

Date of issuance: June 30, 2014

**Sanctions Board Decision No. 70  
(Sanctions Case No. 206)**

**GEF Trust Fund Grant No. TF 056092-ET  
Ethiopia**

**Decision of the World Bank Group<sup>1</sup> Sanctions Board imposing a sanction of debarment with conditional release on the respondent entity (the “Respondent Firm”) and the individual respondent (the sole proprietor and business manager of the Respondent Firm, hereinafter referred to as the “Respondent Business Manager”) (together, the “Respondents”) in Sanctions Case No. 206, together with any entity that is an Affiliate<sup>2</sup> directly or indirectly controlled by either of the Respondents, with a minimum period of ineligibility of two (2) years and six (6) months beginning on the date of this decision. This sanction is imposed on the Respondents for a corrupt practice.**

**I. INTRODUCTION**

1. The Sanctions Board met in a plenary session on May 28, 2013, at the World Bank’s headquarters in Washington, D.C., to review this case. The Sanctions Board was composed of L. Yves Fortier (Chair), Hassane Cissé, Ellen Gracie Northfleet, Catherine O’Regan, Denis Robitaille, and J. James Spinner. Neither the Respondents nor the World Bank Group’s Integrity Vice Presidency (“INT”) requested a hearing. Nor did the Sanctions Board Chair decide, in his discretion, to convene a hearing. Accordingly, the Sanctions Board deliberated and reached its decision based on the written record.<sup>3</sup>

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<sup>1</sup> In accordance with Section 1.02(a) of the World Bank Sanctions Procedures as adopted April 15, 2012 (the “Sanctions Procedures”), the term “World Bank Group” means, collectively, the International Bank for Reconstruction and Development (“IBRD”), the International Development Association (“IDA”), the International Finance Corporation (“IFC”), and the Multilateral Investment Guarantee Agency (“MIGA”). For avoidance of doubt, the term “World Bank Group” includes the guarantee operations of IBRD and IDA, but does not include the International Centre for the Settlement of Investment Disputes (“ICSID”). As in the Sanctions Procedures, the terms “World Bank” and “Bank” are here used interchangeably to refer to both IBRD and IDA. See Sanctions Procedures at Section 1.01(a), n.1.

<sup>2</sup> The term “Affiliate” means “any legal or natural person that controls, is controlled by, or is under common control with, the Respondent, as determined by the Bank.” Sanctions Procedures at Section 1.02(a).

<sup>3</sup> See Sanctions Procedures at Section 6.01.

2. In accordance with Section 8.02(a) of the Sanctions Procedures, the written record for the Sanctions Board's consideration included the following:

- i. Notice of Sanctions Proceedings issued by the World Bank's Evaluation and Suspension Officer (the "EO")<sup>4</sup> to the Respondents on September 20, 2012 (the "Notice"), appending the Statement of Accusations and Evidence (the "SAE") presented to the EO by INT, dated June 29, 2012;
- ii. Explanation submitted by the Respondents to the EO on October 24, 2012 (the "Explanation");
- iii. Response submitted by the Respondents to the Secretary to the Sanctions Board on December 20, 2012 (the "Response");
- iv. Reply submitted by INT to the Secretary to the Sanctions Board on January 22, 2013 (the "Reply"); and
- v. Supplemental Response submitted by the Respondents to the Secretary to the Sanctions Board on February 6, 2013 (the "Supplemental Response").

3. Pursuant to Sections 4.01(c), 9.01, and 9.04 of the Sanctions Procedures, the EO recommended debarments with conditional release for each of the Respondents, together with any entity that is an Affiliate directly or indirectly controlled by either of the Respondents. The EO recommended a minimum period of ineligibility of two (2) years for each of the Respondents, after which period each may be released from ineligibility only if such Respondent has, in accordance with Section 9.03 of the Sanctions Procedures, demonstrated to the World Bank Group's Integrity Compliance Officer that such Respondent has (i) taken appropriate remedial measures to address the sanctionable practices for which the Respondent has been sanctioned; (ii) in the case of the Respondent Firm, adopted and implemented an effective integrity compliance program in a manner satisfactory to the Bank; and (iii) in the case of the Respondent Business Manager, completed training and/or other educational programs that demonstrate a continuing commitment to personal integrity and business ethics, and complied with the condition that any Affiliate entity that she directly or indirectly controls has adopted and implemented an effective integrity compliance program in a manner satisfactory to the Bank.

4. Effective September 20, 2012, pursuant to Section 4.02(a) of the Sanctions Procedures, the EO temporarily suspended each of the Respondents, together with any entity that is an Affiliate under the direct or indirect control of either of the Respondents, from eligibility to (i) be awarded or otherwise benefit from a Bank-financed contract, financially or

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<sup>4</sup> Effective March 31, 2013, the EO's title changed to "IBRD/IDA Suspension and Debarment Officer" ("SDO"). For consistency with the Sanctions Procedures and the pleadings in this case, this decision refers to the former title.

in any other manner,<sup>5</sup> (ii) be a nominated sub-contractor, consultant, manufacturer or supplier, or service provider<sup>6</sup> of an otherwise eligible firm being awarded a Bank-financed contract, and (iii) receive the proceeds of any loan made by the Bank or otherwise to participate further in the preparation or implementation of any project or program financed by the Bank and governed by the Bank's Procurement Guidelines, Consultant Guidelines, or Anti-Corruption Guidelines (hereinafter collectively referred to as "Bank-Financed Projects"),<sup>7</sup> pending the final outcome of the sanctions proceedings.

## **II. GENERAL BACKGROUND**

5. This case arises in the context of the Energy Access Project (the "Project") in Ethiopia. The Project was financed by a grant of US\$4,930,000 under the Global Environmental Facility Trust Fund (the "GEF Trust Fund"), for which IBRD served as the implementing agency. The Project sought to (i) expand and improve access, quality, and adequacy of electricity supply; (ii) reduce environmental degradation and barriers to the use of renewable technologies; and (iii) provide technical support for mining sector reforms and institutional capacity building in key energy sector agencies.

6. In February 2008, the implementing agency for the Project (the "Implementing Agency") issued bidding documents for the supply and installation of photovoltaic systems, extended warranty, and scheduled maintenance services to rural primary schools and rural health posts in two lots. On April 1, 2009, the Respondent Firm and the Implementing Agency signed a contract for the primary school lot (the "Contract"), valued at the equivalent of approximately US\$521,500.

7. Between October 1, 2010, and November 18, 2010, the Respondent Business Manager and the Respondent Business Manager's husband (who are jointly described in the Respondent Firm's electronic correspondence as its "Management"), as well as a third individual employed by the Respondent Firm, exchanged correspondence with staff of the Implementing Agency, including a procurement official (the "Procurement Official"), regarding the Respondent Firm's request for assistance with an import application. The

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<sup>5</sup> For the avoidance of doubt, the declaration of ineligibility to be awarded a contract will include, without limitation, (i) applying for prequalification, expressing interest in a consultancy, and bidding, either directly or as a nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider, in respect of such contract, and (ii) entering into an addendum or amendment introducing a material modification to any existing contract. Sanctions Procedures at Section 9.01(c)(i), n.16.

<sup>6</sup> A nominated sub-contractor, consultant, manufacturer or supplier, or nominated service provider (different names are used depending on the particular bidding document) is one which has been: (i) included by the bidder in its prequalification application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid; or (ii) appointed by the Borrower. Sanctions Procedures at Section 9.01(c)(i), n.17.

<sup>7</sup> For the avoidance of doubt, the term "Bank-Financed Projects" includes activities financed through trust funds administered by the Bank to the extent governed by said Guidelines. Sanctions Procedures at Section 1.01(c)(i), n.3.

Respondent Firm sought the release from customs in Ethiopia of items to be used in a training session to be held by the Respondent Firm in Addis Ababa beginning on December 6, 2010 (the “Central Training”). On November 11, 2010, the Respondent Business Manager made a payment of US\$4,000 to the Procurement Official. On November 30, 2010, the items were released from customs in Ethiopia to the Respondent Firm. INT alleges that the Respondents engaged in a corrupt practice through the payment to the Procurement Official.

### **III. APPLICABLE STANDARDS OF REVIEW**

8. Pursuant to Section 8.02(b)(i) of the Sanctions Procedures, the Sanctions Board determines whether the evidence presented by INT, as contested by a respondent, supports the conclusion that it is “more likely than not” that the respondent engaged in a sanctionable practice. Section 8.02(b)(i) defines “more likely than not” to mean that, upon consideration of all the relevant evidence, a preponderance of the evidence supports a finding that the respondent engaged in a sanctionable practice. As set forth in Section 7.01 of the Sanctions Procedures, formal rules of evidence do not apply; and the Sanctions Board has discretion to determine the relevance, materiality, weight, and sufficiency of all evidence offered.

9. Under Section 8.02(b)(ii) of the Sanctions Procedures, INT bears the initial burden of proof to present evidence sufficient to establish that it is more likely than not that a respondent engaged in a sanctionable practice. Upon such a showing by INT, the burden of proof shifts to the respondent to demonstrate that it is more likely than not that its conduct did not amount to a sanctionable practice.

10. The GEF Trust Fund grant agreement provided that the World Bank’s Guidelines: Procurement under IBRD Loans and IDA Credits (May 2004) would govern the Project’s procurement. The bidding documents and the Contract, however, defined sanctionable practices in accordance with the World Bank’s Guidelines: Procurement Under IBRD Loans And IDA Credits (published May 2004 and revised in October 2006) (the “October 2006 Procurement Guidelines”). In accordance with the Bank’s legal framework applicable to sanctions, as well as considerations of equity, the standards applicable in the event of such conflict shall be those agreed between the borrowing or recipient country and the respondent as governing the particular contract at issue, rather than the standards agreed between the borrowing or recipient country and the Bank.<sup>8</sup> Therefore, the alleged sanctionable practice in this case has the meaning set forth in Paragraph 1.14(a)(i) of the October 2006 Procurement Guidelines, which defines the term “corrupt practice” as “the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party.”

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<sup>8</sup> See Sanctions Board Decision No. 59 (2013) at para. 11.

#### **IV. PRINCIPAL CONTENTIONS OF THE PARTIES**

##### **A. INT's Principal Contentions in the SAE**

11. INT asserts that it is more likely than not that the Respondents engaged in a corrupt practice by making a payment in the amount of US\$4,000 in order to improperly influence the actions of the Procurement Official in a matter related to the execution of the Contract. INT asserts that the Respondent Business Manager made the payment to the Procurement Official on behalf of the Respondent Firm, and states that she acknowledged during her interview with INT that she initiated the payment in order to facilitate the release from customs of equipment related to the Central Training. INT asserts that because the terms of the Contract required the Central Training, the payment was therefore made in relation to the Contract. Finally, INT contends that facilitating the release of items from customs is part of the job of a procurement specialist and does not require payment.

12. INT submits that no aggravating factors apply, and that the Respondent Business Manager's cooperation with INT's investigation warrants mitigation.

##### **B. The Respondents' Principal Contentions in the Explanation and Response**

13. The Respondents admit that the Respondent Business Manager made the payment to the Procurement Official on behalf of the Respondent Firm, and acknowledge that the payment pertained to the Central Training. However, the Respondents contend that the payment was not intended to influence the Contract's execution, because the Central Training was not part of the Contract, but rather an additional training that the Respondent Firm carried out on its own initiative and without remuneration. According to the Respondents, the Contract required the Respondent Firm to conduct user training at the regional project sites, rather than in a central training session. The Respondents also assert that documents they attached to the Response, which they had previously provided to INT, and which they contend INT withheld as evidence from the record, demonstrate that the Respondent Firm fulfilled its duties under the Contract at the regional project sites.

14. The Respondents do not assert any mitigating factors.

##### **C. INT's Principal Contentions in the Reply**

15. In the Reply, INT reiterates its contention that the Central Training occurred both in relation to and during the execution of the Contract, and that it "fell within a standard interpretation of the Contract." INT states that a representative of the Implementing Agency confirmed that the Central Training was required by the Contract, and notes that the Central Training's manual relates to the purpose of the Contract. INT asserts that "but for the Respondents' execution of the Contract," the Central Training would not have been required or carried out. In response to the Respondents' allegation that INT withheld evidence from the record, INT asserts that the documents at issue only show that the Respondents fulfilled other duties under the Contract and are not relevant to INT's allegation of corrupt practice against the Respondents. INT additionally argues that it cannot be considered to have withheld evidence that was submitted by the Respondents themselves.

**D. The Respondents' Principal Contentions in the Supplemental Response**

16. On February 6, 2013, the Respondents presented an additional submission in response to INT's Reply. In their Supplemental Response, the Respondents reiterate that the Central Training was not a duty under the Contract and attach correspondence listing regions covered by the Contract, which does not include the location of the Central Training. The Chair accepted the submission into the record and granted INT the opportunity to submit a supplemental reply, which INT declined.

**V. THE SANCTIONS BOARD'S ANALYSIS AND CONCLUSIONS**

17. The Sanctions Board will first address, as a procedural matter, the Respondents' allegation that INT withheld evidence from the record. The Sanctions Board will then consider whether the record supports a finding that it is more likely than not that the Respondents engaged in a corrupt practice. Finally, the Sanctions Board will determine what sanctions, if any, should be imposed on each of the Respondents.

**A. Procedural Determination**

18. The Respondents suggest that INT improperly withheld evidence from the record. Section 3.02 of the Sanctions Procedures requires that INT, in submitting an SAE, "shall present all relevant evidence in INT's possession that would reasonably tend to exculpate the Respondent or mitigate the Respondent's culpability." INT does not dispute the Respondents' assertion that documents that the Respondents had provided to INT, but which INT had not submitted into the record, demonstrate that the Respondent Firm fulfilled certain duties under the Contract at regional project sites prior to the Central Training. However, INT contends that the documents are not relevant to a determination whether the Central Training also took place under the Contract, or whether the Respondents paid the Procurement Official in order to influence his actions in connection with the Contract. INT argues that, in any event, it cannot be considered to have withheld from the Respondents evidence that the Respondents themselves submitted.

19. The Sanctions Procedures do not specifically address the treatment of exculpatory or mitigating evidence obtained from a respondent. The Sanctions Board does not find it necessary to address this question here. Considering the record presented, particularly as discussed below in Paragraph 23, the Sanctions Board finds that the documents that the Respondents submitted are not exculpatory or mitigating in nature. In particular, the documents do not demonstrate that the Central Training and the payment to the Procurement Official were unrelated to execution of the Contract. Accordingly, the Sanctions Board finds no basis for the Respondents' suggestion that INT improperly withheld this evidence.

**B. Evidence of Corrupt Practice**

20. In accordance with the definition of a corrupt practice under Paragraph 1.14(a)(i) of the October 2006 Procurement Guidelines, INT bears the initial burden to show that it is more likely than not that the Respondents (i) offered or gave, directly or indirectly, anything of value (ii) to influence improperly the actions of another party.

1. Offering or giving, directly or indirectly, anything of value

21. INT's assertion that the Respondent Business Manager made a payment of US\$4,000 to the Procurement Official is supported by the Respondent Business Manager's admissions to making the payment, as well as contemporaneous documentary evidence reflecting the Respondent Business Manager's remittance of the payment and the Procurement Official's receipt of the payment. Considering the testimonial and documentary evidence presented, the Sanctions Board finds that it is more likely than not that the Respondent Business Manager gave a thing of value directly to the Procurement Official.<sup>9</sup>

2. To influence improperly the actions of another party

22. An explanatory note to the October 2006 Procurement Guidelines clarifies that the term "another party" refers to "a public official acting in relation to the procurement process or contract execution." The record reflects that the Procurement Official in the present case, whom INT alleges to have been the target of improper influence, worked for the Project's Implementing Agency. The Respondents do not dispute that the Procurement Official was a public official. The Respondent Business Manager also acknowledges that she made the payment in order to influence the Procurement Official's actions in connection with the Central Training. However, as noted earlier, the Respondents contend that the Central Training was not carried out as an obligation under the Contract, and that their payment to the Procurement Official was therefore not intended to influence the execution of the Contract.

23. The record of testimonial and documentary evidence supports a finding that the Respondents' payment to the Procurement Official was intended to improperly influence his actions in relation to the Central Training as a part of the Contract under execution. A representative of the Implementing Agency stated to INT that the Central Training was required under the Contract; that the Respondent Firm did not receive separate remuneration for the Central Training because it was undertaken as part of the Contract; and that there was "no ground" for the Respondent Business Manager's payment to the Procurement Official, as assistance with importation of materials for the Central Training fell within the scope of the Procurement Official's duties under the Contract. In her own interview with INT, the Respondent Business Manager stated, when discussing the pressure to obtain the necessary materials for the Central Training, that "it was in the interest of everybody to get this contract finalized and the training and get it all done"; and conceded that the payment to the Procurement Official was intended as a facilitation payment. Finally, the documentary evidence includes a draft user manual prepared by the Respondent Firm for use in the Central Training, which identifies the Contract's number on the cover page. The other documentation that the Respondents attached to the Response, which refers to regional trainings under the Contract without excluding the possibility that the Central Training may also have taken place under the Contract, does not contradict the above evidence.

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<sup>9</sup> See, e.g., Sanctions Board Decision No. 63 (2014) at para. 58 (finding that the combination of testimonial and documentary evidence in the record supported a conclusion that the respondents had offered and given a thing of value to officials so as to satisfy the first element of the definition of corrupt practices).

24. On the basis of this record, the Sanctions Board finds that it is more likely than not that the Respondent Business Manager engaged in a corrupt practice.

**C. The Respondent Firm’s Liability for the Acts of the Respondent Business Manager**

25. The Sanctions Board has previously held respondent firms directly and/or vicariously liable for the acts of their top officers or owners.<sup>10</sup> The record reflects that at the time of the misconduct, the Respondent Business Manager was the sole shareholder and business manager of the Respondent Firm. Testimonial and documentary evidence in the record, including the Respondent Business Manager’s statements to INT and correspondence between the Respondent Business Manager and the Procurement Official, supports a finding that the Respondent Business Manager acted on behalf of the Respondent Firm when she paid the Procurement Official. On the basis of this record, the Sanctions Board concludes that the Respondent Firm is liable for the corrupt practice carried out by the Respondent Business Manager.

**D. Sanctioning Analysis**

1. General framework for determination of sanctions

26. Where the Sanctions Board determines that it is more likely than not that a respondent engaged in a sanctionable practice, Section 8.01(b) of the Sanctions Procedures requires the Sanctions Board to select and impose one or more appropriate sanctions from the range of possible sanctions identified in Section 9.01. The range of sanctions set out in Section 9.01 includes: (i) reprimand, (ii) conditional non-debarment, (iii) debarment, (iv) debarment with conditional release, and (v) restitution or remedy. As stated in Section 8.01(b) of the Sanctions Procedures, the Sanctions Board is not bound by the EO’s recommendations.

27. As reflected in Sanctions Board precedent, the Sanctions Board considers the totality of the circumstances and all potential aggravating and mitigating factors to determine an appropriate sanction.<sup>11</sup> The choice of sanction is not a mechanistic determination, but rather a case-by-case analysis tailored to the specific facts and circumstances presented in each case.<sup>12</sup>

28. The Sanctions Board is required to consider the factors set forth in Section 9.02 of the Sanctions Procedures, which provides a non-exhaustive list of considerations. In addition, the Sanctions Board refers to the factors and principles set out in the World Bank Sanctioning Guidelines (the “Sanctioning Guidelines”). While the Sanctioning Guidelines themselves state

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<sup>10</sup> See, e.g., Sanctions Board Decision No. 41 (2010) at para. 85 (finding direct and/or vicarious liability for the respondent firm, which bore responsibility for the conduct of the individual respondent who was the firm’s president, owner, and sole shareholder); Sanctions Board Decision No. 52 (2012) at para. 32 (finding direct and/or vicarious liability for the respondent firm, which bore responsibility for its chief executive officer’s submission of a bid containing a forged bid security).

<sup>11</sup> See, e.g., Sanctions Board Decision No. 40 (2010) at para. 28.

<sup>12</sup> Sanctions Board Decision No. 44 (2011) at para. 56.

that they are not intended to be prescriptive in nature, they provide guidance as to the types of considerations potentially relevant to a sanctions determination. The Sanctioning Guidelines further suggest potentially applicable ranges of increases or decreases from a proposed base sanction of debarment with the possibility of conditional release after three years.

29. Should the Sanctions Board impose a sanction on a respondent, it may also, pursuant to Section 9.04 of the Sanctions Procedures, impose appropriate sanctions on any Affiliate of the respondent.

2. Factors applicable in the present case

a. Severity of the misconduct

30. Section 9.02(a) of the Sanctions Procedures requires consideration of the severity of the misconduct in determining the appropriate sanction. Section IV.A of the Sanctioning Guidelines identifies a central role, management's role, and involvement of a public official or World Bank staff as examples of severity.

31. *Central role in misconduct:* Section IV.A.3 of the Sanctioning Guidelines states that this factor may apply to a respondent who acted as the "organizer, leader, planner, or prime mover in a group of [two] or more." The record reveals that the Respondent Business Manager initiated and made the improper payment to the Procurement Official. Indeed, correspondence between several representatives of the Respondent Firm (including the Respondent Business Manager, her co-manager and husband, and the latter's assistant at the Respondent Firm) and the Implementing Agency (including the Procurement Official) demonstrates the Respondent Firm's efforts to obtain the release of its items from customs. Accordingly, the Sanctions Board finds aggravation appropriate for the Respondent Business Manager's central role in the improper payment arrangement.

32. *Management's role in misconduct:* Section IV.A.4 of the Sanctioning Guidelines states that this factor may apply "[i]f an individual within high-level personnel of the organization participated in, condoned, or was willfully ignorant of the misconduct." The Sanctions Board has previously applied aggravation on this basis where high-level members of a respondent entity's management personally participated in a corrupt or fraudulent arrangement.<sup>13</sup> Here, the Sanctions Board applies aggravation for the direct involvement of the Respondent Business Manager as the Respondent Firm's sole shareholder and business manager.

33. *Involvement of a public official or World Bank staff:* Section IV.A.5 of the Sanctioning Guidelines states that this factor may apply "[i]f the respondent conspired with or involved a public official or World Bank staff in the misconduct." Here, the record reflects that the

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<sup>13</sup> See, e.g., Sanctions Board Decision No. 50 (2012) at para. 61 (applying aggravation based on the personal involvement of the respondent firm's director and managing director in the corrupt payment scheme); Sanctions Board Decision No. 60 (2013) at para. 125 (applying aggravation for the respondent firm based on the misconduct of the respondent firm's director and co-owner, despite the respondents' contention that this aggravating factor should not apply to small and medium-sized entities).

Respondents, admittedly acting on their own initiative, proactively offered and paid a bribe to a public official. The Sanctions Board views this direct form of corruption as one of the most egregious and harmful forms of conduct targeted by the sanctions process, and applies aggravation on this ground.

b. Cooperation

34. Section 9.02(e) of the Sanctions Procedures provides for mitigation where a respondent “cooperated in the investigation or resolution of the case.” Section V.C of the Sanctioning Guidelines identifies a respondent’s assistance with INT’s investigation and admission or acceptance of guilt or responsibility as some examples of cooperation.

35. *Assistance and/or ongoing cooperation:* Section V.C.1 of the Sanctioning Guidelines states that cooperation may take the form of assistance with INT’s investigation or ongoing cooperation, with consideration of “INT’s representation that the respondent has provided substantial assistance” as well as “the truthfulness, completeness, reliability of any information or testimony, the nature and extent of the assistance, and the timeliness of assistance.” In the present case, the record indicates that the Respondent Business Manager met with INT, consented to a recorded interview of several hours in which she appeared to provide candid answers and admitted to the payment, and provided INT with copies of electronic correspondence between the Respondents and the Implementing Agency. The Sanctions Board finds mitigation appropriate on this basis.

36. *Admission or acceptance of guilt or responsibility:* Section V.C.3 of the Sanctioning Guidelines recognizes cooperation in the form of a respondent’s admission or acceptance of guilt or responsibility, with the condition that early admissions or acceptance should be given more weight than admissions or acceptance coming later in the investigation or sanctions proceedings. The Respondent Business Manager has acknowledged that she made a facilitation payment to the Procurement Official in relation to the Central Training. However, the Respondents have denied responsibility or culpability for making the payment in order to improperly influence the Procurement Official’s actions in relation to the Contract’s execution, as would constitute a corrupt practice. Accordingly, the Sanctions Board does not find mitigation warranted on this ground.

c. Period of temporary suspension

37. Pursuant to Section 9.02(h) of the Sanctions Procedures, the Sanctions Board takes into account the period of the Respondents’ temporary suspension since the EO’s issuance of the Notice on September 20, 2012.

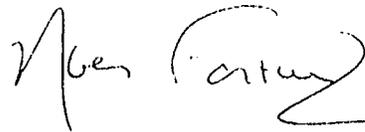
**E. Determination of Liability and Appropriate Sanctions**

38. Considering the full record and all the factors discussed above, the Sanctions Board:

- i. determines that the Respondent Firm, together with any entity that is an Affiliate directly or indirectly controlled by the Respondent Firm, shall be, and hereby declares that it is, ineligible to: (i) be awarded or otherwise benefit from

- a Bank-financed contract, financially or in any other manner; (ii) be a nominated sub-contractor, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract; and (iii) receive the proceeds of any loan made by the Bank or otherwise participate further in the preparation or implementation of any Bank-Financed Projects, provided, however, that after a minimum period of ineligibility of two (2) years and six (6) months, the Respondent Firm may be released from ineligibility only if it has, in accordance with Section 9.03 of the Sanctions Procedures, adopted and implemented an effective integrity compliance program in a manner satisfactory to the World Bank Group. This sanction is imposed on the Respondent Firm for a corrupt practice as defined in Paragraph 1.14(a)(i) of the October 2006 Procurement Guidelines;
- ii. determines that the Respondent Business Manager, together with any entity that is an Affiliate directly or indirectly controlled by the Respondent Business Manager, shall be, and hereby declares that she is, ineligible to: (i) be awarded or otherwise benefit from a Bank-financed contract, financially or in any other manner; (ii) be a nominated sub-contractor, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract; and (iii) receive the proceeds of any loan made by the Bank or otherwise participate further in the preparation or implementation of any Bank-Financed Projects, provided, however, that after a minimum period of ineligibility of two (2) years and six (6) months, the Respondent Business Manager may be released from ineligibility only if all entities that she directly or indirectly controls have, in accordance with Section 9.03 of the Sanctions Procedures, adopted and implemented effective integrity compliance programs in a manner satisfactory to the World Bank Group. This sanction is imposed on the Respondent Business Manager for a corrupt practice as defined in Paragraph 1.14(a)(i) of the October 2006 Procurement Guidelines.

39. The Respondents' ineligibility shall extend across the operations of the World Bank Group. The Bank will also provide notice of these declarations of ineligibility to the other multilateral development banks ("MDBs") that are party to the Agreement for Mutual Enforcement of Debarment Decisions (the "Cross-Debarment Agreement") so that they may determine whether to enforce the declarations of ineligibility with respect to their own operations in accordance with the Cross-Debarment Agreement and their own policies and procedures.<sup>14</sup> The period of ineligibility for each of the Respondents shall begin on the date this decision issues.



L. Yves Fortier (Chair)

On behalf of the  
World Bank Group Sanctions Board

L. Yves Fortier  
Hassane Cissé  
Ellen Gracie Northfleet  
Catherine O'Regan  
Denis Robitaille  
J. James Spinner

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<sup>14</sup> At present, the MDBs that are party to the Cross-Debarment Agreement are the African Development Bank Group, the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank Group, and the World Bank Group. The Cross-Debarment Agreement provides that, subject to the prerequisite conditions set forth in the Cross-Debarment Agreement, unless a participating MDB (i) believes that any of the prerequisite conditions set forth in the Cross-Debarment Agreement have not been met or (ii) decides to exercise its rights under the "opt out" clause set forth in the Cross-Debarment Agreement, each participating MDB will promptly enforce the debarment decisions of the other participating MDBs. More information about the Cross-Debarment Agreement is available on the Bank's website (<http://go.worldbank.org/B699B73Q00>).