

Date of issuance: June 25, 2025

**Sanctions Board Decision No. 145
(Sanctions Case No. 780)**

**IDA Grant No. H732-AF
IDA Grant No. D1400-AF
Islamic Republic of Afghanistan**

**IBRD Loan No. 8490-KZ
Republic of Kazakhstan**

Decision of the World Bank Group¹ Sanctions Board finding insufficient evidence to conclude that it is more likely than not that the respondent entity (the “Respondent Firm”) and its owner and director, the respondent individual (the “Respondent Individual”) (together, the “Respondents”), engaged in the corrupt and fraudulent practices alleged in Sanctions Case No. 780.

I. INTRODUCTION

1. The Sanctions Board convened as a panel composed of Maria Vicien Milburn (Chair), Philip Daltrop, and Michael Ostrove to review this case. A hearing was held on February 27, 2025, at the World Bank Group’s headquarters in Washington, D.C., at the request of the Respondents and in accordance with Section III.A, sub-paragraph 6.1 of the Sanctions Procedures. The World Bank Group’s Integrity Vice Presidency (“INT”) participated in the hearing through its representatives attending in person. The Respondent Individual, representing himself and the Respondent Firm, participated in the hearing via video conference from the World Bank Group’s offices in Dubai, United Arab Emirates. The Sanctions Board deliberated and reached its decision based on the written record and the arguments presented at the hearing.

2. In accordance with Section III.A, sub-paragraph 8.2(a) of the Sanctions Procedures, the written record for the Sanctions Board’s consideration included the following:

- i. Notice of Sanctions Proceedings issued by the World Bank’s Suspension and Debarment Officer (the “SDO”) to the Respondents on April 2, 2024 (the “Notice”), appending the Statement of Accusations and Evidence (the “SAE”) submitted by INT to the SDO (undated);

¹ In accordance with Section II(aa) of the World Bank Procedure: Sanctions Proceedings and Settlements in Bank Financed Projects, issued on November 30, 2023 (the “Sanctions Procedures” or “2023 Sanctions Procedures”), the term “World Bank Group” means, collectively, the International Bank for Reconstruction and Development (“IBRD”), the International Development Association (“IDA”), the International Finance Corporation (“IFC”), and the Multilateral Investment Guarantee Agency (“MIGA”). The term “World Bank Group” includes Bank Guarantee Projects and Bank Carbon Finance Projects but does not include the International Centre for Settlement of Investment Disputes (“ICSID”). As in the Sanctions Procedures, the terms “World Bank” and “Bank” are here used interchangeably to refer to both IBRD and IDA. See Sanctions Procedures at Section II(z).

- ii. Response submitted by the Respondents to the Secretary to the Sanctions Board on July 1, 2024 (the “Response”);
- iii. Reply submitted by INT to the Secretary to the Sanctions Board on August 28, 2024 (the “Reply”);
- iv. Additional submissions filed by the parties with the Secretary to the Sanctions Board between July 2024 and February 2025 (the “Additional Submissions”);
- v. Post-hearing submissions filed by INT and the Respondents with the Secretary to the Sanctions Board, respectively, on March 10 and March 14, 2025 (the “Post-Hearing Submissions”).

II. PROCEDURAL HISTORY AT THE FIRST TIER²

3. *Early temporary suspensions:* On September 21, 2022, pursuant to Section III.A, sub-paragraphs 2.01-2.04 of the World Bank Procedure: Sanctions Proceedings and Settlements in Bank Financed Projects, issued on June 28, 2016 (the “2016 Sanctions Procedures”), which provides for early temporary suspension prior to sanctions proceedings in certain circumstances, the SDO temporarily suspended the Respondents from eligibility³ with respect to any Bank-Financed Projects.⁴ The temporary suspensions applied across the operations of the World Bank Group and also extended to any entity that is an Affiliate⁵ directly or indirectly controlled by either of the Respondents. On February 6, 2023, the SDO extended the period of the Respondents’ early temporary suspensions, pursuant to Section III.A, sub-paragraph 2.04(a) of the 2016 Sanctions Procedures.

4. *Issuance of Notice and temporary suspensions:* On April 2, 2024, pursuant to Section III.A, sub-paragraphs 2.4(b), 4.1, and 4.2 of the 2023 Sanctions Procedures, the SDO issued the Notice and extended the temporary suspensions of the Respondents, together with any entity that is an Affiliate⁶ directly or indirectly controlled by either of the Respondents, from eligibility⁷ with

² The World Bank Group sanctions regime involves a two-tier sanctions process conducted by an Evaluation Officer or SDO as the first tier and the Sanctions Board as the second and final tier. See, e.g., Sanctions Procedures, Section III.A, sub-paragraph 1.1(b).

³ The full scope of ineligibility effected by these early temporary suspensions was set out in the 2016 Sanctions Procedures at Section III.A, sub-paragraphs 4.02(a) and 9.01(c), read together.

⁴ The term “Bank-Financed Projects” encompasses an investment project or a program for results operation, for which IBRD or IDA (as the case may be), whether acting for its own account or in the capacity as administrator of trust funds funded by donors, has provided financing in the form of a loan, credit or grant and governed by the Bank’s Procurement Guidelines, Consultant Guidelines, or Anti-Corruption Guidelines. See 2016 Sanctions Procedures at Section II(c); 2023 Sanctions Procedures at Section II(e).

⁵ Section II(a) of the 2016 Sanctions Procedures defines “Affiliate” as “any legal or natural person that controls, is controlled by, or is under common control with, the Respondent, as determined by the Bank.”

⁶ Section II(a) of the 2023 Sanctions Procedures defines “Affiliate” in the same terms as the 2016 Sanctions Procedures.

⁷ The full scope of ineligibility effected by a temporary suspension is set out in the 2023 Sanctions Procedures at Section III.A, sub-paragraphs 4.2(a) and 9.1(c), read together.

respect to any Bank-Financed Projects, pending the final outcome of these sanctions proceedings. The Notice specified that the temporary suspensions would apply across the operations of the World Bank Group.

5. *SDO's recommendations:* Pursuant to Section III.A, sub-paragraphs 4.1(c), 9.1, and 9.4 of the 2023 Sanctions Procedures, the SDO recommended in the Notice the sanctions of debarment with conditional release for a minimum period of ineligibility of three (3) years and seven (7) months for the Respondent Firm, and one (1) year and eight (8) months for the Respondent Individual, together with any entity that is an Affiliate directly or indirectly controlled by either of the Respondents. The SDO recommended that the Respondent Firm may be released from ineligibility only if it has, in accordance with Section III.A, sub-paragraph 9.3 of the 2023 Sanctions Procedures, demonstrated to the World Bank Group's Integrity Compliance Officer (the "ICO") that the Respondent Firm has (i) taken appropriate remedial measures to address the sanctionable practices for which it has been sanctioned and (ii) adopted and implemented integrity compliance measures, as may be imposed by the ICO to address the sanctionable practices, in a manner satisfactory to the Bank. The SDO recommended that the Respondent Individual may be released from ineligibility only if he has similarly demonstrated to the ICO that (i) he has taken appropriate remedial measures to address the sanctionable practices for which he has been sanctioned; (ii) he has completed training and/or other educational programs that demonstrate a continuing commitment to personal integrity and business ethics; and (iii) any entity that is an Affiliate directly or indirectly controlled by him has adopted and implemented integrity compliance measures, as may be imposed by the ICO to address the sanctionable practices, in a manner satisfactory to the Bank. For each of the Respondents, the SDO applied aggravation for management involvement in the misconduct and breach of confidentiality requirements, and mitigation for the period of temporary suspension, cooperation, and passage of time since the misconduct.

III. GENERAL BACKGROUND

6. This case arises in the context of two Bank-Financed Projects: the Financial Sector Rapid Response Project in the Islamic Republic of Afghanistan ("Afghanistan") (the "Afghanistan Project"), and the Skills and Jobs Project in the Republic of Kazakhstan ("Kazakhstan") (the "Kazakhstan Project").

- i. *The Afghanistan Project:* The Afghanistan Project sought to support measures to improve banking supervision and implement a modern national payment system for efficient and transparent payment transactions. On August 27, 2011, IDA entered into a financing agreement with Afghanistan to provide Special Drawing Rights ("SDR") 11.9 million (equivalent to US\$19 million) to support this project (the "First Financing Agreement"). On January 4, 2017, the same parties signed a second agreement for the provision of an additional SDR 14.4 million (equivalent to US\$20 million) for this project (the "Second Financing Agreement"). The project management unit was Afghanistan's Central Bank (the "Afghanistan PMU"). This project became effective on September 6, 2011, and closed on October 31, 2019.

In November 2015, the Afghanistan PMU issued a request for proposals for a consultant contract to support a capacity strengthening program under the Afghanistan Project (the “Afghanistan Contract”). The Respondent Firm submitted a successful proposal and ultimately signed this contract with the Afghanistan PMU on November 12, 2017.

In December 2018, the Respondent Firm made a payment (the “Payment”) to another company (the “Third Party”), which was providing services to the Afghanistan PMU under a separate contract.

In March 2019, the Respondents suspended the implementation of the Afghanistan Contract and demobilized from Kabul. In May 2019, the Respondents resumed the work and agreed to provide additional services to the Afghanistan PMU.

On June 2, 2019, the Respondent Individual sent a letter to the Governor of the Afghanistan PMU, accusing certain public officials of extortion in connection with the Afghanistan Contract (the “Complaint Letter”). On June 17, 2019, the Respondent Individual wrote to the Afghanistan PMU again, withdrawing such claims. Nevertheless, Afghanistan authorities opened an investigation into the Complaint Letter and the matter was separately referred to INT.

In March 2020, the Respondents sent a notice of arbitration to the Afghanistan PMU, seeking to recover amounts that the Respondent Firm had invoiced and that remained unpaid. In April 2020, the Respondent Firm reached a settlement with the Afghanistan PMU to resolve these claims.

- ii. *The Kazakhstan Project:* The Kazakhstan Project sought to improve employment outcomes and skills of target beneficiaries and the relevance of certain capacity building and higher education initiatives. On July 20, 2015, IBRD and Kazakhstan entered into a loan agreement to provide US\$100 million to support this project (the “Loan Agreement”). This project was initially implemented by the Ministry of Healthcare and Social Development and, following a reorganization in January 2017, by the Ministry of Labor and Social Protection (either agency, interchangeably, the “Kazakhstan PMU”). This project became effective on March 10, 2016, and closed on December 31, 2021.

On January 13, 2017, the Kazakhstan PMU issued a request for expressions of interest (the “REI”) for a consultant contract to develop and implement a skills enhancement training program for certain beneficiaries under the Kazakhstan Project (the “Kazakhstan Contract”). On January 25, 2017, the Respondent Firm submitted an Expression of Interest (the “EOI”) in partnership with another company owned by the Respondent Individual (the “Subconsultant”). On April 29, 2017, the Kazakhstan PMU issued a request for proposals to short-listed companies, including the Respondent Firm. On June 1, 2017, the Respondent Firm submitted a technical proposal (the “Technical Proposal”) together with the Subconsultant and another company, and ultimately won the Kazakhstan Contract. On November 28, 2017, the Respondent Firm signed this contract with the Kazakhstan PMU.

7. INT alleges that the Respondents engaged in a corrupt practice during the implementation of the Afghanistan Contract by making the Payment to the Third Party for the benefit of certain public officials. INT further alleges that the Respondent Firm engaged in a fraudulent practice in the selection process for the Kazakhstan Contract by falsely claiming certain work experience in the EOI.

IV. APPLICABLE STANDARDS OF REVIEW

8. *Standard of proof:* Pursuant to Section III.A, sub-paragraph 8.2(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 III.A, sub-paragraph 8.2(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.

9. *Burden of proof:* Under Section III.A, sub-paragraph 8.2(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. *Evidence:* As set forth in Section III.A, sub-paragraph 7.1 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.

11. *Applicable definition of corrupt practice:* Under the Afghanistan Project, the First Financing Agreement provides that the project is governed by the World Bank’s Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants (October 15, 2006, revised January 2011) (the “2011 Anti-Corruption Guidelines”) and Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers (January 2011) (the “January 2011 Consultant Guidelines”). The Second Financing Agreement provides that the 2011 Anti-Corruption Guidelines and the World Bank’s Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers (January 2011, revised July 2014) (the “July 2014 Consultant Guidelines”) govern the project. The request for proposals and the Afghanistan Contract provide that the applicable standards are the January 2011 Consultant Guidelines.

12. Consistent with Sanctions Board precedent and guidance from the Bank’s General Counsel, where alternative Guidelines may apply, the standards agreed between the borrowing country and the respondent (e.g., bidding documents or contract) and the standards in effect at the time of misconduct (i.e., during the selection process or contract implementation) shall take precedence over potentially conflicting standards.⁸ Accordingly, the January 2011 Consultant

⁸ See, e.g., Sanctions Board Decision No. 59 (2013) at para. 11; Sanctions Board Decision No. 88 (2016) at para. 11 (applying definitions referenced in the bidding documents with respect to misconduct occurred during the

Guidelines govern the allegation of corruption during the implementation of the Afghanistan Contract. Paragraph 1.23(a)(i) of these Guidelines defines “corrupt practice” as “the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party.” A footnote to this definition explains that the term “another party” refers to “a public official acting in relation to the selection process or contract execution” and that the term “public official” includes World Bank staff and employees of other organizations taking or reviewing procurement decisions.⁹

13. *Applicable definition of fraudulent practice:* Under the Kazakhstan Project, the Loan Agreement provides that the project is governed by the 2011 Anti-Corruption Guidelines and the July 2014 Consultant Guidelines. The REI issued by the Kazakhstan PMU references the July 2014 Consultant Guidelines.

14. In these circumstances,¹⁰ the July 2014 Consultant Guidelines apply to the allegation of fraud in the EOI for the Kazakhstan Contract. Paragraph 1.23(a)(ii) of these Guidelines defines “fraudulent practice” as “any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation.” A footnote to this definition explains that the term “party” refers to a public official, that the terms “benefit” and “obligation” relate to the selection process or contract execution, and that the “act or omission” is intended to influence the selection process or contract execution.¹¹

V. PRINCIPAL CONTENTIONS OF THE PARTIES

15. The Sanctions Board has given due consideration to all issues and arguments raised in these proceedings. The summary below highlights the parties’ principal contentions warranting further review. In the interest of judicial economy and efficiency, submissions that do not alter the analysis or disposition of the case may not be specifically addressed.

A. INT’s Principal Contentions in the SAE

16. *Corruption allegation:* INT contends that the Respondents made an improper payment to one or more public officials who were responsible for decisions related to the procurement and execution of the Afghanistan Contract – including the Afghanistan PMU’s Procurement Director (the “Procurement Director”).

17. Allegedly, between November and December 2018, the Procurement Director repeatedly solicited bribes from the Respondents and instructed the Respondent Individual to make a payment to an account held by the Third Party. INT asserts that the Respondent Individual agreed to these solicitations by making a payment of US\$48,000¹² to that specific bank account in December 2018

procurement process); Sanctions Board Decision No. 100 (2017) at para. 12 (applying definitions referenced in the contract with respect to misconduct occurred during the implementation of the contract).

⁹ January 2011 Consultant Guidelines at para. 1.23(a)(i), n.19.

¹⁰ See *supra*, Paragraph 12, n.8.

¹¹ July 2014 Consultant Guidelines at para. 1.23(a)(ii), n.20.

¹² US\$47,591 after bank deductions.

(i.e., the Payment). INT also submits that the Third Party subsequently transferred the Payment in cash to public officials within the Afghanistan PMU. According to INT, approximately 16 months after the Payment (i.e., April 2020), the Respondent Firm reached a settlement with the Afghanistan PMU, under which the Respondent Firm was paid US\$636,340 on outstanding invoices for unspecified works.

18. INT contends that the purposes of the Payment were to facilitate the approval of the Respondent Firm's invoices and avoid cancellation of the Afghanistan Contract. INT also argues that the Respondents attempted to conceal the Payment during INT's investigation, and that their behavior, inconsistent statements, and implausible explanations further demonstrate their culpability.

19. *Fraud allegation:* INT alleges that the Respondent Firm misrepresented its work experience in the EOI for the Kazakhstan Contract. The disputed experience relates to two projects purportedly carried out in Russia under a government agency that was subsequently reorganized (the "Russian Experience"). As a primary argument, INT submits that neither the Respondent Firm nor the Subconsultant provided the services in question. Alternatively, INT contends that even if the Russian Experience was performed by the Subconsultant, the omission of this detail in the EOI was still misleading, as it made the experience appear more "comprehensive in scope, client-facing, and [Respondent Firm]-involved."

20. INT submits that its investigators and the Kazakhstan government separately contacted what INT maintains is the relevant Russian agency's successor entity – the Ministry of Labor and Social Protection (the "Russian Ministry") – to verify the Russian Experience. According to INT, the Russian Ministry indicated that it has no record that the Respondent Firm or the Subconsultant completed the works in question. INT contends that certain circumstances further corroborate a finding of misrepresentation. For example, INT asserts that the EOI lacked basic details about the Russian Experience, that the subsequent Technical Proposal omitted the Russian Experience entirely, and that the Respondent Firm failed to present any evidence to substantiate the Russian Experience.

21. *Sanctioning factors:* INT argues that aggravation is justified for both Respondents because the Respondent Individual was involved in the alleged corrupt practice as a senior manager and because the Respondents violated the confidentiality of these proceedings. INT submits that mitigation is warranted based on the Respondents' periods of temporary suspension.

B. The Respondents' Principal Contentions in the Response

22. *Preliminary matters:* The Respondents raise several due process concerns and advance certain accusations against INT, the SDO, and the World Bank Group generally. They contend, inter alia, that this case is biased and "politically charged," and that INT acted in bad faith and engaged in coercive tactics during settlement negotiations. The Respondents further argue that the SDO acted with improper motives and violated procedural rules in imposing and extending the initial period of the early temporary suspensions against the Respondents. The Respondents also assert that the World Bank Group has supported corruption, engaged in blackmail, and exerted improper influence against the Respondents in connection with certain commercial disputes outside of these sanctions proceedings.

23. Additionally, the Respondents present complaints relating to specific pieces of evidence. For instance, the Respondents object to INT's submission of a record of a telephone call (the "Note to File") between INT and the Respondents' then-attorney (the "Former Counsel"). The Respondents assert that this telephone call was subject to the "Without Prejudice Rule" and that INT's disclosure of the Note to File in these proceedings therefore violated the confidentiality of settlement discussions. The Respondents also claim that INT deliberately falsified the contents of the Note to File and submit an affidavit from the Former Counsel disputing the accuracy of this document. Furthermore, the Respondents contend, *inter alia*, that (i) INT fabricated evidence by mistranslating one of the verification letters issued by the Russian Ministry; (ii) in INT's transcript of an interview with the Respondent Individual, INT intentionally excluded a portion of his testimony that was central to the Respondent Firm's defense to the fraud allegation; (iii) in INT's transcript of an interview with the Procurement Director, relevant portions of his testimony were "bizarrely muted" (i.e., marked as "indiscernible"); (iv) INT failed to interview a material witness; (v) INT withheld potentially exculpatory bank statements of the Third Party; and (vi) INT refused to conduct a polygraph and psychological assessment of the Respondent Individual.

24. *Corruption allegation:* The Respondents admit to the Payment but deny that it was made in response to the Procurement Director's bribe solicitations. They contend that the Payment served a legitimate purpose: to reimburse the Afghanistan PMU for food and office rent, under a specific budget allocation of US\$48,000 in the Afghanistan Contract. They submit that the Afghanistan PMU officials initially agreed to offer these benefits free of charge, but later used this as leverage to harass and pressure the Respondents, creating a sense of "moral debt." They assert that the Respondent Individual made the Payment following an incident that the Respondents regarded as the "last straw" in a pattern of disrespect: the Afghanistan PMU officials rescheduled a meeting while the Respondent Individual was in transit to meet them in Kabul. The Respondents submit that the Respondent Individual made the Payment to the Third Party because the Afghanistan PMU had repeatedly refused to accept reimbursement through official channels.

25. The Respondents maintain that the Payment was entirely unrelated to the solicitations from the Procurement Director, who had demanded a much higher figure – ten percent of the value of the Afghanistan Contract (i.e., US\$327,447). The Respondents further argue that they had neither the need nor the motive to seek the improper influence alleged by INT. They assert, *inter alia*, that the Respondent Firm's pending invoices had already been processed at the time of the Payment, that the Procurement Director lacked the authority to influence payments or cancel the Afghanistan Contract, and that the Respondents themselves took steps to terminate this contract after the Payment because of continuous conflicts with the Afghanistan PMU.

26. *Fraud allegation:* The Respondent Firm submits that the Russian Experience was carried out by the Subconsultant in 2004, and that the EOI presented this information truthfully and accurately. According to the Respondent Firm, the language of the Russian Ministry letters is inconclusive and, in any event, the Russian Ministry was not the appropriate authority to verify the Russian Experience. In response to the circumstances cited by INT, the Respondent Firm contends, *inter alia*, that the inclusion of a third company in the partnership made it unnecessary to reference the Russian Experience in the Technical Proposal, that the Respondent Firm did not retain business documents relating to these projects and was under no obligation to do so indefinitely, and that the Kazakhstan PMU and the Bank had the responsibility to verify the

claimed experience before the contract was awarded. The Respondent Firm further asserts that the same allegations were raised by the Kazakhstan government in parallel arbitration proceedings and that the Respondent Firm was exonerated.

27. *Sanctioning factors:* The Respondents assert that the mitigating factors proposed by INT and applied by the SDO are “unnecessary” because these proceedings should be terminated, and that if the Sanctions Board were to find liability it “should impose indefinite sanctions . . . as no sanction would deter [the Respondent Firm].”

C. INT’s Principal Contentions in the Reply

28. *Preliminary matters:* INT denies having committed any procedural violations and contends that the Respondents’ claims of bias and political persecution are false. INT maintains that the disputed call with the Former Counsel was not protected by confidentiality, that INT’s record of this conversation is truthful and accurate, and that the Former Counsel’s affidavit is not credible. INT does not directly respond to the Respondents’ claims that the Russian Ministry’s letter was deliberately mistranslated, instead contending that “this translation disagreement is insufficient to exculpate” the Respondent Firm. INT acknowledges that its transcript of an interview with the Respondent Individual omitted a portion of his testimony, but argues that this omission was inadvertent and that the excluded portion is not material to the fraud allegation. INT does not directly address the Respondents’ complaint regarding the transcript of the interview with the Procurement Director.

29. *Corruption allegation:* According to INT, the Respondents’ assertion that the Payment was intended to reimburse office expenses is implausible and inconsistent with the record. INT argues that the Afghanistan PMU never charged the Respondents for these costs and, in any event, the amount legitimately due at the time of the Payment (i.e., December 2018) would have been significantly less than the total amount allocated for the entire contract period (i.e., through November 2019). Moreover, INT contends that if the Payment had been legitimate, the Respondents would have used “a proper government bank account,” rather than one belonging to an unrelated company whose information was provided in connection with a bribe solicitation. INT further argues that the record reflects the Procurement Director’s influence over the execution of the Afghanistan Contract and the Respondents’ interest in preserving this relationship – evidenced, for instance, by their agreement to provide more than US\$1.3 million in additional services to the Afghanistan PMU in May 2019.

30. *Fraud allegation:* INT submits that the Russian Ministry letters indicate that the Russian Ministry has no record of the Respondent Firm or the Subconsultant completing the Russian Experience, and that this sufficiently establishes INT’s initial case. INT also contends that the Respondent Firm has failed to prove this claimed experience and that the Respondent Firm’s purported inability to produce older business records is inconsistent with the record and the Respondents’ asserted level of sophistication.

31. *Sanctioning factors:* INT contends that the Respondents’ conduct does not “reflect the principles of integrity and honesty that the Bank requires of the firms and individuals that work on its development projects,” that the Sanctions Board “should consider the Respondents’ unfortunate

refusal to change their ways” with respect to continuing violations of confidentiality, and that indefinite debarment may be appropriate in these circumstances.

D. The Parties’ Principal Contentions in the Additional Submissions

32. The Chair, exercising her discretion under Section III.A, sub-paragraph 5.1(c) of the Sanctions Procedures, admitted the Additional Submissions, which include pleadings, correspondence, and evidence filed by the parties on their own initiative or upon invitation by the Chair.

33. INT submits that its translation of the Russian Ministry’s letter is accurate, while at the same time acknowledging that a phrase from the original was inadvertently omitted. INT also accepts that “the original Russian language could be translated as the Respondents suggest.”

34. The Respondents submit additional materials to corroborate the evidentiary and due process arguments raised in the Response. For example, they provide documentation to support the credibility of the Former Counsel’s affidavit. They also introduce evidence of another dispute between the Bank and the Respondent Firm, which was pursued under the Bank’s Vendor Eligibility Policy and led to arbitration proceedings (the “Vendor Eligibility Matter”). While the Vendor Eligibility Matter concerns a contract unrelated to the allegations in the present case, this additional evidence purports to substantiate a pattern of systemic persecution of the Respondents by the World Bank Group.¹³ Additionally, the Respondents provide certain documents intended to demonstrate their track record of “integrity and fundamental resistance to corrupt practices,” including in connection with other Bank-financed contracts in Afghanistan.

E. Presentations at the Hearing

35. *Preliminary matters:* At the outset of the hearing, the Chair addressed certain procedural matters, including a query raised by the Respondents regarding potential conflicts of interest of a Sanctions Board member,¹⁴ and the Sanctions Board’s determination to call the Former Counsel as a witness.¹⁵ In addition, consistent with the Sanctions Procedures, Section III.A, sub-paragraph 11.5, the parties and witness were required to attest that they would not record any portion of the hearing by audio, video, or any other format, and that they would maintain the confidentiality of the proceedings.

36. The Respondents asserted that the World Bank Group “as a whole” has been seeking to punish them after the Respondent Individual accused the Bank of misconduct in connection with unrelated Bank-financed contracts in Afghanistan in 2019 and 2020. According to the Respondents, the World Bank Group has refused to release certain funds owed to the Respondent Firm under those contracts and has also sought to tarnish the Respondents’ reputation, including through the Vendor Eligibility Matter and the present sanctions proceedings. Additionally, the Respondents reiterated their complaints about the conduct of INT’s investigation. With respect to

¹³ See *infra*, Paragraphs 84-88.

¹⁴ See *infra*, Paragraphs 53-54.

¹⁵ See *infra*, Paragraphs 64-67.

the remedy sought, the Respondents requested that the Sanctions Board recognize that they were treated unfairly by the World Bank Group and INT.

37. INT disputed the Respondents' assertions, denying that there is an organized institutional response to discredit them, and reaffirming the independence and integrity of its investigation and these sanctions proceedings. INT accepted that it made certain mistakes during the investigation, including the misplacement of a relevant portion of the recording of an interview with the Respondent Individual. Furthermore, INT asserted its concerns regarding the Respondents' breaches of confidentiality and their public use of the World Bank Group's deliberative decisions to attack both the institution and individual staff.

38. *Corruption allegation:* INT contended that it has satisfied its prima facie burden of proof by demonstrating that the Payment was made at a time when the Respondent Firm's invoices were pending approval and the Procurement Director had made direct bribe solicitations. INT acknowledged that its theory regarding the onward transfer of the Payment – namely, that the Third Party delivered the funds in cash to the Afghanistan PMU officials – is based on inference rather than direct evidence. INT asserted that the Respondents' defense premised on their purported "moral debt" is implausible and insufficient to rebut INT's initial case. INT reiterated that the Respondents initially failed to disclose the Payment and only acknowledged it after the relevant bank transfer was uncovered by audit authorities in Afghanistan.

39. INT accepted that the Respondents were subjected to harassment by certain Afghanistan PMU officials and that the Respondent Individual's emotional state was volatile at the time of the Payment. In this context, INT argued that it is possible that the Respondents made the Payment with the intent to save the Afghanistan Contract and later decided to end this contract of their own volition. INT also contended that, even if the Respondents can demonstrate that there were no pending invoices at the time of the Payment, the Respondents may have acted with the corrupt intent to improve their relationship with the Afghanistan PMU and facilitate the approval of other invoices in the future.

40. The Respondents asserted that the Respondent Individual acted as the whistleblower in this case by sending the Complaint Letter that triggered INT's investigation. They disputed INT's theories that the Payment served to facilitate the processing of invoices and preserve the Afghanistan Contract. They reiterated that the Payment was unrelated to the Procurement Director's solicitations, that the Procurement Director lacked the authority to release payments and cancel the Afghanistan Contract, that the Respondent Firm's invoices had been cleared before the Payment was made, and that the Respondents began taking steps to cancel the contract themselves within days after the Payment.

41. According to the Respondents, at the time of the Payment, the Respondent Individual did not know who owned the relevant bank account, and he believed that he was paying the Afghanistan PMU because the account information was provided by the Procurement Director. The Respondents acknowledged that, during INT's investigation, the Respondent Individual had signed a confidential witness statement, attesting to his belief that the Third Party was purportedly owned by, or associated with, the Procurement Director. However, the Respondents argued that this portion of the witness statement is inaccurate and was included by the Former Counsel. They

submitted that, if they had intended to bribe the Procurement Director, it would have been simpler to pay the amount solicited in cash and avoid detection.

42. The Respondents contended that they made the Payment by wire transfer and that the bank records specifically noted that the Payment was for the purpose of “office rent” and for the benefit of the Afghanistan PMU. According to the Respondents, they used this manner of payment because they wanted to ensure that the transaction was properly recorded and legal. They maintained that they had verbally offered to pay this amount through official channels and that the Afghanistan PMU had refused to receive it. They asserted that they did not inform the Procurement Director that the Payment had been made. They submitted that they realized after the fact that the Payment could be misinterpreted and they wanted to disclose it to INT, but the Former Counsel advised them against this course of action.

43. *Fraud allegation:* INT contended that it has met its prima facie burden of proof by showing that the Russian Ministry had no record of the Russian Experience. INT asserted that it was unable to obtain a more direct answer from the Russian Ministry because this would have required additional details about the Russian Experience, which the Respondent Firm had refused to provide. According to INT, the Respondent Firm failed to rebut INT’s initial case because it offered no evidence that the works were completed as claimed in the EOI.

44. The Respondents contended that the Respondent Firm was prepared to substantiate the Russian Experience when the EOI was submitted in 2017. According to the Respondents, by the time Kazakhstan made the first inquiries into this matter in 2021, the Respondents no longer had access to the necessary documentation because the Respondent Individual’s business partner had passed away while retaining sole possession of the company’s files. Additionally, the Respondents asserted that they were unable to contact any individuals who could corroborate the Russian Experience because the works were performed in 2004 and too much time had passed.

45. *Sanctioning factors:* INT accepted that mitigation may be warranted, considering the passage of time since the alleged sanctionable practices, and the undue pressure from certain public officials in connection with the alleged corrupt practice. Nevertheless, INT submitted that the Respondents should be placed under indefinite debarment, based on the severity of their alleged conduct, their behavior towards World Bank Group staff, and their repeated breaches of confidentiality in these proceedings. While the Respondents committed to respecting the confidentiality of the hearing, they asserted that they will continue to publicize their complaints about INT and the World Bank Group, including through an upcoming documentary.

46. *Conduct of the proceedings:* At the end of the hearing, the parties affirmed that the key arguments and issues raised in their pleadings had been addressed, that they had no objections as to how the proceedings were conducted, and that they believed that they had a fair opportunity to be heard and present their respective cases.

F. Post-Hearing Submissions

47. Consistent with Section III.A, sub-paragraph 5.1(c) of the Sanctions Procedures, the Chair invited INT to clarify certain assertions made at the hearing and granted the Respondents an opportunity to comment.

48. INT acknowledged certain evidence in the record demonstrating that, at the time of the Payment, the Respondent Firm's pending invoices had been cleared by the Ministry of Finance. Nevertheless, INT argued that there is no proof that the invoices had been paid by that date, or that the process could not be further delayed. INT also enclosed new evidence – a record of interview with a senior official at the Afghanistan PMU.

49. The Respondents reiterated that the Ministry of Finance had issued a check to the Respondent Firm before the Payment. They clarified that the settlement reached with the Afghanistan PMU in April 2020 related to services provided by the Respondent Firm in 2019, i.e., after the Payment. Additionally, they challenged the credibility and completeness of INT's new record of interview and accused INT of preparing and submitting this evidence in bad faith.

VI. THE SANCTIONS BOARD'S ANALYSIS AND CONCLUSIONS

50. The Sanctions Board will first address various preliminary matters raised in these proceedings. The Sanctions Board will then consider whether it is more likely than not that the alleged sanctionable practices occurred. As in the previous section, in the interest of judicial economy and efficiency, the Sanctions Board may omit discussion of submissions that have no material impact on its reasoning or final determinations.

A. Preliminary Matters

1. Hearing accommodation requests

51. Prior to the hearing, the Respondents requested a copy of the prospective transcript and proposed the participation of the current Governor of the Afghanistan PMU as an observer. Upon the Chair's invitation to clarify these requests, the Respondents asserted that these accommodations would enhance transparency and allow the Respondents to demonstrate that their conduct in these proceedings is consistent with the terms of the settlement agreement between them and the Afghanistan PMU. INT asserted, inter alia, that there is no procedural basis to grant these requests and that allowing an uninvolved third party to attend the hearing would violate the confidentiality of the proceedings.

52. The Sanctions Board Chair denied the Respondents' requests in an interim determination issued on February 17, 2025. As ruled in that determination, the applicable Sanctions Procedures do not require the Sanctions Board to authorize the attendance of observers or provide transcripts of hearings to the parties, and the Sanctions Board is obligated to respect and maintain the confidentiality of these proceedings.¹⁶ The Sanctions Board also noted the Respondents' explicit acceptance in their submissions that such measures would not be necessary "[s]hould the hearings proceed without political considerations or bias."

¹⁶ Sanctions Procedures, Section. III.A, sub-paragraphs 6.3(a), 8.2(a), 11.5; World Bank Group Policy: Statute of the Sanctions Board (effective August 5, 2016) (the "Statute of the Sanctions Board"), Section III.B (the "Code of Conduct"), Paragraphs 13, 14.

2. Query regarding potential conflicts of interest

53. On February 25, 2025, the Respondents filed a written submission raising concerns regarding certain professional associations of one member of the Sanctions Board (the “Sanctions Board Member”). The Sanctions Board addressed these concerns at the hearing. Consistent with the Statute of the Sanctions Board and its embedded Code of Conduct, the Sanctions Board has a protocol to identify and address actual, apparent, and potential conflicts of interest, and a Sanctions Board member’s participation in the review of a case is subject to the absence of any such conflicts of interest.¹⁷ This process includes an obligation to continuously monitor each case for such conflicts as the proceedings progress. This protocol has been followed with respect to the present case.

54. The Sanctions Board Chair determined that the circumstances in question do not reflect an actual or apparent conflict of interest or give rise to reasonable doubts as to the Sanctions Board Member’s impartiality or independence. At the hearing, the parties expressly accepted the Chair’s determination and declared that they have no objection to the Sanctions Board Member’s participation in these proceedings.

3. Complaints against early temporary suspensions

55. The Respondents contend that the SDO imposed early temporary suspensions against them in this case in order to interfere in unrelated contractual matters between the Respondents and the Bank. They further argue that the SDO agreed to extend the initial period of the early temporary suspensions without receiving the necessary information from INT on the progress of the investigation, in violation of the applicable procedures. INT asserts that the early temporary suspensions respected the relevant procedural rules and had no relation to any parallel matters involving the Respondents.

56. The Sanctions Board has previously rejected requests to review temporary suspension determinations,¹⁸ which fall explicitly within the purview of the first-tier decision-maker.¹⁹ Similarly, here, the Sanctions Board finds that it has no authority to consider the validity or merits of the Respondents’ early temporary suspensions, which were imposed before the commencement of formal sanctions proceedings.²⁰ With respect to the process, the Respondents received notice of these measures and had an opportunity to challenge them before the SDO, consistent with the applicable procedures.²¹ The record does not demonstrate any related unfairness or fundamental

¹⁷ Code of Conduct, Paragraphs 7-10. See also Sanctions Board Decision No. 71 (2014) at para. 62.

¹⁸ See, e.g., Sanctions Board Decision No. 55 (2013) at paras. 35 and 36 (declining to terminate or limit the temporary suspension imposed at the first tier, before the conclusion of sanctions proceedings); Sanctions Board Decision No. 60 (2013) at para. 137 (declining to terminate the temporary suspension imposed at the first tier, before the conclusion of sanctions proceedings).

¹⁹ 2016 Sanctions Procedures, Section III.A, sub-paragraph 4.02; 2023 Sanctions Procedures, Section III.A, sub-paragraph 4.2.

²⁰ 2016 Sanctions Procedures, Section III.A, sub-paragraphs 2.01-2.04; 2023 Sanctions Procedures, Section III.A, sub-paragraphs 2.1-2.4.

²¹ 2016 Sanctions Procedures, Section III.A, sub-paragraphs 2.01-2.04.

procedural flaw that might have affected the Respondents' ability to mount a meaningful defense to the allegations in the present case.

4. Complaints against INT's investigation and handling of this case

57. The Respondents advance specific complaints about the conduct of INT's investigation and its handling of this case. They argue, *inter alia*, that INT engaged in coercive tactics to elicit admissions during settlement negotiations; mischaracterized, fabricated, or tampered with certain evidence; withheld potentially exculpatory bank statements of the Third Party; and refused to accept an offer of a polygraph and psychological assessment of the Respondent Individual. While accepting that the Sanctions Board has no powers to sanction INT, the Respondents note that this would be their preferred remedy to address this perceived unfairness. INT denies any impropriety and maintains that its conduct during its investigation and these proceedings was procedurally sound.

58. As a general matter, under the applicable sanctions framework (the "Sanctions Framework"),²² the Sanctions Board does not have the authority or mandate to examine allegations of wrongdoing against World Bank Group staff.²³ While the way in which an investigation is conducted by INT may in certain circumstances inform the Sanctions Board's consideration of the credibility, weight, and sufficiency of the evidence in a sanctions case,²⁴ the World Bank Group has established separate administrative processes to address allegations of staff misconduct. Considering these standards, the Sanctions Board reviews the Respondents' complaints below.

a. Asserted coercive tactics

59. With respect to INT's purportedly coercive tactics, the Respondents fail to substantiate their assertions.²⁵ The record does suggest that INT initially offered the possibility of a settlement, conditioned to an admission of wrongdoing by the Respondents, and that the Former Counsel advised the Respondents to explore this option. There is no evidence, however, that INT's behavior

²² The Statute of the Sanctions Board mandates that Sanctions Board members consider each case in accordance with the Sanctions Framework, which is defined as the following documents of the World Bank Group: (i) World Bank Group Policy: Sanctions for Fraud and Corruption; (ii) the Statute of the Sanctions Board and the Code of Conduct; (iii) Bank Directive: Sanctions for Fraud and Corruption; (iv) the Sanctions Procedures; (v) Bank Procedure: Internal Arrangements for the Sanctions System; (vi) Bank Guidance: Sanctions for Fraud and Corruption; (vii) the World Bank Private Sector Sanctions Procedures; (viii) the IFC Sanctions Procedures; (ix) the MIGA Sanctions Procedures; (x) the terms of reference of the Evaluation Officers; and (xi) the World Bank Group's Voluntary Disclosure Program Guidelines. Statute of the Sanctions Board, Section II(aa); Code of Conduct, Paragraph 1.

²³ *See, e.g.*, Statute of the Sanctions Board, Section III.A, Paragraph 1; Sanctions Board Decision No. 71 (2014) at para. 33. These standards do not preclude the Sanctions Board's jurisdiction to review allegations of sanctionable practices against public officials employed as consultants under Bank-financed contracts. *See, e.g.*, Sanctions Board Decision No. 139 (2022) at paras. 29-30.

²⁴ *See, e.g.*, Sanctions Board Decision No. 60 (2013) at para. 60.

²⁵ As the Sanctions Board has previously observed, an assertion must have an evidentiary basis in the record, or it remains a mere assertion and not a substantiated fact. *See, e.g.*, Sanctions Board Decision No. 61 (2013) at para. 41; Sanctions Board Decision No. 115 (2019) at para. 46; Sanctions Board Decision No. 124 (2020) at para. 24, n.8.

was inappropriate or prejudicial in this process, in a manner that might affect the disposition of this case. INT's subsequent handling of evidence resulting from such discussions is a distinct matter, discussed in Paragraphs 68-73.

b. Asserted evidence tampering

60. The Respondents similarly fail to substantiate their assertions that INT deliberately falsified or tampered with evidence in this case. Nonetheless, the Sanctions Board finds that the Respondents present valid challenges and raise troubling issues with respect to the quality, weight, or reliability of certain individual pieces of evidence submitted by INT, as examined in Paragraphs 68-83.

c. Asserted withholding of exculpatory evidence

61. Under the Sanctions Procedures, INT is only required to disclose exculpatory or mitigating evidence in its actual possession.²⁶ Here, in support of the corruption allegation, INT references specific cash withdrawals purportedly made by the Third Party in 2019. Nevertheless, these transactions do not appear in the Third Party's financial records submitted by INT. Upon the Sanctions Board's questioning at the hearing, INT asserted that it did not possess or withhold any additional bank statements.

62. The Sanctions Board finds that INT's explanations fail to sufficiently address this evidentiary gap. As noted in Paragraphs 96-97, this deficiency undermines INT's ability to substantiate and credibly rely on the transactions concerned. However, nothing in the record suggests that the evidence in question could be exculpatory or that its absence might otherwise prejudice the Respondents' defense.

d. Asserted refusal to accept exculpatory evidence

63. As the Sanctions Board has previously held, INT is not required to pursue all potentially relevant sources or materials,²⁷ and respondents are permitted to submit any exculpatory evidence not gathered by INT in its investigation.²⁸ In this case, the Respondents had many opportunities to produce and present any evidence believed to be relevant, irrespective of INT's acceptance or support. Accordingly, the record reveals no unfairness or prejudice to the Respondents in this context.

5. Disputed record of call with the Former Counsel

64. As evidence of the alleged corrupt practice, INT submits a summary record of a telephone call held with the Former Counsel on September 6, 2019 (i.e., the Note to File). The Note to File attributes certain statements to the Former Counsel that could be interpreted as inculpatory. The Respondents dispute the admissibility and substance of the Note to File, relying on an affidavit

²⁶ Sanctions Procedures, Section III.A, sub-paragraph 3.2.

²⁷ See, e.g., Sanctions Board Decision No. 96 (2017) at para. 47.

²⁸ See, e.g., Sanctions Board Decision No. 78 (2015) at para. 49.

and other documents provided to them by the Former Counsel. Given the central significance of the testimony of the Former Counsel and the evidence that he offered to the Respondents, the Sanctions Board decided to call him as a witness to provide live testimony at the hearing, in accordance with Section III.A, sub-paragraph 6.3(b)(iv) of the Sanctions Procedures.²⁹

a. Weight of witness statements

65. In assessing the weight of witness statements, the Sanctions Board takes into account all relevant factors bearing on the witness's credibility.³⁰ Here, the Former Counsel's relationship and history with the Respondents may call into question his independence. The record indicates that the Former Counsel has not represented the Respondents since May 2021. However, in September 2022, the Respondents accused the Former Counsel of negligence, malpractice, collusion with INT, and other misconduct in his handling of this case. In October 2022, the Former Counsel reached a settlement with the Respondents in consideration of these matters (the "Attorney-Client Settlement"). This settlement releases the Former Counsel from all past and future claims, and includes a non-disparagement clause under which the Former Counsel and the Respondents agree not to make any statements that would adversely affect one another's business or reputation. In April 2024, the Former Counsel provided the Respondents an affidavit to support their defense. In January 2025, the Respondents proposed the Former Counsel's participation in the hearing as a witness.

66. At the hearing, the Former Counsel attested that he did not believe that these factors negatively affected his credibility as a witness. Regarding the Attorney-Client Settlement, he stated that he had agreed to resolve the Respondents' claims on an *ex gratia* basis, without making any admissions, and in the interest of commercial expediency. Nevertheless, he requested that the Attorney-Client Settlement be struck from the record because he did not consent to its disclosure. The Sanctions Board observes that the Sanctions Framework provides no basis for third parties to intervene in sanctions proceedings or present any requests to the Sanctions Board. In addition, under the applicable Sanctions Procedures, the parties may use any kind of evidence to support their arguments,³¹ and the record shall remain confidential and not available to the public.³² Here, the Respondents submitted the Attorney-Client Settlement on their own initiative, both sides have relied upon it, and all participants in these proceedings must refrain from disclosing it further without authorization. The question of whether the Respondents breached any confidentiality obligations under the Attorney-Client Settlement is a distinct matter, to be addressed between the Respondents and the Former Counsel – not by the Sanctions Board. For these reasons, the

²⁹ The Former Counsel's attendance as a witness was first proposed by the Respondents. At the hearing, the Respondents expressly waived their attorney-client privilege, accepted that the Former Counsel might make statements against their interest, and attested that they had not discussed the Former Counsel's testimony with him prior to his appearance as a witness. The Former Counsel attested that he has not represented or advised the Respondents since May 2021 and that his voluntary participation in these proceedings as a witness does not pose any conflicts of interest or other ethical concerns. The Former Counsel was only present for the duration of his testimony.

³⁰ See, e.g., Sanctions Board Decision No. 71 (2014) at para. 54; Sanctions Board Decision No. 87 (2016) at para. 66.

³¹ Sanctions Procedures, Section III.A, sub-paragraph 7.1.

³² Sanctions Procedures, Section III.A, sub-paragraphs 8.2(a), 11.5; Code of Conduct, Paragraphs 13, 14.

Sanctions Board will not entertain the Former Counsel's request to strike this evidence from the record.

67. While the Former Counsel responded to questioning in a frank and forthcoming manner during the hearing, the Sanctions Board finds that the circumstances examined in Paragraph 65 may diminish his reliability as witness. Accordingly, the Sanctions Board ascribes significantly greater weight to the Former Counsel's statements where corroborated by documentary evidence.

b. Admissibility and weight of the Note to File

68. The Respondents contend that INT's call with the Former Counsel was part of confidential settlement discussions and that INT's submission of the Note to File violates the "Without Prejudice Rule." INT maintains that this rule derives from the English common law, which does not apply to these proceedings; that the disputed call was not protected; and that the Note to File is admissible under the Sanctions Framework.

69. The record contains communications exchanged between INT and the Former Counsel during the week preceding the call. The Former Counsel's messages are clearly marked "Strictly Private and Confidential, and Without Prejudice." In the beginning of the chain, the Former Counsel proposes a meeting to "explore the possibility of entering into" a settlement, noting that this meeting "obviously would have to be on a without prejudiced [sic] basis." Subsequently, INT proposes to hold a telephone call to "discuss the settlement options," and the Former Counsel agrees to proceed in order to determine whether a settlement "might be feasible" and "mutually acceptable."

70. By its own submission, INT understands "without prejudice" as a principle preventing "statements made in a genuine settlement attempt from being put before a court as evidence of admissions by the party who made them." According to INT, the disputed call was not part of settlement discussions, as the Former Counsel was still evaluating whether the Respondents would entertain such negotiations at that time. INT acknowledges that it did not expressly reject the confidentiality terms included in the Former Counsel's written communications. However, INT submits that such protections require explicit acceptance by all parties, and that INT only agreed to them in October 2019, when settlement negotiations formally began.

71. In his testimony, the Former Counsel asserted that he had made clear at the beginning of the call that he would not proceed unless the discussions were held without prejudice, and that INT had agreed to continue in those terms. Consistent with Paragraph 67, however, these statements carry limited weight. With respect to the contents of the call, the Former Counsel disputed the accuracy of the Note to File. He denied making certain statements that could be interpreted as an admission of misconduct on behalf of the Respondents.

72. Considering the above, the Sanctions Board finds that the Note to File is admissible but shall be accorded no probative value. As the Sanctions Board has consistently held, parties may introduce any evidence to support their case – even if purportedly prejudicial – though the Sanctions Board will take such evidence into consideration only where appropriate.³³ Here, the

³³ See, e.g., Sanctions Board Decision No. 92 (2017) at para. 45; Sanctions Board Decision No. 96 (2017) at para. 49.

“Without Prejudice Rule” is not enforceable, as domestic legal standards do not control the World Bank Group’s sanctions proceedings.³⁴ Nevertheless, the Former Counsel expressly stated by email that he required his upcoming discussions with INT to be held without prejudice. Even if INT believed that such protections did not apply, INT took no steps to correct the Former Counsel’s understanding or clarify the terms of engagement prior to the call. Furthermore, the Note to File is a non-verbatim summary that was not reviewed or signed by the Former Counsel prior to its submission, and the Former Counsel has since directly disputed its accuracy – circumstances that the Sanctions Board has previously found to diminish the weight of this type of evidence.³⁵ In this context, the Sanctions Board finds INT’s disclosure of, and continuous reliance on, the Note to File to be disingenuous and deeply troubling.

73. Accordingly, the Sanctions Board will not consider, rely upon, or draw any inferences from the Note to File in reaching its conclusions in this decision.³⁶

6. Disputed translation of Russian Ministry letter

74. During its investigation of the alleged fraudulent practice, INT requested that the Russian Ministry verify the Respondent Firm’s claimed Russian Experience. INT submits a letter issued by the Russian Ministry in response to this request, along with an English translation that was prepared internally by INT staff (the “Disputed Translation”). The Respondent Firm contends that the Disputed Translation is inaccurate, based on three alternative translations that were prepared and certified by professional translators. The Respondent Firm argues that INT deliberately falsified the Disputed Translation and that this is “sufficient to dismiss the allegation.”

75. The table below compares the original letter, the Disputed Translation, and the Respondent Firm’s three alternative translations. While the Respondent Firm’s versions are materially equivalent, the Respondent Firm has relied primarily on the first one.

Source	Content (emphasis added)
Original	“По имеющимся на сегодняшний день данным у Министерства труда и социальной защиты Российской Федерации не имеется совместных проектов с компанией [the Respondent Firm]. Для уточнения данных за предыдущие годы просим Вас предоставить контактный номер представителя компании и копию соглашения, которое заключалось с Минтрудом России.”

³⁴ See, e.g., Sanctions Board Decision No. 55 (2013) at para. 50; Sanctions Board Decision No. 65 (2014) at paras. 42, 60.

³⁵ See, e.g., Sanctions Board Decision No. 64 (2014) at paras. 34, 35.

³⁶ This determination does not suggest that INT has deliberately misrepresented the contents of the call with the Former Counsel or otherwise tampered with the Note to File. As examined in Paragraph 58, allegations of misconduct against Bank staff fall outside the Sanctions Board’s purview.



Disputed Translation	“According to the <u>data available to date</u> , the Ministry of Labor and Social Protection of the Russian Federation does not have joint projects with [the Respondent Firm]. Should you need to clarify <u>any additional data</u> , we ask you to provide the contact number of the company representative and a copy of the agreement that was concluded with the Ministry of Labor of Russia.”
Respondent Firm’s Translations	“According to <u>currently available data</u> , the Ministry of Labor and Social Protection of the Russian Federation does not have joint projects with [the Respondent Firm]. To clarify <u>the data for previous years</u> , we ask you to provide the contact number of the company representative and a copy of the agreement concluded with the Russian Ministry of Labor.”
	“Based on the <u>data available as of now</u> , the Ministry of Labour and Social Protection of the Russian Federation does not have any joint projects with [the Respondent Firm]. To clarify <u>the data for the previous years</u> , we ask you to provide a contact number of a company representative and a copy of agreement which was concluded with the Ministry of Labour and Social Protection of Russia.”
	“According to the <u>currently available data</u> , the Ministry of Labor and Social Protection of the Russian Federation has no collaborations with [the Respondent Firm]. To clarify <u>the data for previous years</u> , we kindly ask you to provide the contact number of the company’s representative and a copy of the agreement that was concluded with the Ministry of Labor and Social Protection of the Russian Federation.”

76. Initially, INT did not specifically address the disparities between the Disputed Translation and the Respondent Firm’s alternative versions, submitting only that “this translation disagreement is insufficient to exculpate” the Respondent Firm. Upon the Chair’s invitation to comment directly, INT maintained that the Disputed Translation is accurate, while recognizing that it inadvertently omits the phrase “for previous years.” INT further submitted that this oversight does not alter the meaning of the sentence and that “all translations contain elements of subjectivity,” before finally accepting that “the original Russian language could be translated as the Respondents suggest.”

77. Considering the above, the Sanctions Board will rely on the Respondent Firm’s first alternative translation in reviewing the alleged fraudulent practice.³⁷ In reaching this determination, the Sanctions Board concludes that the Disputed Translation is materially deficient, with the omitted phrase bearing on the core of the fraud allegation. As examined in Paragraphs 125-126, if translated fully and accurately, the Russian Ministry’s statements are notably less definitive – which substantially compromises INT’s initial case.

78. While the Sanctions Board accepts INT’s explanation that the omission was inadvertent, it should be noted that INT did not readily acknowledge the apparent imprecisions in its work and conceded only when prompted by the Chair. These circumstances are concerning and undermine confidence in INT’s judgment. Nonetheless, the Respondent Firm was afforded an opportunity to

³⁷ This determination does not suggest that INT has acted in bad faith in preparing or using the Disputed Translation. As examined in Paragraph 58, allegations of misconduct against Bank staff fall outside the Sanctions Board’s purview.

challenge the Disputed Translation in accordance with the Sanctions Procedures. Therefore, the Sanctions Board finds no fundamental unfairness or due process violation that would preclude consideration of the fraud allegation on the merits.

7. Complaints regarding records of interview

79. The Respondents present certain complaints relating to the form, value, and procedural fairness of three records of interview filed by INT. The Sanctions Board examines these issues below.³⁸

a. First record of interview

80. The Respondents contend that INT's transcript of an interview with the Respondent Individual excluded a material portion of his testimony. The Respondents submit an audio recording to support this assertion. INT acknowledges this omission and maintains that it "was due to INT's inadvertent misplacement of the audio file of a small portion of this interview, which had been separated from the main interview recording."³⁹ INT provides a supplemental transcript to correct this error. INT further contends that there was no detriment to the defense because the Respondents raised the same points elsewhere in the record. The Sanctions Board finds that INT's oversight was satisfactorily cured without prejudice to the Respondents. Nevertheless, the Sanctions Board notes its disapproval of INT's initial handling of this evidence, which appears to have lacked sufficient scrutiny and attention to detail.

b. Second record of interview

81. With respect to INT's transcript of an interview with the Procurement Director, the Respondents complain that certain relevant moments are "bizarrely muted." INT asserts that these passages are marked as "indiscernible" due to genuine challenges in understanding the witness, and that this reflects a limitation inherent in the transcription process. The Sanctions Board accepts INT's explanations. While such gaps may diminish the value of specific statements, they do not impact the weight of the interview transcript as a whole.

c. Third record of interview

82. The Respondents initially complained that INT had failed to interview a senior officer within the Afghanistan PMU, whom the Respondents regard as a key witness. At the hearing, INT represented that this witness had in fact been interviewed and that his testimony did not reveal any information relevant to this case. Additionally, INT submitted that it had prepared a transcript of this interview and offered to provide a copy of it, subject to a confidentiality review. However, in its Post-Hearing Submission, INT asserts that this interview – which occurred in March 2020 – was neither recorded nor transcribed "due to an oversight prompted by extenuating

³⁸ The findings in Paragraphs 80-83 do not suggest that INT has acted in bad faith in preparing or using any records of interview. As examined in Paragraph 58, allegations of misconduct against Bank staff fall outside the Sanctions Board's purview.

³⁹ In the Reply, INT asserted that this separation was caused by "translation disruptions." At the hearing, INT clarified that this was a typographical error and should read "transcription disruptions" instead.

circumstances.” Instead, INT submits a summary record of interview that was generated after the hearing, relying on notes taken at the time of the interview (i.e., five years prior). The Respondents question the credibility and value of this evidence and accuse INT of submitting it in bad faith.

83. Given the circumstances surrounding INT’s creation and use of this summary record of interview – including its timing, manner of preparation, and intended purpose – the Sanctions Board ascribes it no probative value. The Sanctions Board also notes with concern that INT introduced evidence of such limited reliability in lieu of a transcript, without directly acknowledging its previous representations to the Sanctions Board.

8. Complaints against the World Bank Group generally

84. The Respondents contend that INT pursued this case in bad faith, as part of a pattern of systemic persecution of the Respondents by the World Bank Group since 2019 or 2020. With respect to the remedy sought, the Respondents request that the Sanctions Board formally acknowledge that they were subjected to unfair treatment not only in these proceedings, but also in other matters – including the Vendor Eligibility Matter. INT disputes the Respondents’ assertions.

85. As noted in Paragraph 58, the Sanctions Board lacks jurisdiction to consider allegations of misconduct against World Bank Group staff. Similarly, under the Sanctions Framework, the Sanctions Board does not have the authority or mandate to scrutinize decisions taken outside the scope of these proceedings or judge the actions of the World Bank Group as an institution.⁴⁰ Accordingly, the Sanctions Board cannot review or make any findings regarding the process or outcome of the Respondents’ broader disputes with the World Bank Group. Nevertheless, the Sanctions Board will consider whether, taken as whole, those matters might support the Respondents’ assertions of a pattern of persecution or adverse bias, so as to call into question the fairness of the present proceedings.

86. While the Sanctions Board acknowledges that the relationship between the Respondents and certain functions of the World Bank Group may have become contentious, the existence of parallel disputes is insufficient to demonstrate a pattern of persecution. Furthermore, the record appears to undermine the Respondents’ position that the World Bank Group has sustained a broad organizational bias against them since 2019 or 2020. For example, INT’s investigation of the Respondents in connection with the Afghanistan Contract, which began in 2019, did not prevent the Bank from awarding a vendor contract to the Respondent Firm in 2021.

87. As examined in Paragraphs 68-83, the Sanctions Board does observe certain troubling lapses in INT’s judgment and handling of this case. These lapses may have contributed to the Respondents’ perception of injustice and abuse by the World Bank Group. Such considerations notwithstanding, the record does not support a conclusion that the present case might have been tainted by an institutional animus against the Respondents.

⁴⁰ Statute of the Sanctions Board, Section III.A, Paragraph 1.

88. Accordingly, the Sanctions Board finds no evidence of improper motives, inherent bias, or any other fundamental unfairness against the Respondents that could constitute a failure of due process in this case.

9. Breaches of confidentiality

89. Under the applicable framework, parties are not permitted to “disclose to, or discuss with, any third party any part of the record, or information relating thereto,” save for limited exceptions.⁴¹ For respondents, breaching this prohibition shall constitute “an aggravating factor in determining an appropriate sanction” or a “separate basis for sanction if the violation comes to light after the conclusion of sanctions proceedings.”⁴²

90. The Sanctions Board observes with alarm the Respondents’ repeated and deliberate violations of the confidentiality of these proceedings, in defiance of multiple warnings. For example, the Respondents copied parties external to this case in several communications and other submissions, enclosing a wide range of confidential case records; created a website to publicize their interactions with the Bank; published a report describing the present allegations and containing hyperlinks to submissions and exhibits; and expressed their intent to release a documentary that might broadcast information relating to these proceedings. The Sanctions Board also shares INT’s concerns that such breaches might endanger individual World Bank Group staff by exposing them to public targeting.

91. The Sanctions Board acknowledges the Respondents’ position that INT’s allegations and conduct were unjust and prejudicial in this case. Nevertheless, the perception of an unfair accusation does not entitle the Respondents to undermine the administration and integrity of the sanctions process. The Sanctions Framework comprises mechanisms to challenge potentially unsubstantiated allegations and remedy any underlying unfairness, including through an independent and impartial review by the Sanctions Board. For this system to function as intended, however, all parties must adhere to their procedural obligations.

92. In this context, the Respondents’ persistent disregard for confidentiality rules is both unjustified and deeply troubling. The Sanctions Board once again reminds the Respondents of their obligation to cease ongoing violations and refrain from future unauthorized disclosures. Consistent with the applicable procedures, continued noncompliance may result in independent sanctions after the conclusion of these proceedings.⁴³

B. Evidence of Corrupt Practice

93. In accordance with the definition of “corrupt practice” under the January 2011 Consultant Guidelines, INT bears the initial burden to show that it is more likely than not that the Respondents

⁴¹ Sanctions Procedures, Section III.A, sub-paragraph 11.5.

⁴² Id.

⁴³ Id.

(i) offered, gave, received, or solicited, directly or indirectly, anything of value (ii) to influence improperly the actions of a public official in relation to the selection process or contract execution.

1. Giving, directly or indirectly, anything of value

94. INT alleges that the Respondents made the Payment to the Third Party at the instruction of the Procurement Director, and that the Third Party subsequently transferred the funds in cash to public officials within the Afghanistan PMU. The Respondents concede that they made the Payment but deny that the ultimate beneficiaries were individual public officials as alleged.

95. In assessing whether respondents gave something of value within the meaning of the first element of corrupt practice, the Sanctions Board has previously considered the full scope of available evidence and arguments in each case, including bank records reflecting specific transactions, copies of correspondence, and factual admissions or detailed testimony of relevant individuals.⁴⁴ The Sanctions Board has also repeatedly held that, under the applicable definition of corrupt practice, the recipient of the thing of value need not be the same as the target of influence.⁴⁵ Consistent with this precedent, where the record shows that the respondent offered or gave a thing of value to an intermediary, the first element of corrupt practice may be established regardless of any evidence that the thing of value ultimately reached the target of influence.⁴⁶

96. Here, documentary evidence shows, and it is undisputed, that the Respondents made a payment of US\$48,000 to the Third Party in December 2018 (i.e., the Payment). INT's contention that these funds were subsequently transferred to public officials is, however, based on inference. In the transcript of INT's interview with the owner of the Third Party, INT refers to specific cash withdrawals made by the Third Party through March 2019, totaling US\$24,500. The witness appears to confirm these withdrawals, by stating that the cash was used in the Third Party's operations. As noted in Paragraphs 61-62, the record does not include the underlying bank statements showing the transactions in question.

97. The Sanctions Board finds this evidence insufficient to reasonably infer that the Third Party delivered the Payment in cash to public officials as alleged. However, consistent with the precedent examined above, INT is not required to prove that the Payment ultimately reached any specific recipients in order to satisfy the first element of corrupt practice.

⁴⁴ See, e.g., Sanctions Board Decision No. 60 (2013) at paras. 66-69 (financial records, admissions, correspondence); Sanctions Board Decision No. 92 (2017) at paras. 81, 82, 87, 88 (admissions, accounting records, witness statements); Sanctions Board Decision No. 93 (2017) at paras. 41-43, 50, 51, 59, 60 (invoices, bank statements, emails); Sanctions Board Decision No. 110 (2018) at paras. 22, 23 (bank statements, admissions); Sanctions Board Decision No. 130 (2020) at para. 70 (financial records, check, admissions).

⁴⁵ See, e.g., Sanctions Board Decision No. 60 (2013) at para. 65; Sanctions Board Decision No. 72 (2014) at para. 43; Sanctions Board Decision No. 78 (2015) at para. 53.

⁴⁶ See, e.g., Sanctions Board Decision No. 136 (2022) at para. 27 (finding that the first element of corrupt practice was established where the respondent admitted to making a payment to an intermediary but denied being aware of any onward payment to a public official).

98. Accordingly, the Sanctions Board finds that it is more likely than not that the Respondents gave something of value to the Third Party, i.e., the Payment.

2. To influence improperly the actions of a public official in the procurement process or contract execution

99. INT alleges that the Respondents made the Payment in response to the Procurement Director's bribe solicitations, for the purposes of facilitating the approval of the Respondent Firm's invoices, avoiding cancellation of the Afghanistan Contract, or improving the relationship with the Afghanistan PMU. The Respondents maintain that the Payment served to reimburse the Afghanistan PMU for food and office rent under the Afghanistan Contract.

100. Under the Sanctions Framework, INT can make a prima facie case of corrupt intent by showing that a payment had an improper purpose, either through direct evidence or based on a reasonable inference from objective facts. Such objective facts may include, for example, a course of dealing, specific acts of the respondent, or other circumstantial evidence.⁴⁷ Consistent with these standards, INT is not required to prove that a respondent sought a particular official act or a precise purpose of influence in exchange for a payment, provided that the circumstances reasonably indicate impropriety.⁴⁸ Upon a showing by INT, the burden shifts to the respondent to demonstrate that the transaction did not, in fact, have a corrupt purpose.⁴⁹ It is important to note that, while INT is not required to prove the respondent's subjective intent (mens rea) as an element to establish culpability, the lack thereof can be used by the respondent as an affirmative defense.⁵⁰

a. INT's initial case

101. For the reasons detailed below, the Sanctions Board finds that INT has carried its initial burden of proving its case based on the objective facts of the Payment – including certain undisputed submissions and circumstances raised by the Respondents themselves.

102. For example, in his Complaint Letter dated June 2019, the Respondent Individual accused certain public officials – namely, the Procurement Director and two senior officers within the Afghanistan PMU's Financial Supervision Department (the "Financial Supervision Officers") – of conspiring to commit "blackmail, corruption, and extortion" in connection with the Afghanistan Contract. According to the Respondents' own submissions, the Financial Supervision Department "was in charge of certifying invoices and reports for payments to be processed," and the

⁴⁷ See, e.g., Sanctions Board Decision No. 138 (2022) at para. 28; Sanctions Board Decision No. 139 (2022) at para. 41.

⁴⁸ See, e.g., Sanctions Board Decision No. 110 (2018) at paras. 11, 24-25 (finding prima facie evidence of corrupt intent where a respondent made a payment to a public official who had authority to affect the respondent's business interests, and INT broadly alleged that the only "logical conclusion" in the circumstances was that the purpose of the payment was to influence the execution of the contract).

⁴⁹ The World Bank's Legal Vice Presidency, Advisory Opinion on Certain Issues Arising in Connection with Recent Sanctions Cases (No. 2010/1) at para. 66 (November 15, 2010).

⁵⁰ Id.

Respondent Firm's performance reports "served as the sole basis for payments" under the Afghanistan Contract.

103. Pursuant to the Complaint Letter, the asserted conspiracy began in or around September 2018, when the Financial Supervision Officers prepared a report that evaluated the Respondent Firm's performance negatively. The letter also states that, from November 2018 onwards, the Financial Supervision Officers deliberately acted to discredit the Respondent Firm, and the Procurement Director told the Respondents that he "controls the project and can kill it at any moment" and that this "difficult environment was created . . . to teach [the Respondents] a lesson and what can happen to us if we don't pay."

104. The Complaint Letter enclosed electronic messages from the Procurement Director to the Respondent Individual, dated December 2018. These written communications, along with other documentary evidence and the Respondents' own submissions, demonstrate the following undisputed chronology:

- i. On December 1, 2018, the Procurement Director stated: "I have the account but will be traced by transfer. Is it possible to give cash to some body [sic] in UAE OR KABUL. CASH WOULD BE THE MOST SECURE ONE;"
- ii. On December 2, 2018, the Procurement Director stated: "Are you transferring the amount from your own account or company account. I need to know;"
- iii. On December 6, 2018, the Procurement Director shared the Third Party's bank account details, and stated "Plz [sic] take care as this is the matter of career, you should not use any single information regarding me while making the payment. I trust you man;"
- iv. On December 16, 2018, the Respondent Individual authorized the wire transfer of the Payment from the Respondent Firm to the Third Party's bank account;
- v. On December 17, 2018, the Procurement Director stated: "money has not arrived. Can you check with the bank;"
- vi. On December 18, 2018, the Procurement Director stated: "Did you check with bank? Are you sure payment is made by the bank.? [sic] . . . I really wonder why such small payment is taking much time . . . The doors are still open for discontinuing the partnership . . . if the money doest [sic] arrive till end of this week I will assume that you are playing with me. Plz [sic] don't get me wrong I am under the pressure as you were before;" and
- vii. On December 19, 2018, the Respondent Firm's bank completed the wire transfer of the Payment to the Third Party's bank account.

105. Thus, the record reveals that the Respondents made the Payment in the context of direct solicitations from the Procurement Director, and that they followed his exact instructions as to the recipient and manner of payment. This evidence also establishes the Procurement Director's position of influence over the Respondents' business interests. According to the Respondents' own statements, the Procurement Director was acting as part of a "conspiracy" with the Financial Supervision Officers, who held the discretion to clear the Respondent Firm's invoices, and he

explicitly threatened to terminate the contract unless the Respondents complied. The Sanctions Board has found analogous circumstances sufficient to infer improper purposes in the past.⁵¹

106. Furthermore, the Respondent Individual failed to disclose the Payment in the Complaint Letter and during his initial interview with INT, and the Respondents only acknowledged the Payment after INT independently obtained evidence of the relevant bank transfer. In previous cases, the Sanctions Board has found similar conduct to suggest consciousness of wrongdoing, which further corroborates an inference of corrupt intent.⁵²

107. On the whole, this evidence supports a prima facie conclusion that the Payment was intended to influence improperly the actions of the Procurement Director and the Financial Supervision Officers in the implementation of the Afghanistan Contract. Because INT has met its evidentiary threshold, the burden now shifts to the Respondents to rebut INT's case and demonstrate that they did not act with corrupt intent.

b. The Respondents' rebuttal

108. Over the course of these proceedings, INT advanced two central theories on the specific purpose of the Payment to demonstrate the Respondents' corrupt intent: facilitating payments of the Respondent Firm's invoices and preserving the Afghanistan Contract. As detailed below, the Sanctions Board finds that the Respondents have persuasively refuted both narratives.

109. Under its first theory, INT asserted as a primary argument that the Respondent Firm's invoices were pending approval at the time of the Payment (i.e., December 2018), and that the Respondents intended to facilitate their processing and release. In support of this contention, INT submitted that the Respondents entered into an agreement with the Afghanistan PMU to settle outstanding invoices approximately 16 months thereafter (i.e., in April 2020). However, the Respondents presented documentary evidence that directly refutes INT's premise. For example, the Respondents showed that, two weeks prior to the Payment, the Respondent Firm's outstanding invoices had already been cleared, and the Ministry of Finance had already issued a check to satisfy them. The Respondents further demonstrated that the subsequent settlement with the Afghanistan PMU had no reasonable nexus to the Payment. Specifically, the record reveals that (i) after the Payment, the Respondent Firm continued to provide services under the Afghanistan Contract, and the Afghanistan PMU continued to delay approvals; (ii) in March 2020, the Respondents sent a notice of arbitration to the Afghanistan PMU, seeking to recover unpaid amounts; and (iii) the

⁵¹ See, e.g., Sanctions Board Decision No. 109 (2018) at para. 31 (inferring the requisite intent where the respondents complied with a public official's solicitation of a vehicle for his personal use, in a context where the public official had influence over the respondents' earnings and the vehicle was considered part of an effort to "help things [go] smoothly"); Sanctions Board Decision No. 110 (2018) at para. 25 (inferring the requisite intent where a respondent made a payment to a public official who had authority to affect the respondent's business interests, including by evaluating their performance and clearing payments, and the respondent was aware of that position of influence).

⁵² See, e.g., Sanctions Board Decision No. 78 (2015) at para. 68 (inferring the requisite intent where a public official received an improper benefit in the form of employment for her child, and subsequently attempted to conceal this employment relationship); Sanctions Board Decision No. 110 (2018) at para. 25 (finding prima facie evidence of the requisite intent where a respondent made a payment to a public official and subsequently withheld evidence of the transaction from INT, which suggested knowledge of impropriety).

April 2020 settlement concerned these arbitration claims, relating to invoices issued after the Payment.

110. In light of this evidence, INT introduced the alternative argument that the Respondents may have made the Payment with the intent to prevent subsequent delays or ease the approval of invoices in the future, and that this purpose failed to materialize. The Sanctions Board is not persuaded by INT's reasoning, which appears to be based on mere speculation. The record shows that no invoices were pending approval at the time of the Payment, and that the Respondents addressed subsequent delays through legal means, including a notice of arbitration and the resulting settlement. In these circumstances, the Sanctions Board concludes that it is more likely than not that the Respondents did not act with the intent to facilitate payments under the Afghanistan Contract.

111. As to its second theory, INT primarily contended that the Afghanistan PMU officials had threatened to terminate the Afghanistan Contract and that the Payment was made to avert this outcome. In their defense, the Respondents provided written evidence showing that (i) the threats of cancellation persisted after the Payment, including during a meeting held in late December 2018; (ii) the Respondent Individual messaged one of the Financial Supervision Officers on December 31, 2018, stating that the Respondents themselves had been considering terminating the Afghanistan Contract and pursuing arbitration against the Afghanistan PMU; and (iii) the Respondents requested the suspension of the Afghanistan Contract and demobilized from Kabul in March 2019.

112. In response, INT now argues that it is possible that the Respondents made the Payment with the intent to save the Afghanistan Contract and later decided to terminate it of their own volition. The Sanctions Board finds INT's arguments unconvincing. Considering the Respondents' conduct mere weeks and months after the Payment – including their concrete steps to disengage from the relationship – the Sanctions Board concludes that it is more likely than not that the Payment was not intended to avoid the cancellation of the Afghanistan Contract.

113. While a more general purpose of influence may still be inferred based on the Procurement Director's position,⁵³ the Sanctions Board finds that the Respondents' rebuttal renders INT's initial case significantly weaker – particularly in light of the Respondents' affirmative defense, discussed in Paragraphs 114-121.

c. The Respondents' affirmative defense

114. Turning to the Respondents' affirmative defense, consistent with the applicable standards,⁵⁴ the Sanctions Board finds that the Respondents sufficiently demonstrate that they did not act with corrupt intent.

115. Over the course of these proceedings, the Respondents provided additional context for the events that led to the Payment, as well as compelling evidence of the Respondent Individual's state

⁵³ See supra, Paragraph 100, n.48.

⁵⁴ See supra, Paragraph 100, n.50.



of mind when he effected the relevant bank transfer. The Respondents assert that the Afghanistan PMU officials began insulting and harassing them in September 2018, including by repeatedly referencing the fact that the Respondent Firm was offered food and office space free of charge and by accusing the Respondents of abusing this arrangement. According to the Respondents, these officials refused to accept reimbursement for such expenses, creating a sense of “moral debt” for the Respondents.

116. The Respondents submit that, in or around November 2018, the Procurement Director solicited a bribe amounting to ten percent of the Afghanistan Contract’s value (i.e., US\$327,447), and later instructed the Respondents to use the Third Party’s bank account to transfer these funds. The Respondents maintain that they refused to comply with such solicitations, which they assert were entirely unrelated to the Payment and involved much higher amounts.

117. The Respondents contend that, on December 15, 2018, the Afghanistan PMU officials rescheduled a meeting while the Respondent Individual was in transit to meet them in Kabul – an incident that the Respondents regarded as the “last straw” in a pattern of disrespect. They maintain that, on the following day, in a “fit of rage,” the Respondent Individual decided to pay the full amount allocated to food and rent under the Afghanistan Contract (i.e., US\$48,000), to settle the Respondents’ “moral debt.” The Respondents submit that they made the Payment to the Third Party because the Afghanistan PMU had repeatedly refused to accept reimbursement through official channels. They argue that the Respondent Individual acted on impulse and later regretted this decision.

118. This narrative is supported in part by documentary evidence. For example, the Afghanistan Contract provides for a budget allocation of US\$48,000 for office rent. Consistent with this contractual clause, the Respondent Individual noted in the wire transfer order that the purpose of the Payment was for “office rent.” This evidence provides, at a minimum, contemporaneous corroboration of the Respondents’ asserted reasoning and motivation for making the Payment – i.e., to release their “moral debt.” Furthermore, written communications between the Respondent Individual and the relevant Afghanistan PMU officials reflect the rescheduling of the meeting on December 15, 2018, and the Respondent Individual’s state of mind thereafter.

119. Additionally, the Sanctions Board finds that certain circumstances weigh in favor of the Respondents’ explanations. For instance, the Payment was made by wire transfer from the Respondent Firm’s bank account, as opposed to cash or other untraceable means that were readily available and would have suggested an effort to conceal an improper transaction. Moreover, the Respondent Individual voluntarily submitted the Complaint Letter to the relevant authorities, supplying written evidence of the Procurement Director’s solicitations and payment instructions. The Sanctions Board finds that, in the very unusual and specific circumstances of this case, the Respondent Individual’s behavior is not indicative of someone bearing culpability or seeking to avoid scrutiny.

120. The Sanctions Board acknowledges INT’s counterarguments regarding the Respondents’ account of events. Irrespective of the Respondents’ motives, the Payment remains surrounded by several troubling circumstances, including the context of explicit solicitations and the use of a private party’s bank account. Nevertheless, as noted in Paragraphs 108-113, the record does not establish a discernible improper purpose that could contradict or diminish the credibility of the

Respondents' defense. In addition, the Sanctions Board is persuaded by the Respondents' explanation that they chose an inappropriate means to execute the Payment in a lapse of judgment, while acting under pressure. On balance, the totality of the evidence supports an inference that the Respondents made the Payment with the intent to discharge their own subjective sense of obligation, rather than to influence improperly the actions of another party.

121. For the reasons above, the Sanctions Board finds that it is not more likely than not that the Respondents acted with corrupt intent. As the record does not sufficiently establish the second element of corrupt practice, this allegation is dismissed.

C. Evidence of Fraudulent Practice

122. In accordance with the definition of "fraudulent practice" under the July 2014 Consultant Guidelines, INT bears the initial burden to show that it is more likely than not that the Respondent Firm (i) engaged in an act or omission, including a misrepresentation, (ii) that knowingly or recklessly misled, or attempted to mislead, a party (iii) to obtain a financial or other benefit or to avoid an obligation.

123. With respect to the first element of fraudulent practice, INT alleges that the Respondent Firm engaged in a misrepresentation by claiming the Russian Experience in the EOI. As a primary argument, INT submits that neither the Respondent Firm nor the Subconsultant performed the services in question. Alternatively, INT contends that even if the Russian Experience was truly implemented by the Subconsultant, the omission of this detail in the EOI was still misleading. The Respondent Firm maintains that the Subconsultant performed the Russian Experience in 2004 and that the corresponding EOI representations were truthful.

124. In past decisions finding that respondents had misrepresented their work history, the Sanctions Board has relied on conclusive written statements from parties with direct knowledge of the purported experience or authority to deny its veracity.⁵⁵ The Sanctions Board has also considered that respondents may successfully rebut such inculpatory statements by submitting countervailing evidence or identifying inconsistencies in INT's prima facie case.⁵⁶

125. Here, INT primarily relies on two letters issued by the Russian Ministry.

- i. The Russian Ministry issued the first letter in response to a verification request from Kazakhstan's Ministry of Justice, inquiring whether the Respondent Firm

⁵⁵ See, e.g., Sanctions Board Decision No. 69 (2014) at paras. 19-20 (where the purported issuers of the respondent's experience records identified specific indicia of falsity on the face of these documents and denied their authenticity); Sanctions Board Decision No. 99 (2017) at paras. 18-20 (where a purported former employer denied issuing the respondent's experience certificate and identified clear misrepresentations in the document).

⁵⁶ See, e.g., Sanctions Board Decision No. 63 (2014) at paras. 78-83 (finding a prima facie showing of misrepresentations where a respondent's former employer denied the nature, scope, and duration of certain services claimed in a technical proposal; finding that the respondents sufficiently rebutted some of the former employer's denials by submitting corroborating witness statements and identifying conflicting evidence in INT's own submissions; finding that the respondents fell short with respect to other misrepresentations because they failed to submit any countervailing evidence or "credibly explain the complete lack of any business records showing the claimed contractual relationship").

had provided services under the Russian Experience projects as a lead or second consultant (co-lead). The first letter states: “there are no any [sic] data about engagement of the above company in any role in either projects [sic] supervised by the [Russian Ministry] or training of the Ministry personnel.”

- ii. The Russian Ministry issued the second letter in response to a subsequent verification request from INT, inquiring whether the Respondent Firm, in association with the Subconsultant, or the Subconsultant separately, had provided the services at issue. The second letter reads: “According to currently available data, the [Russian Ministry] does not have joint projects with [the Respondent Firm]. To clarify the data for previous years, we ask you to provide the contact number of the company representative and a copy of the agreement.”

126. This evidence supports a conclusion that the Russian Ministry, at the time of verification, did not have access to the historic data and contract details necessary to assess definitively whether the Respondent Firm was involved in the Russian Experience. Crucially, neither letter addresses the question of whether the Subconsultant performed the Russian Experience in any capacity. The Sanctions Board acknowledges INT’s explanation that it was unable to follow up with the Russian Ministry because the Respondent Firm refused to provide the required information. Nevertheless, as it stands, this evidence is inconclusive as to the veracity of the Respondent Firm’s experience claims.

127. The Sanctions Board is troubled by the overall circumstances surrounding the Respondent Firm’s representations, including the Respondent Firm’s inability to demonstrate that the Subconsultant provided the services in question. Even considering the passage of time after the Russian Experience was purportedly completed, the Sanctions Board finds that the Respondent Firm does not credibly explain the complete lack of any business records and the unavailability of any witnesses to corroborate this claim. However, on balance, INT’s *prima facie* evidence is insufficient to infer that neither the Respondent Firm nor the Subconsultant carried out the Russian Experience.

128. It bears noting explicitly that the Sanctions Board reaches this conclusion irrespective of any prior findings by other decision-makers concerning the facts in this case – including the arbitral tribunal in the Respondent Firm’s dispute against Kazakhstan. The Sanctions Board has previously held that parallel national judgments, administrative decisions, and parliamentary reports are not binding on the Sanctions Board’s proceedings.⁵⁷ The Sanctions Board finds that the same principle applies to arbitral awards.

129. Turning to INT’s alternative argument, the Sanctions Board remains equally unpersuaded. Nothing in the record suggests that it would be misleading for the Respondent Firm to rely on the Subconsultant’s experience in order to meet the selection requirements. On the contrary, the Kazakhstan PMU explicitly authorized this course of action in the REI, by establishing that “Consultants may associate with other firms in the form of a joint venture or a subconsultancy to enhance their qualifications.” In these circumstances, there is no reasonable basis to find that, even

⁵⁷ See, e.g., Sanctions Board Decision No. 63 (2014) at para. 53; Sanctions Board Decision No. 65 (2014) at para. 42; Sanctions Board Decision No. 86 (2016) at para. 41; Sanctions Board Decision No. 89 (2016) at para. 11; Sanctions Board Decision No. 136 (2022) at para. 36.

if truthful, the Respondent Firm's representations in the EOI would satisfy the first element of fraudulent practice.

130. In light of the above, and considering the totality of the record, the Sanctions Board finds that INT has not met its burden of proof to establish the alleged misrepresentation. Accordingly, the Sanctions Board need not address the remaining elements of fraudulent practice, and this allegation is dismissed.

D. Termination of Sanctions Proceedings

131. Section III.A, sub-paragraph 8.l(i) of the Sanctions Procedures requires that "if the Sanctions Board determines that it is not more likely than not that the Respondent engaged in a Sanctionable Practice, the proceedings shall be terminated." Accordingly, the Sanctions Board declares that the sanctions proceedings against the Respondents in Sanctions Case No. 780, including the temporary suspensions imposed by the SDO against the Respondents and any Affiliates for the pendency of such proceedings, are hereby terminated.

132. This decision notwithstanding, as examined in Paragraphs 89-92, the Sanctions Board does not condone the Respondents' repeated and deliberate violations of the confidentiality of these proceedings.



Maria Vicien Milburn (Chair)

On behalf of the
World Bank Group Sanctions Board

Maria Vicien Milburn
Philip Daltrop
Michael Ostrove