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Addressing
Fraud and
Corruption
Through a
Two-Tiered
Administrative
Process



Debarment of Firms and Individuals (1996 - 2016)

1996

WBG President James D. Wolfensohn calls on the institution to “deal with the cancer of corruption” in its development efforts.

1998

The World Bank Sanctions Committee is established to review sanctions cases against firms and individuals suspected of engaging in misconduct and recommend sanctions (debarment or letter of reprimand) to the WBG President.

2002

Richard Thornburgh, former U.N. Undersecretary General and U.S. Attorney General, prepares a report evaluating the World Bank's existing debarment process and recommending a two-tiered process.

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The World Bank Group (WBG) sanctions system is a formal two-tiered administrative process designed

The **Suspension and Debarment Officer (SDO)**, housed within the World Bank Office of Suspension and Debarment, functions like an administrative judge and is a critical component of an efficient, effective, and fair sanctions process. The SDO's review allows for cases to be addressed efficiently and fairly, thereby ensuring the protection of development funds while giving accused parties an opportunity to respond to the accusations and/or appeal to the WBG Sanctions Board.

Key Responsibilities:

- } Evaluates the **sufficiency of the evidence** presented by INT in a detailed, written determination.
- } Determines if the evidence supports a finding that **the alleged sanctionable misconduct more likely than not occurred**, and if so, **recommends an appropriate sanction** against the respondent(s).
- } Issues a **Notice of Sanctions Proceedings** to each respondent, which includes the allegations, corresponding evidence, and the recommended sanction.
- } **Temporarily suspends** the respondent(s) from eligibility to be awarded World Bank-financed contracts pending the final outcome of the proceedings.
- } Reviews **written Explanations** submitted by the respondent(s) in response to the **Notice of Sanctions Proceedings**.
- } Imposes the recommended sanction on each respondent who does not appeal to the Sanctions Board and publishes a **Notice of Uncontested Sanctions Proceedings** on the World Bank's public website.
- } Reviews **settlement agreements** entered into between the World Bank (through INT) and the respondent(s) to ensure that their terms do not manifestly violate the WBG Sanctioning Guidelines.

The sanctions system also includes parallel procedures for cases related to the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and World Bank guarantees and carbon finance operations. In such cases, INT submits the case to the **Evaluation and Suspension Officer (EO)** for such institution, who performs a function parallel to that of the World Bank's SDO.



The **WBG Sanctions Board** is an independent administrative tribunal that serves as the final decision-maker in all contested sanctions cases across the WBG. The Sanctions Board consists of seven (7) members who are top jurists and development experts, all external to the WBG. The Sanctions Board is supported by a

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Public Debarment List:
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Report allegations of fraud and corruption involving World Bank Group-financed operations via the Integrity Complaint Form available at www.worldbank.org/integrity.

