challenges, OSD has devel-

oped and strengthened partnerships with a broad spectrum of partners to further support the global collective efforts against corruption. In FY23, OSD staff:

- Lectured at the International Anti-Corruption Academy and the Ukrainian Catholic University about the role of the World Bank’s sanctions system in the global pursuit of integrity in international development.
- Provided an update on activity in the World Bank’s sanctions system at the International Bar Association’s (IBA) Annual Conference in Miami, USA in November 2022 and at the IBA Anti-Corruption Committee Conference in Paris, France in June 2023.
- Participated in a meeting with fellow first-tier sanctions officers from four other major MDBs in Paris, France in June 2023.
- Spoke to students from the law schools of Georgetown University, the George Washington University, and American University about the functions of and careers in the World Bank’s sanctions system at the International Legal Careers Symposium in February 2023.
- Continuously sought feedback regarding the Global Suspension and Debarment Directory and made updates with an expanded scope.
- Conceptualized and organized three sessions at the World Bank’s ICHA 2023 Forum held in Abidjan, Côte d’Ivoire in June 2023 (see session descriptions below).
- Published a Knowledge Report on the Symposium on Supranational Responses to Corruption, which was co-organized by OSD and international partners in Vienna, Austria in April 2022.

FIGURE 11
Regional Origin of Respondents Sanctioned by the SDO and the Sanctions Board, FY19–23 (96 Cases)

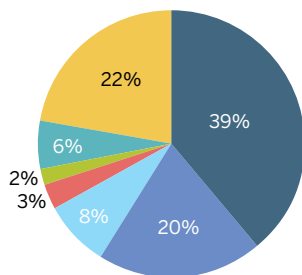


FIGURE 12
Regional Origin of Respondents Sanctioned by Settlement, FY19–23 (73 Cases)

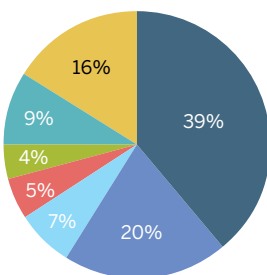


FIGURE 13
Location of Misconduct Sanctioned by the SDO and the Sanctions Board, FY19–23 (96 Cases)

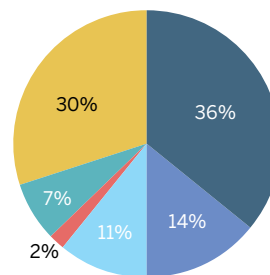
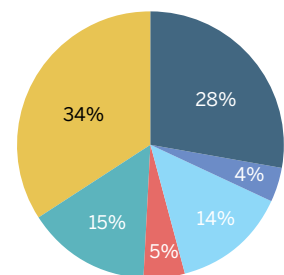


FIGURE 14
Location of Misconduct Sanctioned by Settlement, FY19–FY23 (73 Cases)



East Asia & Pacific
 Europe & Central Asia
 Latin America & Caribbean
 Middle East & North Africa
 North America
 South Asia
 Sub-Saharan Africa

SESSIONS ORGANIZED AT THE ICHA 2023 FORUM

Adapting Anticorruption Efforts to the Climate Crisis: A Multi-Stakeholder Approach

This session highlighted the crucial role of the anti-corruption community in addressing the climate crisis and called for more tailored, collaborative, and urgent anticorruption actions to support the achievement of the global climate agenda. Representatives from the government of Seychelles, Parliament of Ghana, private sector, the Green Climate Fund, Transparency International, and the World Bank highlighted the many ways corruption thwarts effective climate action, particularly by enabling the misuse of key natural resources and diverting funds dedicated to climate initiatives. In particular, the speakers observed that the massive influx of funding tied to climate action—amounting to trillions of US dollars in the coming decades—coupled with accelerated spending due to the urgency of the crisis, will undoubtedly heighten integrity risks that we must anticipate and mitigate. As the largest multilateral provider of climate finance, the World Bank is committed to learn, adapt, and advance its own anticorruption work and to support the global anticorruption community to meet the new challenges we will face.



Women in Integrity

This first-of-its-kind gender-focused stream at the ICHA Forum highlighted the benefits of gender diversity in the integrity field, raised awareness about the challenges faced by women in the integrity profession across countries, and identified actions to drive women's inclusion in integrity professions. In the fight against corruption, everybody has a role to play—yet gender gaps persist in key integrity-related professions, at the expense of more effective anticorruption efforts at national, regional, and global levels.

The first session—“**Trailblazing Women in Integrity**”—showcased the trailblazing careers of four remarkable women in anticorruption: Veronica Dragalin, Chief Anti-Corruption Prosecutor in Moldova; Martha Chizuma, Head of the Anti-Corruption Bureau in Malawi; Yvonne Farrugia, European Prosecutor at the European Public Prosecutor's Office; and Ly Sangare, State Judge in Côte d'Ivoire. The conversation, moderated by Anke D'Angelo, World Bank Vice President and Auditor General, discussed how to succeed in a field where women continue to be underrepresented in most countries, and shared key actions to create a culture that fully leverages the benefits of diversity in which women, and all employees, feel empowered to bring their ideas, perspectives, and experiences for better work outcomes.



The second session—“**Women in Integrity: Driving Progress Toward Gender Inclusion**”—dived deeper into the topic and engaged over 75 participants in group discussions with the goal of identifying good practices for advancing women’s inclusion in the integrity field at organizational and national levels. The discussions unpacked the experiences of many participants—women and men—with facing stereotypes and biases that create a disadvantage for women in the integrity field. With support from facilitators from OSD, the Sanctions Board Secretariat, and INT, the participants shared their ideas and experiences on:

- Raising awareness of common biases that put women at a disadvantage (e.g., lack of role models for women, gendered career paths and gendered work, women’s reduced access to networks and sponsors, cultural constraints, etc.) and identifying ways to counter such barriers.
- Creating effective regional and global networks for women to share resources, contacts, and knowledge in support of women’s empowerment and more effective work.
- Developing allyship across genders in the workplace and building a coalition of women and men to advance women’s inclusion in the integrity profession and public life.



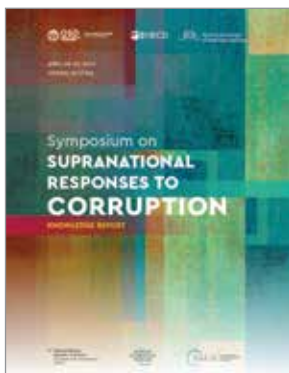
Knowledge Report of the Symposium on Supranational Responses to Corruption

In FY23, OSD published a [Knowledge Report](#) on the Symposium on Supranational Responses to Corruption, which was co-organized with the American Society for International Law’s Anti-Corruption Law Interest Group and the OECD’s Anti-Corruption Division, in Vienna, Austria in April 2022. The Symposium brought together experts from multiple international organizations, governments, the private sector, non-profit organizations, and academia to reflect on current and prospective anticorruption efforts that have transcended national boundaries or governments.

As highlighted in the Report, the Symposium’s panels, discussions, and informal exchanges emphasized the need to expand research, knowledge, and coordination

in support of enhancing supranational remedies against corruption. As we continue to contribute knowledge initiatives to international anticorruption efforts, including further editions of the Symposium, several actions are recommended based on lessons learned thus far:

1. Catalogue prior and existing supranational mechanisms against corruption and other similar crimes, identifying lessons learned and practices that can guide the development of future supranational initiatives.
2. Tailor anticorruption efforts to address challenges in priority areas, including those on climate change interventions. This objective requires research specific to the relevant sector based on which anticorruption stakeholders can adapt existing anticorruption remedies—or alternatively devise new mechanisms—to achieve more effective results.
3. Understand state-of-the-art technology tools and solutions, devising suitable mechanisms to leverage artificial intelligence and machine learning to help make anticor-



ruption efforts more agile and focused on preventive action.

Strengthen the dialogue and collaboration between knowledge-producing actors and decision-makers in the format proposed by the Symposium. Such collaboration is essential to advance the anticorruption agenda based on cutting-edge research.

The next Symposium on Supranational Responses to Corruption will focus on climate change action and is planned for spring 2024. Information regarding the call for contributions and other details can be found on OSD's website.

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

During FY23, the SDO issued Notices of Uncontested Sanctions Proceedings in 9 cases, resulting in sanctions against 11 respondents for engaging in fraudulent, corrupt, and collusive practices in connection with World Bank operations in the transportation, environment management, agriculture development, urban infrastructure, water management, and sustainable city development sectors of client countries. All of these Notices of Uncontested Sanctions Proceedings are publicly available on the World Bank's sanctions website. These cases included:

SANCTIONS CASE NO. 678—The SDO determined that the respondents, a Nigerian firm and a Nigerian national, engaged in fraudulent and corrupt practices in connection with multiple contracts for an agriculture development project and an erosion and watershed management project in Nigeria. The SDO found that the respondents engaged in fraudulent practices by (i) misrepresenting the firm's past experience in its bids for several contracts; (ii) misrepresenting the qualifications and past experience of key personnel in its bids for several contracts; and (iii) including audited financial statements and bidder information forms that contained false financial information in the bids for several contracts. The respondents also engaged in corrupt practices by making a series of payments to public officials and supervisory consultants to improperly influence their actions regarding nine contracts under both projects. The SDO imposed debarments with conditional release on both respondents for a minimum period of nine years. In determining these sanctions, the SDO took into account, as aggravating factors, (i) the fact that the respondents engaged in both fraudulent and corrupt practices; (ii) the respondents' repeated pattern of both fraudulent and

corrupt conduct; and (iii) the involvement of the individual respondent as the firm's Managing Director and Chief Executive Officer in the misconduct. As mitigating factors, the SDO considered (i) INT's representations regarding the extent of the respondents' cooperation during the investigation, noting in particular that the respondents provided relevant documents and met with INT; and (ii) the significant passage of time since some of the misconduct occurred and since the World Bank was made aware of it.

SANCTIONS CASE NO. 727—The SDO determined that the respondent, an Uzbek individual, engaged in a fraudulent practice in connection with a construction contract under a water supply project in Uzbekistan. In particular, the SDO found that the respondent, when reviewing bids for the contract, failed to disclose his affiliation with a company that was a bidder for the contract. 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 took into account, as mitigating factors: (i) INT's representations regarding the respondent's limited cooperation during the investigation, noting that the respondent met with INT and provided some relevant information; and (ii) the significant amount of time that had elapsed since the fraudulent practice occurred and since the World Bank became aware of it.

SANCTIONS CASE NO. 728—The SDO determined that the respondent, a Chinese company, engaged in fraudulent practices by misrepresenting its past experience in its bids for two construction contracts under two environmental management projects in China. Specifically, the SDO found that the respondent made misrepresentations regarding its past experience and its ongoing litigation in connection with its bid for a wastewater treatment plant construction contract in China. The respondent also misrepresented its past experience in connection with its bid for a flood control and water treatment works contract in China. The SDO imposed a debarment with conditional release for a minimum period of three years on the respondent and its ten affiliates. In determining this sanction, the SDO took into account, as an aggravating factor, the respondent's repeated pattern of fraudulent practices. As a mitigating factor, the SDO considered the passage of time since the fraudulent practices occurred and the World Bank became aware of them.

SANCTIONS CASE NO. 750—The SDO determined that the respondent, a Vietnamese national, engaged in collusive practices in connection with two public transport construction contracts under two development projects in Vietnam.

Specifically, the SDO found that the respondent, acting as a manager of a technology company, entered into collusive arrangements with a firm and the design consultants for the two contracts in order to obtain confidential information and influence the technical and qualification requirements in the contracts' bidding documents in favor of the firm and its partners, which included the respondent's company. The SDO imposed on the respondent a debarment with conditional release for a minimum period of five years and one month. In determining this sanction, the SDO took into account, as aggravating factors, (i) the fact that the respondent engaged in two separate collusive schemes; (ii) the central role that the respondent played in each of the collusive schemes; and (iii) the sophistication of the collusive schemes, each of which involved multiple parties and required significant coordination. As a mitigating factor, the SDO considered the passage of time since the misconduct occurred and since the World Bank became aware of it.

SANCTIONS CASE NO. 751—The SDO determined that the respondent, an Ecuadorian national, engaged in a collusive practice in connection with a construction contract under a wastewater management project in Ecuador. The SDO found that the respondent entered into an arrangement with two companies to improperly influence the drafting of prequalification documents in order to favor a consortium formed by those two companies and one other company in the bidding process for the contract. The SDO imposed on the respondent a debarment with conditional release for a minimum period of three years and two months. In determining this sanction, the SDO took into account, as an aggravating factor, the respondent's central role in the misconduct. As mitigating factors, the SDO considered (i) INT's representations regarding the respondent's limited cooperation during the investigation, noting that the respondent met with INT and provided some relevant information; and (ii) the significant amount of time that had elapsed since the misconduct occurred and since the World Bank became aware of it.

SANCTIONS CASE NO. 752—The SDO determined that the respondent, a Vietnamese national, engaged in collusive practices in connection with two transport development contracts under two urban development projects in Vietnam. The SDO found that the respondent entered into an arrangement with multiple parties in order to obtain confidential information and improperly influence the requirements for those contracts. The SDO imposed on the respondent a debarment with conditional release for a minimum period of five years and one month. In determining this sanction, the SDO took into account, as aggravating factors,

(i) the respondent's repeated pattern of collusive practices; (ii) the sophisticated means through which the respondent engaged in the collusive practices, including the complexities of the schemes and the coordination of multiple involved parties; and (iii) the respondent's interference with the investigative process. As a mitigating factor, the SDO considered the significant amount of time that had elapsed since the sanctionable practice occurred and since the World Bank became aware of it.


SANCTIONS CASE NO. 756—The SDO determined that the respondent, an Ecuadorian company, engaged in fraudulent practices in connection with a construction contract under a wastewater management project in Ecuador. Specifically, the SDO found that the respondent misrepresented, in an expression of interest and a bid for the contract, that a consortium formed by the respondent and two other companies did not pay or intend to pay any fees, commissions, or gratuities in connection with the contract. The SDO imposed on the respondent a debarment with conditional release for a minimum period of two years and ten months. In determining this sanction, the SDO took into account, as aggravating factors, (i) the respondent's repeated pattern of fraudulent practices involving multiple misrepresentations; and (ii) the involvement of the respondent's manager in the misconduct. As mitigating factors, the SDO considered (i) INT's representations regarding the respondent's limited cooperation during the investigation, noting that the respondent's representatives participated in interviews with INT; (ii) INT's representations regarding the relatively minor role that the respondent played in the fraudulent scheme; and (iii) the significant amount of time that had elapsed since the fraudulent practices occurred and since the World Bank became aware of it.

SANCTIONS CASE NO. 758—The SDO determined that the respondent, a Japanese company, engaged in corrupt and fraudulent practices in connection with a consulting services contract under a water supply and sanitation project in Bangladesh. In particular, the SDO found that the respondent engaged in a corrupt practice by paying government officials approximately \$8,241 in cash and travel expenses to improperly influence their decisions during the contract's implementation. The respondent also engaged in fraudulent practices by (i) failing to disclose the replacement of a civil engineer under the contract, despite having an obligation to do so; (ii) inflating in certain invoices the cost of rental vehicle and maintenance expenses under the contract; and (iii) inflating in certain invoices the salary of one individual. The SDO imposed on the respondent a debarment with

conditional release for a minimum period of three years and one month. In determining this sanction, the SDO took into account that the respondent engaged in two different types of sanctionable misconduct: corrupt and fraudulent practices. The SDO also took into account, as aggravating factors, (i) the respondent's repeated pattern of misconduct, noting the multiple corrupt payments made to public officials during a three-year period and engagement in three fraudulent schemes to inflate invoices and replace key personnel; (ii) the use of sophisticated means, noting the use of a third party to circumvent internal controls and generate funds for the corrupt practices over a three-year period; and (iii) the participation—or at least awareness—of certain members of the respondent's senior management in the corrupt and fraudulent practices. As mitigating factors, the SDO took into account (i) the respondent's substantial cooperation with INT's investigation, noting the provision to INT of extensive records of an internal investigation and arrangement for INT to interview several current and former employees; (ii) the multiple attempts by the respondent to provide restitution to the project of at least some of the funds that were obtained by the fraudulent misconduct at issue; (iii) the respondent's voluntary restraint from bidding for World Bank-funded contracts since mid-2019; and (iv) the implementation of, and ongoing improvements to, the respondent's relevant corporate compliance programs.

SANCTIONS CASE NO. 760—The SDO found that the respondents, a Vietnamese firm and a Vietnamese national, engaged in a collusive and corrupt scheme in connection with two contracts under a sustainable development project in Vietnam. In particular, the respondents entered into an arrangement with two other firms to improperly influence the drafting of technical specifications for the contracts, and solicited from one of the two other firms a commission worth 10% of the contracts' value for the respondents' assistance in winning the

contracts. On the corporate respondent, the SDO imposed a debarment with conditional release for a minimum period of eight years and ten months—consisting of an initial period of six years commencing November 29, 2021 pursuant to Sanctions Board Decision No. 134 (Sanctions Case No. 620), plus an additional period of two years and ten months, to run consecutively, in respect of the sanctionable practices addressed in this Notice. In determining this sanction, the SDO took into account, as aggravating factors, (i) the sophisticated means through which the corporate respondent engaged in the misconduct, involving significant planning and multiple companies and individuals; and (ii) the corporate respondent's central role in coordinating the multiple parties involved in the misconduct. As mitigating factors, the SDO considered (i) the corporate respondent's limited cooperation with INT during the investigation, noting in particular that its representatives corresponded with INT and provided INT with certain documentary evidence, while also noting that the corporate respondent did not accept responsibility for the misconduct; and (ii) the amount of time that had elapsed since the misconduct occurred and since the World Bank became aware of it. On the individual respondent, the SDO imposed a debarment with conditional release for a minimum period of two years and ten months. As aggravating factors, the SDO considered (i) the sophisticated means through which the individual respondent engaged in the misconduct, involving significant planning and multiple companies and individuals; and (ii) the individual respondent's central role in coordinating the multiple parties involved in the misconduct. As mitigating factors, the SDO considered (i) the individual respondent's limited cooperation with INT during the investigation, noting in particular that the individual respondent corresponded with INT, while also noting that the individual respondent did not accept responsibility for the misconduct; and (ii) the amount of time that had elapsed since the misconduct occurred and since the World Bank became aware of it.



The Sanctions Board fostered transparency in publishing fully reasoned decisions with comprehensive findings of fact and law and issuing the third edition of the Sanctions Board Law Digest.

The World Bank Sanctions Board

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



Introduction by Jodi T. Glasow, Executive Secretary to the World Bank Sanctions Board

It is with great pleasure that I introduce the work of the Sanctions Board for FY23. This year marked a year of celebration, change and achievement for the Sanctions Board and its Secretariat. The sanctions system noted the occasion of the 25th anniversary of the first formal sanctioning body—the Sanctions Committee—which evolved over the years into the current two-tiered system that includes the Sanctions Board as the second and final body of review. It was an opportunity to reflect and commemorate the progress and contributions of the sanctions system in achieving the World Bank's development goals.

We said goodbye to retiring Sanctions Board member, John Murphy, and welcomed a new Sanctions Board member, Philip Daltrop. John Murphy served the Sanctions Board both as Chairman and Board Member over the years, bringing a wealth of judicial and appellate experience. Philip Daltrop joins the Sanctions Board with a distinguished background as an international attorney and MDB professional, having served many years at the Asian Development Bank (ADB).

Finally, the many accomplishments of the Sanctions Board and its Secretariat are notable. Guided by the World Bank's

core values and the principles of independence, transparency, and fairness, we worked hard to ensure timely and fair consideration of contested sanctions cases. The Sanctions Board enhanced accountability by sanctioning respondents for engaging in misconduct and focused on rehabilitation by identifying integrity compliance measures to improve respondents' internal policies and business practices. We fostered transparency in publishing fully reasoned decisions with comprehensive findings of fact and law and issuing periodic reports. We also saw significant impact of our work by issuing the third edition of the Sanctions Board Law Digest which summarizes the evolving jurisprudence and precedent of the Sanctions Board. We remained committed to sharing our knowledge and learning by fostering communities of practice, bringing together professional networks in the international, public, and academic settings. For the first time ever, all seven Sanctions Board Members participated in a panel event to speak about their work to the international community. We also continued to work with our global partnerships and other similar appellate bodies in MDB sanctions systems to promote excellence and innovation in our field.

I wish to congratulate my colleagues at the Secretariat and the Sanctions Board members on a productive and innovative year. I hope this report makes clear why we are all tremendously proud of the work of the sanctions system and its contribution to the World Bank's mission.

Jodi T. Glasow

Executive Secretary to the
World Bank Sanctions Board

Who We Are

The 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 IBRD, IDA, IFC, or MIGA. In addition, the Sanctions Board reviews other types of cases, including disputes regarding the scope of sanctions and compliance with conditions for release from sanction (see "Review of other types of cases" later in this section). They consider sanctions cases in dedicated three-person panels or as a five-person plenary body. The Sanctions Board has issued 141 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 President and appointed by the World Bank's Board 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 World Bank, and are subject to disclosure obligations and conflicts of interest rules. Candidates for membership are identified by IBRD/IDA, IFC, or MIGA—with IBRD/IDA 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 financing or MIGA guarantees, the Sanctions Board may also receive input from an internal advisor appointed by the relevant institution.



Maria Vicien Milburn
Sanctions Board Chair (IBRD/IDA)
Argentina, Spain

In FY23, the Sanctions Board filled the post vacated by Judge John R. Murphy (South Africa), who had served as both Sanctions Board Chair (Nov 2019–Jan 2022) and regular member (Jan–Oct 2022). We are immensely grateful for Judge Murphy's invaluable contributions to the World Bank's sanctions system and for his leadership of the Sanctions Board. As reflected here, the new member is Philip Daltrop (UK, Germany).



Rabab Yasseen
Member (IBRD/IDA)
Switzerland



Philip Daltrop
Member (IBRD/IDA)
UK, Germany



Michael Ostrove
Member (MIGA)
France, United States



Cavinder Bull
Member (IFC)
Singapore



Adedoyin Rhodes-Vivour
Member (IFC)
Nigeria



Eduardo Zuleta
Member (MIGA)
Colombia

Sanctions Board Member Profile



PHILIP DALTROP, the new member of the Sanctions Board, brings 35 years of experience as an international lawyer, with deep understanding of the procurement and integrity functions at several MDBs. Early in his career, he worked in the London, Brussels, and Tokyo offices of Allen & Overy, the legal department of the UK Foreign and Commonwealth Office, as a finance lawyer for the Inter-American Development Bank (IDB), and as a project lawyer for the World Bank. He spent many years in the legal department of the ADB, and also headed the ADB's procurement, integrity, and internal audit offices, ultimately taking the role of the ADB's Deputy General Counsel. As an independent consultant, Philip has undertaken advisory projects for the World Bank, Asian Infrastructure Investment Bank, and other organizations. Philip's academic background includes an undergraduate degree in Philosophy, Politics and Economics (First Class), and a master's in International Human Rights Law (with Distinction), both from Oxford University. He is a qualified English solicitor.

What inspired you to serve on the Sanctions Board?

I spent most of my career working as a lawyer on projects in developing countries. At the Asian Development Bank, lawyers were involved at all stages of the project cycle, including the nitty-gritty of procurement planning and oversight of bidding processes. I became interested in the difficulties faced by project implementing agencies—often under-resourced and under-staffed—as they dealt with complex international projects. Later, I was fortunate to work for a short time at the World Bank in the 1990s as serious attempts started to be made to systematically address the problem of corruption in development projects. This encouraged me to specialize in both procurement oversight and anticorruption investigations later in my career. I now have a broad overview of the perspectives of the various parties to World Bank procurement processes, such as project implementation staff in developing countries, contractors, consultants, and World Bank procurement professionals and corruption investigators; I hope this will be helpful as the Sanctions Board considers appeals cases and helps to articulate appropriate standards.

How does a mechanism like the Sanctions Board serve the interests of international development?

Sanctions systems at the World Bank and similar organizations help to ensure that development finance is spent on the intended purposes, rather than being diverted—many studies have shown that communities impacted by poverty are also the most affected by fraud, corruption, and misallocation of resources. As an independent and external body, the specific role of the Sanctions Board is to help uphold due process in anticorruption investigations and proceedings in order that the best providers of goods and services are encouraged to participate in World Bank-financed projects, rather than being dissuaded by the threat of public sanctions. The decisions of the Sanctions Board are also watched closely by other organizations, and may be helpful in international standard-setting, as a practical way to promote international cooperation in combating corruption.

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 World Bank and in the international development community. The Secretariat also plays a key role in sanctions policy dis-

cussions, 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 World Bank'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, Canada, Malaysia, the Philippines, Russia, and the United States. Members of the Secretariat have diverse experiences in World Bank institutional administration and operations, ethics investigations, 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 FY23 team included an associate from the World Bank-Howard University Law School program. The program places law students in World Bank units addressing issues of integrity and internal justice at the institution and brings in students with backgrounds and interest in alternative dispute resolution. During FY23, the Secretariat welcomed Damilola Adebayo (United States, Nigeria).

Pictured: Sanctions Board Secretariat (from left to right, top row): Felipe Rocha dos Santos, Counsel; Eugenia Pyntikova, Counsel; Amanda Schneider, Paralegal. (From left to right, bottom row): Sharon Giebel, Legal Analyst; Jodi Glasow, Executive Secretary to the Sanctions Board; Anna Lorem Ramos, Counsel; Ryan Velandria McCarthy, Senior Counsel and Deputy Executive Secretary; (Not pictured: Geise Santos, Program Assistant; Damilola Adebayo, Legal Associate).



Sanctions Board Secretariat Staff & Consultants At-A-Glance



9 STAFF & CONSULTANTS



FROM **7** COUNTRIES



SPEAKING **8** LANGUAGES



78% FEMALE
22% MALE

What We Do

REVIEW OF CONTESTED SANCTIONS CASES

27%
Proportion of respondents that contested cases to the Sanctions Board in FY23.

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 World Bank's first-tier officers.¹² 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, the burden of proof shifts to the respondent to show that INT's allegations are not supported by a preponderance of the evidence.¹³ Between FY19–FY23, the Sanctions Board reviewed and decided 29 contested sanctions cases against 42 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 conclusions on liability and appropriate sanctions as compared to the first-tier officers.

Among all cases contested during the FY19–FY23 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 FY19–23 period, the Sanctions Board applied sanctions equivalent to those recommended

at the first tier in 10% of instances. For 52% of contesting respondents, the Sanctions Board applied a sanction that included a lesser period of minimum debarment. For 36% of contesting respondents, the minimum debarment period imposed by the Sanctions Board was greater.¹⁴ For the remaining 2% of respondents, as noted above, the Sanctions Board found insufficient evidence of misconduct and therefore did not impose any sanction. This variance in decision outcomes between the first tier and the Sanctions Board is reflective of a 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 Office's (ICO) determination that the party did not comply with conditions for release from sanction. Second, the Sanctions Board reviews appeals from parties that entered into settlement agreements with the World 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 World Bank designates an entity as a respondent's successor or assign and extends the respondent's sanction to that entity,¹⁵ that entity may appeal the World Bank's determination to the Sanctions Board.

FIGURE 15: Types of Disputes Reviewed

Appeals of ICO determinations

Appeals of settlement compliance determinations

Appeals by respondent's successors and assigns

Requests for reconsideration of Sanctions Board decisions

In reviewing these three types of disputes, the Sanctions Board uses an “abuse of discretion” standard and ascertains whether the World Bank 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

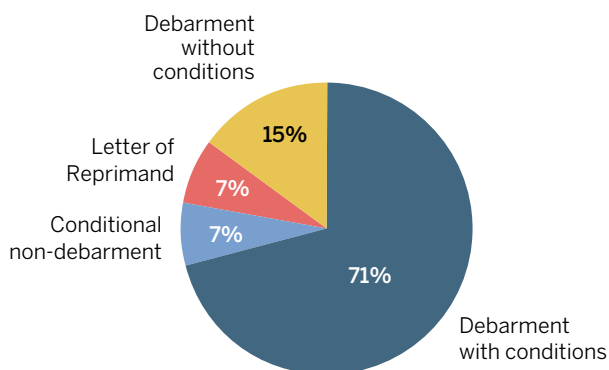
Cases decided with oral hearing (FY23):
75%

Cases decided with outside counsel (FY23):
50%

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 exceptional circumstances, the Sanc-

FIGURE 16: Types of Sanctions Imposed on Respondents by the Sanctions Board, FY19–FY23



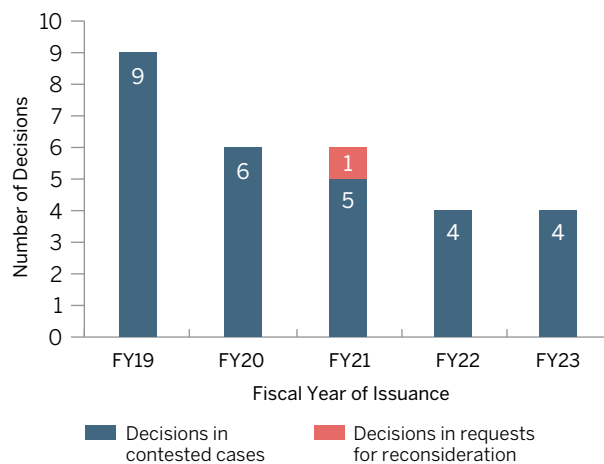
tions Board may call witnesses, who may be questioned only by Sanctions Board members. The parties do not have the right to directly question or cross-examine witnesses. At the conclusion of a hearing, the parties are invited to make closing presentations, with the respondents being given the opportunity to have the last word.

In FY23, 6 firms and individuals were sanctioned by the Sanctions Board

ISSUANCE OF SANCTIONS BOARD DECISIONS

Consistent with the World Bank’s commitment to transparency, the Sanctions Board is a leader among MDBs as the first sanctions body to publish its **fully-reasoned decisions** in all types of appeals. Sanctions Board decisions set out detailed factual and legal analyses, procedural and substantive findings, and citations to relevant precedent. For every decision imposing a sanction, the Sanctions Board also discloses the affected respondent/s and sanction type via the World Bank’s public list of sanctioned entities. 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 FY23 is presented **in the third edition of the Law Digest**.

FIGURE 17: Decisions Issued by the Sanctions Board, FY19–FY23



The number of decisions issued may account for more than one sanctions case contested to the Sanctions Board and also include decisions in requests for reconsideration.

During the period of FY19–FY23, the Sanctions Board has issued a decision every 63 days, on average.

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 World Bank management on the functioning of the 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. These included:

- **Engagement with MDB Sanctions Appeals Bodies**

In July 2022, the Secretariat and the World Bank's ICO hosted an MDB workshop on integrity compliance issues. This virtual session was attended by compliance staff, first-tier officers and appellate body secretariats of the AfDB, ADB, EBRD, and IDB. The Secretariat and the ICO led the group in discussing conditions for release from sanction, integrity compliance challenges for small and medium enterprises, and an overview of integrity compliance in the sanctions systems of MDBs.



- **ICHA 2023 Forum: Collective Action in an Era of Crises**

The Executive Secretary to the Sanctions Board participated in the ICHA 2023 Forum, where she facilitated a session titled, “*Women in Integrity Professions: Driving Progress Towards Gender Inclusion.*” Sanctions Board Member Adedoyin Rhodes-Vivour was also present and moderated a session titled “*Linking Corruption and Tax Evasion to Illicit Financial Flows.*” The event was hosted jointly by the Government of Côte d'Ivoire and the World Bank.

- **Issuance of 2023 Sanctions Board Law Digest and Panel Session with Board Members**

In May 2023, the Sanctions Board published the [Third Edition of its Law Digest](#), a concise thematic review of recent precedent and data



relating to the Sanctions Board's work. The Sanctions Board and Secretariat hosted a [panel event](#) at the World Bank's offices in Washington, DC, to celebrate the issuance of this publication. During the event, which was open to the public, the Sanctions Board members highlighted and discussed key topics addressed in its jurisprudence and the Sanctions Board's process. The panel shared their experience with hearings, discussed the importance of transparency, and reflected on efforts among the various MDBs and other IFIs to develop and harmonize their approaches to sanctions proceedings.

- **Graduate Course on Corruption Risk Mitigation**



In June 2023, 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 Afghanistan, Brazil, Democratic Republic of Congo, Ecuador, Egypt, Guatemala, Kenya, Peru, the United States, and Uruguay. This course reviewed the World Bank's evolving measures against corruption in public procurement, forms part of a larger program focusing on anticorruption law and practice. The Executive Secretary delivered a module on the World Bank's sanctions system and the Sanctions Board. This knowledge-building initiative brought together diverse participants from the World Bank's anticorruption agenda, colleagues from the IDB, and private sector stakeholders.

- **Sanctions Board Newsletter**



In December 2022, the Secretariat circulated the third issue of its newsletter, “Sanctions Board Insights,” providing readers with updates on Sanctions Board membership, interim case statistics, and changes in Secretariat staffing. In addition, the newsletter featured an overview of recently issued Sanctions Board decisions—setting out key findings and highlighting particularly interesting aspects of the cases.

- **C5 Conference on Anti-Corruption**

In June 2023, Sanctions Board staff organized and moderated a panel on anticorruption enforcement and adjudication processes at MDBs. The session delivered an overview of MDB sanctions systems and a



discussion of the boundaries of sanctionable misconduct, liability of corporate groups, and MDB approaches to integrity compliance.

- **ICC Conference on International Arbitration**

In October 2022, the Secretariat joined a panel organized by the International Chamber of Commerce (ICC) at the 20th ICC Miami Conference on International Arbitration. The panel discussed economic and political sanctions, their implications for international arbitration, and future trends.



Summary of Precedent in FY23

During FY23, the Sanctions Board issued four decisions ([Sanctions Board Decisions No. 138—No. 141](#)) arising from contested cases that were reviewed between Summer 2022 and Spring 2023. The cases were diverse in scope and involved allegations of fraud, corruption, and collusion relating to contracts financed by IBRD, IDA, and the Strategic Climate Fund. The projects at issue sought to develop the urban infrastructure, improve wastewater treatment systems, and support fiscal policy management programs in several countries, including Brazil, Liberia, 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.

DECISION NO. 138—Corrupt payments to a public official in order to influence the procurement or execution of multiple World Bank-financed contracts.

Outcome: In this decision, the Sanctions Board imposed a sanction of conditional non-debarment on a respondent firm. The respondent must comply with the conditions of non-debarment within two years from the date of the decision. In case of non-compliance within this prescribed period, the respondent shall be automatically placed under debarment with conditional release for a minimum period of two years and nine months.

Allegations, evidence, and findings: INT alleged that the respondent made two corrupt payments to a public official in order to influence the procurement or execution of five World Bank-financed contracts. The respondent acknowledged that the payments were made, but claimed no corrupt intent and denied responsibility for this conduct. According to the respondent, the payments constituted legitimate personal loans from one of its employees to the public official. The respondent also argued that its senior management did not authorize, condone, or know of the payments prior to INT's investigation, and that the employee's conduct violated its corporate policies (*i.e.*, he was a "rogue employee"). The Sanctions Board found that the totality of the evidence sufficiently demonstrated corrupt intent. For example, the respondent's own financial records provided direct evidence of a connection between the payments and the respondent's business interests. Moreover, the record showed that the public official played a key role in the procurement processes under the projects and was directly involved in the negotiations of at least two of the relevant contracts—indicating a course of dealing between the public official and the respondent. The Sanctions Board also found that the respondent was liable for the conduct of the employee in question. Notably, the respondent failed to prove that it had implemented internal controls reasonably sufficient to prevent or detect the sanctionable practice at issue. In addition, the record showed that the employee was acting within the course and scope of his employment and that he was serving the respondent's interests when he made the corrupt payments.

Sanctioning analysis: In its sanctioning analysis, the Sanctions Board applied aggravation for the respondent's repeated pattern of conduct and some mitigation for the respondent's cooperation with INT's investigation. The Sanctions Board declined to apply aggravation for management's role.

DECISION NO. 139—Corrupt and collusive practices using multiple companies in order to influence the procurement and award of several contracts financed by the World Bank.

Outcome: In this decision, the Sanctions Board imposed a sanction of debarment with conditional release for a minimum period of two years and ten months on a respondent individual. The respondent was a public official acting under the projects pursuant to several World Bank-financed consultant agreements.

Allegations, evidence, and findings: INT alleged that the respondent engaged in corrupt and collusive practices relating to two different companies. According to INT, the respondent received two corrupt payments from the first company in order to influence the procurement or execution of five World Bank-financed contracts. INT also argued that the respondent entered into an arrangement with the second company in order to stifle open competition and influence the procurement and award of a World Bank-financed contract. With respect to the alleged corrupt practice, the respondent challenged INT's evidence that the payments were made. The respondent also argued that the first company had no reason to bribe him and that he was not in a position to exercise the alleged influence. The respondent admitted to the alleged collusive practice. The Sanctions Board held the respondent liable on both counts. First, the record sufficiently demonstrated that the respondent received the payments from the first company with corrupt intent. For example, the first company's own financial records provided direct evidence of a connection between the payments to the respondent and the first company's business interests. Moreover, the record showed that the respondent played a key role in the procurement processes under the projects and was directly involved in the negotiations of at least two of the relevant contracts—indicating a course of dealing between the respondent and the first company. Second, the totality of the evidence—including correspondence, draft and final bidding documents, statements from the second company's staff, and the respondent's own admissions—supported a finding that the respondent engaged in a collusive arrangement in order to favor the second company improperly in the procurement of a relevant contract.

Sanctioning analysis: The Sanctions Board applied aggravation for the respondent's repeated pattern of corrupt payments. The Sanctions Board granted mitigation for the respondent's cooperation with INT's investigation and for the respondent's minor role in, and admission to, the collusive practice. The Sanctions Board declined to grant mitigation based on the respondent's professional certifications.

DECISION NO. 140—Fraudulent conduct involving failure to disclose a potential perceived conflict of interest and payments made to two consultant companies in relation to a World Bank-financed project.

Outcome: In this decision, the Sanctions Board imposed conditional non-debarment on a parent company and its wholly-owned subsidiary. In order to avoid debarment, the respondents must demonstrate compliance with the conditions of non-debarment within two years from the date of the

decision. In case of non-compliance within this prescribed period, the respondents shall be automatically debarred for a minimum period of two years, with conditional release.

Allegations, evidence, and findings: INT alleged that the respondents engaged in fraudulent practices by failing to disclose a conflict of interest and payments made to third parties. First, INT asserted that the respondents failed to disclose that one of its major shareholders participated in the bid that the respondents were tasked to evaluate. In their defense, the respondents asserted that the shareholder's 2.13% stake in the respondent parent company did not give rise to a conflict of interest subject to disclosure. The Sanctions Board held that the disclosure obligations encompassed not only situations of actual or potential conflict of interest, but also those that may be reasonably perceived as affecting the respondents' capacity to serve the best interests of the client or borrower. In this case, the respondents were tasked to assist the borrower in the prequalification process, bidding, negotiation, and award of a contract for a wastewater treatment plant. The shareholder was engaged in designing and building wastewater management systems and was notably the only entity in the parent company's list of major shareholders that was not a financial institution or investment vehicle. The Sanctions Board viewed these circumstances as creating a risk of reasonable perception that the respondents' impartiality in carrying out their duties might be affected. The Sanctions Board further held that the respondents' failure to disclose their potential reasonably perceived conflict of interest was done recklessly. According to the Sanctions Board, the respondents failed to act to mitigate the risk of misrepresentation and there was a lack of evidence showing that the respondents had adequate internal controls—such as a simple conflict check process—or had one that was operationalized at the local level.

Second, INT argued that the respondents failed to disclose fees paid or to be paid to two consultants that were engaged to provide services related to the execution of the contract. The Respondents argued that the consultants' payments were neither commissions or gratuities nor fees related to the proposal or contingent on contract award and execution, which the respondents interpreted as limited to contract signing. Echoing its broad interpretation of disclosure obligations in past cases, the Sanctions Board rejected the respondents' narrow reading of the type of payments subject to disclosure and restrictive understanding of contract execution. The Sanctions Board further found that the respondents acted recklessly when they failed to seek clarifications on the meaning of ambiguous terms or inter-

nal contradictions in the bidding documents, as was their responsibility under the applicable Consultant Guidelines.

Sanctioning analysis: The Sanctions Board considered that the respondents engaged in two distinct fraudulent practices and applied aggravation for harm caused to the project. The Sanctions Board applied varying levels of mitigation for the respondents' compliance program, cooperation, voluntary restraint, and the passage of time since the misconduct. The Sanctions Board's choice of sanction and related conditions for non-debarment and release was based on the totality of the circumstances of this case, including the state of the respondents' internal controls and compliance program.

DECISION NO. 141—Fraudulent billing practices seeking undue compensation under a World Bank-financed consulting contract.

Outcome: In this decision, the Sanctions Board imposed sanctions of debarment with conditional release for a minimum period of nine months on a consulting company and its technical director. The respondent firm was part of a consortium hired to supervise the execution of certain construction works and provide technical assistance to the local government pursuant to a World Bank-financed consultant agreement.

Allegations, evidence, and findings: INT alleged that the respondents engaged in fraudulent practices by claiming undue compensation during the execution of the contract. According to INT, the respondents misrepresented certain services rendered by three consultants by billing some of their activities under a false contractual classification and/

or overstating their time or contributions to the project. The respondents argued that they truthfully and accurately billed for certain services, but admitted that their billing practices were misleading with respect to other services. The Sanctions Board held both respondents liable for fraudulent practices. First, the Sanctions Board found that the respondents knowingly used a false billing classification for certain services, in order to earn additional time-based compensation for activities already covered by a lump-sum payment. The Sanctions Board determined that the respondents' purported interpretation of the relevant provisions was implausible and inconsistent with the consortium's rights and obligations under the contract. Second, the Sanctions Board found that the respondents systematically and knowingly overbilled for a consultant's time. Third, considering the respondents' admissions and other evidence, the Sanctions Board found that the respondents falsely credited to another consultant at least one deliverable that was prepared by others, and that they inaccurately billed for her time. The Sanctions Board found that all these patterns of conduct were part of a single fraudulent scheme to obtain undue compensation under the contract.

Sanctioning analysis: The Sanctions Board applied aggravation based on the technical director's central role in the misconduct and involvement of the respondent firm's management in the misconduct. The Sanctions Board granted limited mitigation for the respondents' cooperation with INT's investigation, voluntary restraint, and admissions, and considerable mitigation for the significant passage of time since the misconduct.

Annexes

Fiscal Year 2023 Sanctions System Data

A. Investigations Overview

TABLE A.1: Sanctionable Practices Identified in Substantiated External Investigation Cases, FY19–FY23

	FRAUD	CORRUPTION	COLLUSION	COERCION	OBSTRUCTION	TOTAL FIRS ISSUED
FY23	18	8	8	0	6	20
%	90%	40%	40%	0%	30%	
FY22	17	5	6	0	7	20
%	85%	25%	30%	0%	35%	
FY21	18	9	5	0	3	21
%	86%	43%	24%	0%	14%	
FY20	28	6	5	0	7	29
%	97%	21%	17%	0%	24%	
FY19	36	10	7	0	5	41
%	87%	24%	17%	0%	12%	

Note: FIR = Final Investigation Report. Because substantiated cases may include more than one type of allegation (e.g., fraud and collusion), the counts by allegation type typically add up to more than the Total FIRs Issued column.

TABLE A.2: Internal Investigation Cases, FY23

	STAFF	VENDOR	TOTAL
Carried over from FY22	7	12	19
Opened	21	6	27
Total	28	18	46
Closed	11	6	17
<i>Substantiated</i>	3	4	7
<i>Unsubstantiated</i>	5	2	7
<i>Unfounded</i>	3	0	3
Ending caseload	17	12	29

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.

TABLE A.3: Overview of Internal Investigation Outcomes, FY19–FY23

	FY19	FY20	FY21	FY22	FY23
Total New Cases Opened	39	41	25	26	27
Total Cases Completed	29	48	38	28	17
Total Ending Caseload	41	34	21	19	29
CASES					
Substantiated	10	7	8	4	7
Unsubstantiated	8	17	24	20	7
Unfounded	5	10	3	4	3
Referred	5	14	3	0	0
Other	1	0	0	0	0
Closed	29	48	38	28	17
Complaints Referred/Not investigated	31	27	57	55	44

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

B. Sanctions System and Results

TABLE B.1: Sanctions Cases, FY19–23

	FY19	FY20	FY21	FY22	FY23	5 YEAR TOTAL
Sanctions Cases Submitted to SDO by INT	37	26	17	18	13	111
SDO Initial Review Completed	36	29	20	15	12	112
Sanctions Cases Issued by SDO to Respondents	30	30	17	14	15	106

TABLE B.2: Settlement Agreements, FY19–23

	FY19	FY20	FY21	FY22	FY23	5 YEAR TOTAL
Settlement Agreements Submitted to SDO/EO by INT	16	22	18	15*	6**	77
SDO/EO Review Completed	16	22	18	15*	6**	77

TABLE B.3: Sanctions Results, FY19–23

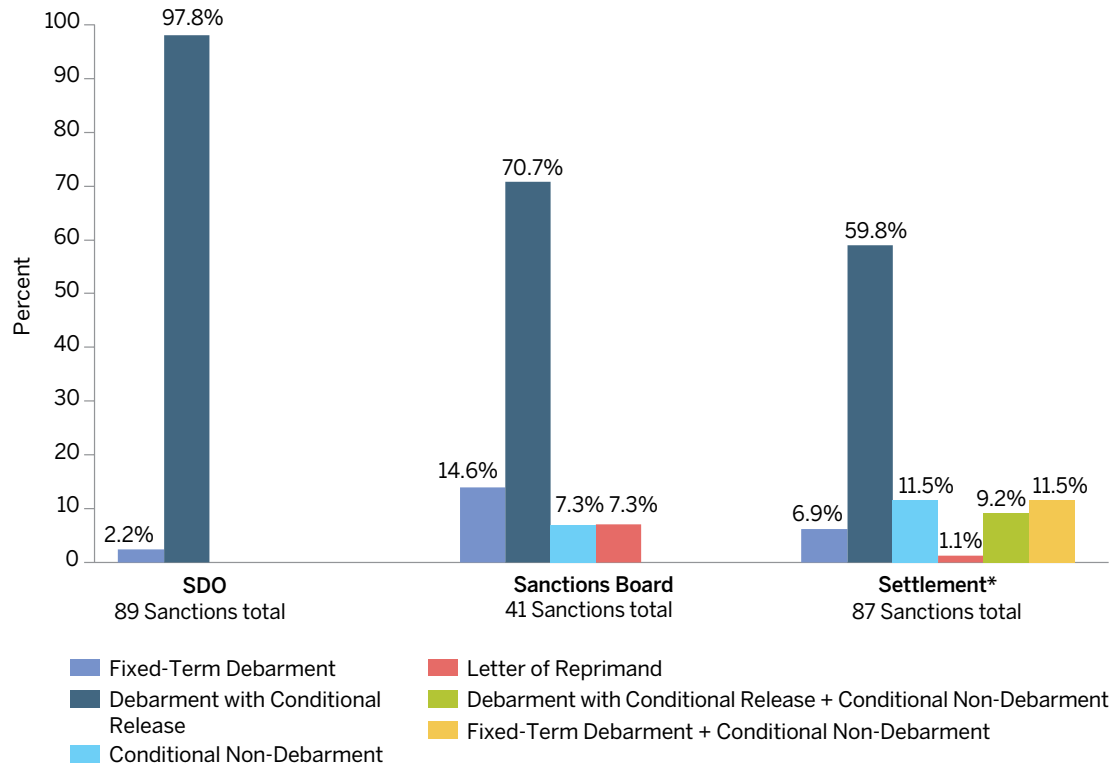
	FY19	FY20	FY21	FY22	FY23	5 YEAR TOTAL
Firms and Individuals Temporarily Suspended	34	38	23	20	19	134
Sanctions Imposed Pursuant to SDO Determinations	19	19	29	11	11	89
Sanctions Imposed Pursuant to Sanctions Board Decisions	14	7	8	6	6	41
Sanctions Imposed Pursuant to Settlement Agreements	20	23	20	18*	6**	87

Notes:

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

**In FY23, the IFC EO reviewed one settlement agreement entered into between the World Bank and one respondent.

FIGURE B.1: Type of Sanctions Imposed by the SDO, the Sanctions Board, and Pursuant to Settlement, FY19–23
 (Total of 217 Sanctions Imposed)



Note: * Includes three settlement agreements that the World Bank entered into with three respondents in FY22, and one settlement that the World Bank entered into with one respondent in FY23, in connection with IFC operations.

FIGURE B.2: Length and Type of Debarments Imposed by the SDO*, FY19–23 (Total of 89 Debarments)

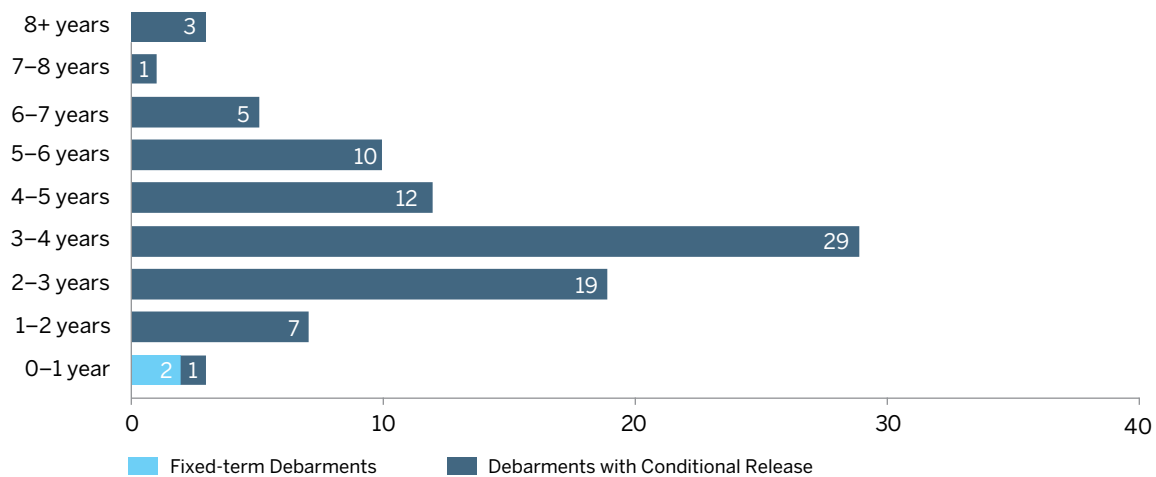


FIGURE B.3: Length and Type of Debarments Imposed by the Sanctions Board, FY19–FY23*
 (Total of 35 Debarments; Excludes 6 Non-Debarment Sanctions)

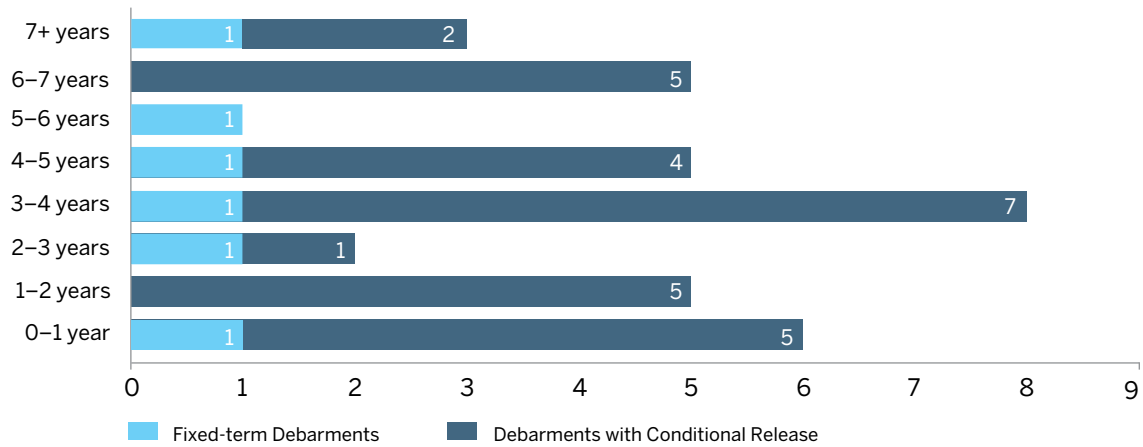
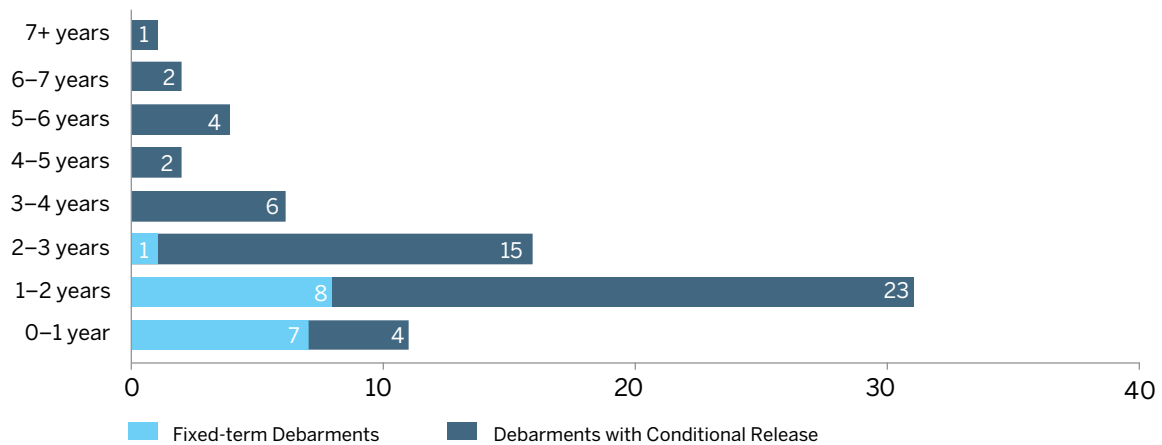


FIGURE B.4: Length and Type of Debarments Imposed by the Sanctions Board, FY19–FY23*
 (Total of 73 Debarments; Excludes 10 Non-Debarment Sanctions)



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

TABLE C.1: Firms/Individuals Debarred in FY23

* 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 World Bank 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	GROUNDS FOR DEBARMENT	LENGTH OF DEBARMENT
1	SDO Uncontested Determination	Henan Geological and Mining Construction Engineering (Group) Co., Ltd.	China	China	Fraud	3 years
2	Settlement Agreement	Mr. Selcuk Yorgancioglu	Türkiye	Türkiye	Fraud	2 years
3	SDO Uncontested Determination	Getinsa Ingeniería Vietnam Co. Ltd.	Vietnam	Vietnam	Corruption and Collusion	2 years, 10 months (added to a previously-imposed 6-year debarment, for a total sanction of 8 years, 10 months)
4	SDO Uncontested Determination	Ms. Tran Thi Hoan	Vietnam	Vietnam	Corruption and Collusion	2 years, 10 months
5	SDO Uncontested Determination	Construcciones y Servicios de Minería Consermin S.A.	Ecuador	Ecuador	Fraud	2 years, 10 months
6	Settlement Agreement	PCS Limited	Vanuatu	Vanuatu	Fraud	1 year, 3 months
7	SDO Uncontested Determination	Burhani Engineers Ltd.	Kenya	Uganda	Fraud	2 years
8	SDO Uncontested Determination	Mr. Carlos Alberto de Otero López	Ecuador	Ecuador	Collusion	3 years, 2 months
9	SDO Uncontested Determination	Mr. Pham Hong Ha	Vietnam	Vietnam	Collusion	5 years, 1 month
10	Settlement Agreement	Mr. Joshua Nari	Vanuatu	Vanuatu	Fraud	1 year, 6 months
11	Settlement Agreement	Lotte Data Communications Company Limited	Korea	Vietnam	Obstruction	3 years
12	Settlement Agreement	Mr. Carlos Barberán Díez	Spain	Guyana	Corruption	3 years
13	SDO Uncontested Determination	Mr. Yunus Jalalov	Uzbekistan	Uzbekistan	Fraud	2 years, 5 months
14	SDO Uncontested Determination	Chez Aviv Nigeria Limited	Nigeria	Nigeria	Fraud, Corruption	9 years
15	SDO Uncontested Determination	Mr. Frank John Friday Nnaji	Nigeria	Nigeria	Fraud, Corruption	9 years
16	SDO Uncontested Determination	Mr. Cao Xuan Tung	Vietnam	Vietnam	Collusion	5 years, 1 month
17	Sanctions Board Decision	Mr. Victor Neeplo	Liberia	Liberia	Corruption, Collusion	2 years, 10 months
18	SDO Uncontested Determination	NJS Co., Ltd.	Japan	Bangladesh	Fraud, Corruption	3 years, 1 month
19	Sanctions Board Decision	ProjectPlan Consultoria e Projetos LTDA (formerly MC Consulting LTDA)	Brazil	Brazil	Fraud	9 months
20	Sanctions Board Decision	Mr. Luis Henrique Werneck de Oliveira	Brazil	Brazil	Fraud	9 months

TABLE C.2: Other Sanctions Imposed in FY23

* 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 World Bank operations. A 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	Sanctions Board Decision	Union Strong Group, Inc.	Liberia	Liberia	Corruption	CND for 2 years
2	Sanctions Board Decision	Nippon Koei Co., Ltd.	Japan	Vietnam	Fraud	CND for 2 years
3	Sanctions Board Decision	Nippon Koei Vietnam International Co.	Vietnam	Vietnam	Fraud	CND for 2 years

TABLE C.3: Cross-Debarments Recognized by the World Bank in FY23

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

	FIRM/INDIVIDUAL NAME	COUNTRY	GROUND FOR DEBARMENT	LENGTH OF DEBARMENT
1	Construcap CCPS Engenharia e Comércio S.A.	Brazil	Cross Debarment: IDB	1 year, 6 months
2	Sociedad Anónima de Obras y Servicios Copasa do Brasil	Brazil	Cross Debarment: IDB	2 years, 6 months
3	Ms. Eilyen Nallely Delgado Alfaro	Costa Rica	Cross Debarment: IDB	11 years
4	GÖKSIN INSAAT GIDA TURİZM BİLİSİM TÜKETİM MALLARI PAZARLAMA MADENCİLİK VE PROJE MÜSAVİRLİK HİZMETLERİ SANAYİ VE TİCARET LIMITED SİRKETİ	Türkiye	Cross Debarment: EBRD	2 years, 6 months
5	GFCC LLC	Mongolia	Cross Debarment: EBRD	4 years
6	Saruul Och LLC	Mongolia	Cross Debarment: EBRD	4 years
7	Somsavanh Chaleun Construction Co., Ltd.	Lao PDR	Cross Debarment: ADB	5 years
8	Mr. Khamky Somchayneuk	Lao PDR	Cross Debarment: ADB	5 years
9	M/s Pir Azmat Shah & Sons	Pakistan	Cross Debarment: ADB	6 years
10	Mr. Amir Uddin Shah	Pakistan	Cross Debarment: ADB	6 years
11	Inversiones Atlantic S.A. de C.V.	El Salvador	Cross Debarment: IDB	15 years
12	Héctor Alfonso Velasco Rivas	El Salvador	Cross Debarment: IDB	15 years
13	Nelson Alexander Núñez González	El Salvador	Cross Debarment: IDB	15 years
14	Proyectos Diversos Integrados S.A. de C.V.	El Salvador	Cross Debarment: IDB	15 years
15	Proyectos y Mecanizados Diversos S.A. de C.V.	El Salvador	Cross Debarment: IDB	5 years
16	Fernando Bladimir Peña Pineda	El Salvador	Cross Debarment: IDB	5 years
17	Gesaworld S.A. or Gesaworld Group S.A.	Spain	Cross Debarment: IDB	10 years
18	Roser Vicente Ruiz	Spain	Cross Debarment: IDB	10 years
19	José Antonio Lázaro Romeu	Spain	Cross Debarment: IDB	10 years
20	Gesaworld do Brasil Limitada	Brazil	Cross Debarment: IDB	10 years
21	Gesaworld Panamá S. A.	Panama	Cross Debarment: IDB	10 years
22	Gesaworld USA Limited Liability	United States	Cross Debarment: IDB	10 years
23	Gesaworld Chile Limitada	Chile	Cross Debarment: IDB	10 years
24	Gesaworld México S.A. de C.V.	Mexico	Cross Debarment: IDB	10 years
25	Isabel Patricia Carrizo	Argentina	Cross Debarment: IDB	7 years
26	Marcelo Daniel Romero	Argentina	Cross Debarment: IDB	7 years

TABLE C.3, continued

27	Gitto Costruzioni Generali Nigeria Limited	Nigeria	Cross Debarment: AfDB	4 years
28	U&R Construcciones S.A. de C.V.	El Salvador	Cross Debarment: IDB	7 years
29	Leoncio Antonio Urbina Claros	El Salvador	Cross Debarment: IDB	7 years
30	Construcciones de Obras Civiles S.A. de C.V.	El Salvador	Cross Debarment: IDB	6 years
31	Juan Edgardo Andrade Peñate	El Salvador	Cross Debarment: IDB	6 years
32	Green Line General Trading and Contracting CO.W.LL	Kuwait	Cross Debarment: EBRD	1 year
33	Too Talap Strou Service	Kazakhstan	Cross Debarment: EBRD	3 years
34	Zimo Ltd.	Georgia	Cross Debarment: ADB	5 years
35	Alberto Esteve Aparisi	Spain	Cross Debarment: IDB	3 years
36	Genç İnşaat Limited Şirketi	Türkiye	Cross Debarment: EBRD	4 years
37	Alejandro Bolaños Salazar	Costa Rica	Cross Debarment: IDB	1 year, 6 months
38	Ogon Asu Limited	Nigeria	Cross Debarment: AfDB	1 year, 4 months
39	Mr. Wiliam Tuku Ogon	Nigeria	Cross Debarment: AfDB	1 year, 3 months
40	Shaanxi Herui Technology Development Co., Ltd.	China	Cross Debarment: ADB	4 years
41	DINAJU S.A.	Costa Rica	Cross Debarment: IDB	3 years
42	Victor Julio Arias Herrera	Costa Rica	Cross Debarment: IDB	3 years
43	Mr. Md. Abdul Awal	Bangladesh	Cross Debarment: ADB	7 years
44	M/S. A.S. Construction	Bangladesh	Cross Debarment: ADB	7 years
45	Marcelia for Information Technology (Skytech)	Jordan	Cross Debarment: EBRD	1 year, 1 month
46	Goldsun Investments Company Limited	Kenya	Cross Debarment: AfDB	2 years
47	Société Bel Mabrouk Des Travaux et Investissement S.A.R.L	Tunisia	Cross Debarment: AfDB	1 year, 1 month
48	Todini Costruzioni Generali S.p.A.	Italy	Cross Debarment: ADB	7 years
49	Mr. Bekhruz Gulruzov	Tajikistan	Cross Debarment: ADB	5 years

TABLE C.4: Vendors Declared Ineligible in FY23

No World Bank vendors were declared ineligible in FY23.

One of the vendor cases that INT substantiated in FY23 was off-ramped. The non-responsibility determination is non-public, meaning the vendor's name will not be included on the World Bank's public list of ineligible vendors. INT and SPADR, with approval by the Managing Director and Chief Administrative Officer, developed an off-ramped procedure based on a multi-factor analysis, considering, *inter alia*,

severity of the offense and future risk to the World Bank. In these cases, INT and the 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 World Bank, the ineligibility determination is not made public in SPADR's listing of Non-Responsible Vendors.

D. Referrals Overview

TABLE D.1: Detailed Referrals Made in FY23

	DATE OF REFERRAL	REFERRAL RECIPIENT	NATURE OF MISCONDUCT	PROJECT
1	Dec. 21, 2022	Germany	Fraud	AFCC2/RI-Regional and Domestic Power Markets Development Project
2	Dec. 21, 2022	Congo, Dem. Rep.	Fraud	AFCC2/RI-Regional and Domestic Power Markets Development Project
3	Feb. 7, 2023	Office européen de lutte antifraude (OLAF)	Collusion	Montenegro Second Institutional Development and Agriculture Strengthening Project
4	Feb. 13, 2023	Tajikistan	Fraud, Collusion	Early Childhood Development to Build Tajikistan's Human Capital Project and the Strengthening Critical Infrastructure against Natural Hazards Project
5	Mar. 7, 2023	Pakistan	Fraud, Collusion, Corruption	Tarbela 4th Extension Hydropower Project in Pakistan and Fraud under the Tarbela 5th Extension Hydropower Project in Pakistan
6	Mar. 15, 2023	Germany	Fraud, Collusion, Corruption	Tarbela 4th Extension Hydropower Project in Pakistan and Fraud under the Tarbela 5th Extension Hydropower Project in Pakistan
7	May 3, 2023	Kenya	Fraud	Nairobi Metropolitan Services Improvement Project in Kenya
8	May 3, 2023	Egypt	Fraud	Nairobi Metropolitan Services Improvement Project in Kenya

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.

TABLE E.1: Integrity Compliance Data, FY22–FY23

	FY22	FY23
Entities sanctioned with conditional release (as at the end of the fiscal year)	406	412 ¹⁶
Entities actively engaged with the ICO (as at the end of the fiscal year)	59	66
Notifications to newly sanctioned entities	33	21
Interim Notifications to sanctioned entities ¹⁷	62	15
Entities whose sanctions were continued	36	34
Entities released from sanction	22	17
Entities whose sanctions were converted	1	2
Debarment with conditional release to conditional non-debarment	1	1
Conditional non-debarment to debarment with conditional release	0	1

FIGURE E.1: Entities Released from World Bank Sanctions Upon Satisfaction of Compliance Conditions, by Source of Original Sanction, FY19–FY23

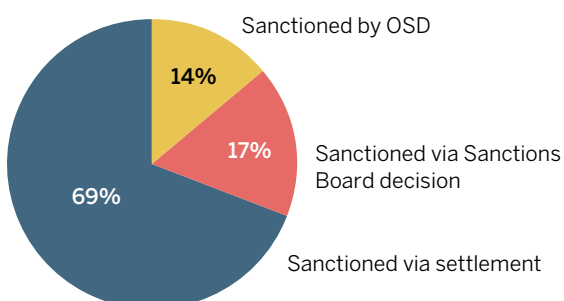


TABLE E.2: Entities Released from Sanction upon Satisfaction of Compliance Conditions, FY23

	SANCTIONED PURSUANT TO	NAME	COUNTRY	DATE OF RELEASE
1	Settlement	China Machinery Industry Construction Group Inc.	China	7/18/22
2	SDO Determination	Mr. Eugene Sando Caine	Liberia	7/29/22
3	Sanctions Board Decision	Beijing Huaxu Engineering Project Management Co.	China	8/23/22
4	Settlement	FCC Construcción, S.A.	Spain	9/15/22
5	Sanctions Board Decision	Mr. Roland Kolitsch	Germany	11/15/22
6	Settlement	Egis India Consulting Engineers Private Limited	India	12/16/22
7	Settlement	Companhia Brasileira de Projetos e Empreendimentos	Brazil	12/29/22
8	Settlement	Yooshin Engineering Corporation	Korea	12/30/22
9	Settlement	Bouygues Bâtiment International	France	1/4/23
10	Settlement	Techno Brain Global FZ-LLC (previously known as Techno Brain Global FZE)	United Arab Emirates	2/8/23
11	Settlement	Techno Brain Global (Kenya)	Kenya	2/8/23
12	SDO Determination	Mr. Frank Rozestraten	Netherlands	4/5/23
13	Settlement	Al-Zubairi Group for General Trading, Contracting, Transportation, and Oil Services	Yemen, Rep.	4/27/23
14	Settlement	Tatva Global Environment Pvt. Ltd. * UPL Environmental Engineers Limited affiliate	India	5/23/23
15	Settlement	Tetra Tech International Development B.V.	Netherlands	6/1/23
16	Sanctions Board Decision	CNOOD Asia Limited	China	6/27/23
17	SDO Determination	China Jiangsu International Economic and Technical Cooperation Group Ltd.	China	6/30/23

Endnotes

1. In this report, the term World Bank 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).
2. For further details on the World Bank'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 five settlements; all remaining cases have been resolved by the SDO.
4. The total number of consultants consisted of eight extended-term consultants in full-time roles and short-term consultants completing the full-time equivalent work of 13.9 staff.
5. In FY23, 70% of cases are new active cases that are being developed. Seven out of 19 cases carried over from FY22 are in the final investigation stage. Therefore, case closure is lower than in previous fiscal years. However, the substantiation rate is greater. In FY23, INT substantiated seven cases compared to four in FY22.
6. Turnaround time is impacted by a combination of seven variables, including: (i) investigator to case ratio; (ii) complexity of the cases; (iii) single/multiple allegations per case; (iv) whether mission travel is required; (v) whether the subject staff member has requested extensions in which to respond in writing to the allegations notice and/or to the draft final report; (vi) delayed availability of subjects or witnesses beyond INT's control; and (vii) whether there are parties external to the World Bank whose cooperation cannot be mandated.
7. INT substantiated a multi-year investigation finding sufficient evidence that a now-former staff member engaged in misconduct. Without this particular case, the average turnaround time to complete investigations would have been seven-and-a-half months.
8. For corporate vendor investigations, INT needs sufficient evidence to determine that it is more likely than not that the sanctionable conduct has occurred.
9. INT and SPADR, with approval by the Managing Director and Administrative Officer, developed an off-ramp procedure based on a multi-factor analysis, considering, *inter alia*, severity of the offense and future risk to the World Bank. In these cases, INT and 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, the ineligibility determination is not made public in SPADR's listing of Non-Responsible Vendors. One of the vendor cases that INT substantiated in FY23 was off-ramped, and the non-responsibility determination is non-public; thus the vendor's name will not be included on the World Bank's public list of ineligible vendors.
10. Staff Rule 8.02: Protections and Procedures for Reporting Misconduct (Whistleblowing) "applies to reports [by World Bank staff] of suspected misconduct that may threaten the operations or governance of the Bank . . . [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."
11. 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.
12. The World Bank's first tier officers are as follows: the IBRD/IDA SDO, IFC's EO, MIGA's EO, and the EO for the World Bank's guarantee and carbon finance activities.
13. 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>
14. In each contested case, the Sanctions Board considers the respondent's period of temporary suspension in determining any sanction.
15. As determined by the World Bank.
16. Adjusted from prior year.
17. In FY22, the ICO began to send Interim Notices to non-engaged sanctioned entities approximately half-way through their respective sanction period.



Corruption is corrosive to development. The World Bank is committed to ensuring that its resources are used transparently, accountably, and only for their intended purposes.

If companies or individuals engage in corruption involving World Bank funds, the offices of the World Bank's sanctions system—the Integrity Vice Presidency, the Office of Suspension and Debarment, and the Sanctions Board—help ensure that they are held to account.

Scan the QR code below to learn more about how the World Bank's sanctions system works and how these offices help fight corruption in development.

