TWENTY MILESTONES FROM COMBATING CORRUPTION

The World Bank Group Integrity Vice Presidency’s 20th Anniversary

20
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Introduction by Mouhamadou Diagne, Integrity Vice President

The negative impacts of corruption on lives and livelihoods are well known. Corruption diverts scarce development dollars from the people who need them most and corrodes the systems and services that are integral for reducing extreme poverty. Once entrenched, corruption can be a pernicious and persistent challenge with significant economic costs for countries. It is for this reason that corruption is often referred to as a “cancer” to a country’s economic development and prosperity.

For the World Bank Group, unchecked corruption can also undermine the development impact of the operations it finances. As an independent unit within the World Bank Group, the Integrity Vice Presidency (INT) is charged with supporting the institution’s anticorruption efforts by working to detect, deter, and prevent fraud and corruption. Since its creation in 2001, INT has helped the institution maintain oversight and ensure accountability for the critical development funds it deploys.

For more than two decades, INT has continually evolved to meet the challenges facing the World Bank Group. Over this time, INT has maintained its core mandate to investigate allegations of fraud and corruption, while also developing its capacity to provide preventive support and integrity risk guidance to Bank operational teams. By establishing an Integrity Compliance Office, INT also now engages hundreds of companies and individuals each year to help improve their business standards and practices, thereby supporting a cleaner business environment in the countries where the World Bank Group operates. And we continue to develop new systems and tools—from digital forensics capabilities to real-time risk monitoring—to keep pace with evermore complex integrity risk issues we encounter.
The stories included in this booklet mark the evolution of INT over its first twenty years. They are some of the milestone achievements that have shaped the unit as it exists today and that have positioned it to continue its anti-corruption mission into the future. In that way, we continue to build on the instrumental work of those who came before us. Many talented, passionate, and devoted people have worked in this unit over the years, and each of them have made an impact on the important work that we do. Beyond INT, colleagues from across all areas of the World Bank Group have also played a critical role in accompanying our journey and helping us deliver our mandate through their strong partnership in the fight against corruption.

Our work would also not be possible without the countless people who have come forward to bring allegations of fraud and corruption to INT’s attention. By speaking up, these individuals and groups have joined us in declaring that corruption in development cannot be tolerated. We commend them and thank them for their brave actions.

In the face of a constantly evolving and increasingly complex landscape of global fraud and corruption risks, INT will continue to draw upon the lessons learned from its first two decades and enhance its ability to support the World Bank Group’s anticorruption agenda. Those past experiences, combined with our current efforts for improvement, position INT well to deliver on its mission for the next twenty years and beyond.
For more than two decades, the World Bank Group has recognized the inextricable linkage between its work to fight poverty and promote shared prosperity, and the fight against corruption. Corruption has long been, and still remains, one of the most pernicious threats to sustainable development, imposing huge economic and social costs on countries.

The mission of the Integrity Vice Presidency (INT) is to support the development objectives of the World Bank Group by fighting fraud and corruption and promoting integrity to maximize development effectiveness and to ensure that its development resources are used for their intended purposes. INT supports the World Bank Group’s anticorruption efforts by detecting, deterring, and preventing fraud and corruption in the activities financed by the institution.
Establishing the World Bank Group’s Integrity Unit

For most of the institution’s history, matters of fraud and corruption in World Bank Group operations were dealt with as they arose, treated often as individual challenges within specific projects. Within the walls of the institution, the very word “corruption” was taboo and not openly spoken about. But in the early 1990s, the institution began to develop greater sensitivity to these issues and, over a relatively short timeframe, underwent a dramatic change in recognizing how fraud and corruption challenged its development mission and member countries. In a landmark speech at the 1996 World Bank Group Annual Meetings, then-President James Wolfensohn openly called out the “Cancer of Corruption” as an obstruction to international development efforts. The speech marked a turning point in the institution’s approach to handling such matters.

The World Bank Group’s efforts to investigate fraud and corruption were at first housed in the Internal Auditing Department, which set up an Investigations Unit for that purpose in 1998. This unit was subsequently transferred to the supervision of a new Oversight Committee on Fraud and Corruption that same year. The responsibility for assessing the evidence revealed by the investigations was assigned to a Sanctions Committee, composed of senior staff that recommended sanctioning determinations to the President. At this time, the Bank commissioned former UN Under-Secretary General and U.S. Attorney General Richard Thornburgh to lead an encapsulated review of the institution’s attempt to identify, investigate, and sanction fraud and corruption in its projects.
The Thornburgh Panel ultimately produced three reports for the World Bank Group between 2000 and 2003, each making a number of recommendations. Among them, the Panel recommended that the Bank’s investigative responsibility be consolidated within a single department. Following through on the report’s recommendations, the Department of Institutional Integrity—the first independent office within the World Bank Group for investigating fraud and corruption allegations in its operations—was established in 2001. It was the precursor to the Integrity Vice Presidency (INT) that exists today, and set the institution on a path to ensure that the resources it commits to development are used for their intended purposes.

Two decades later, this office has evolved into a robust and effective unit mandated not only to investigate fraud and corruption, but to also help the institution better design its operations to prevent such risk from occurring, and to engage with the private sector to strengthen integrity compliance standards and business practices around the world.

Investigate more on this topic...
Read the Thornburgh Panel’s “Report Concerning the Debarment Processes of the World Bank”.
Online here.
Early Ambitions and Lessons for INT Investigations

INT approaches all of its investigations with a determination to reduce the harm of corruption in World Bank Group operations, and to deter firms and individuals from engaging in these practices. Over time, INT investigative teams have interacted more closely with Bank operational staff, and INT has added forensics experts to its team to broaden the skillset in the unit and strengthen its preventive supports. These measures have helped to ensure that corrective actions are taken and operational risks mitigated even while sanctions are pursued against responsible individuals or entities.

In the department’s first years, however, the relatively small INT was focused on defining the contours around its mandate, trying to balance reactive investigations of fraud and corruption allegations with systematic and proactive reviews of the Bank Group’s portfolio. One ambitious approach that INT adopted around this time was in conducting Detailed Implementation Reviews (DIR) of Bank-supported projects in a specific country or sector. Unlike an investigation, which sets out to uncover the facts and circumstances surrounding an allegation, a DIR involved a broad-based forensic review of contract procurement and execution in multiple projects to identify indicators of fraud or corruption.

The DIRs that were conducted by INT produced a number of lessons learned for future World Bank Group projects, including how to better design measures for mitigating or preventing integrity risks. They led to the strengthening of anticorruption approaches for designing, supervising, and evaluating operations within the World Bank Group and by country governments. And they uncovered instances where indicators of fraud or corruption were
corroborated by later investigation, leading to sanctions by the Bank Group or referrals to national authorities.

Although large-scale DIR undertakings were phased out over time, as they were resource and time intensive undertakings, the lessons they generated, along with those from other its investigations, expanded INT’s preventive knowledge base. As INT’s engagements with Bank operational teams occurred more regularly, these lessons were given greater consideration while operations were being developed. In time, such preventive support would become an area of greater focus for the growing unit.
Supporting the World Bank Group’s Sanctions System

Throughout its 20 years, INT has aided the evolution of the World Bank Group’s sanctions system, addressing vulnerabilities and adapting to changes to better protect the institution’s development funds.

During INT’s first years, investigative evidence was reviewed and sanctions were decided by an internal Sanctions Committee that made recommendations to the World Bank Group President. Following the recommendations made by the Thornburgh Panel in the early 2000’s, the World Bank Group reformed its sanctioning structures and created a two-tier structure for reviewing evidence and determining sanctions outcomes. This was part of a broader set of reforms designed to protect the independence of decision makers, build in measures to ensure procedural fairness and transparency, and improve the institution’s efficiency. The Bank Group also extended the sanctions system’s scope to include the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the World Bank’s Guarantees and Carbon Finance operations.

The creation of the Office of Suspension and Debarment, as the first-tier of adjudication, and the Sanctions Board as the second-tier, resulted in both swifter case outcomes through the imposition of uncontested sanctions and greater deterrence impact through public debarment lists. INT supported these changes, which took effect in 2007, and established a dedicated litigation team to enable it to work effectively in this new system.
Today, the sanctions system is a key component of the World Bank Group’s anticorruption efforts. It ensures that fraud and corruption impacting World Bank Group operations are addressed efficiently and fairly for the benefit of member countries and that a strong deterrence message is complemented with a focus on prevention and integrity compliance programs.

Investigate more on this topic...
The website for the office of the World Bank Group’s Sanctions System can be found online here.
Reviewing INT’s Role for the World Bank Group

Despite the strides taken to confront fraud and corruption within World Bank Group operations, and the creation of an independent department for investigating such matters, during INT’s early years there was a lack of consensus on how the office should engage with the institution’s operational teams, given its sensitive mandate. This led Bank leadership to again review the operations of the Department of Institutional Integrity and its place in the institution’s governance and anticorruption efforts.

This time, it turned to Paul Volcker, the former Chair of the U.S. Federal Reserve, to chair a panel of experts to make its assessment and provide recommendations for strengthening the anticorruption work by INT. The report produced by the Volcker Panel was released on September 13, 2007. After considering the report, in January 2008 Bank management announced its decision to implement the Panel’s 18 recommendations. The proposals, both pragmatic and forward-looking, aimed to strengthen the Department’s operations, its internal organization, and its working relationships within the Bank. The Bank’s Board of Executive Directors and then-World Bank Group President Robert B. Zoellick recognized them as well-reasoned and action-able ways to strengthen the institution’s anticorruption efforts.

The recommendations reshaped the Department and led to its elevation as the Integrity Vice Presidency that exists today. They improved INT’s support for other units across the Bank Group, in particular for operational staff, and led to the creation of the Preventive Services Unit and an increased focus on helping staff to anticipate, detect, and guard against fraud and corruption in
Bank Group-financed and supported projects. Indeed, by providing a strategic framework to guide the development of INT, the panel chaired by Volcker made a lasting impact that still resonates.

“[T]here is a strong sense in the broad development community generally that good governance and an attack on corruption must be key parts of efforts to sustain economic growth and attack poverty.”

—From the “Independent Panel Review of The World Bank Group Department of Institutional Integrity”

Investigate more on this topic...
Read the Volcker Panel’s “Independent Review of the World Bank Group Department of Institutional Integrity” online here.
Building Capacity to Prevent Integrity Risks

The recommendations from the Volcker Panel’s report were implemented over the course of two years. One of the most significant outcomes was the creation of INT’s Preventive Services Unit (PSU) to interact with operations teams in the World Bank Group and inform new projects of relevant risks based on information from INT’s investigative activities.

Since the creation of the PSU, INT has provided critical advisory support, analysis, and integrity risk mitigation advice to Bank operations. It has also conducted extensive outreach to the Bank’s regional and sector-focused colleagues through advice, training programs, and workshops. PSU staff also review the pipeline of Bank development operations to alert staff and management of heightened areas of risk. Two INT-related risk flags can be applied to the Bank’s project data: the so-called ‘Volcker Trigger’ flag for proposed operations, which identify when a proposed operation has risks related to other INT investigations; and the ‘Integrity Concern’ flag for ongoing operations, which identify aspects of a project that have known potential for high vulnerability for fraud and corruption risks.

For more than a decade, the PSU has monitored the World Bank Group portfolio, developed guidance and tools to help staff detect and manage signs of fraud and corruption, and provided training on specialized topics to staff, to project implementation units, and to the Bank’s clients. By collaborating with sectoral, fiduciary, and procurement staff, the PSU has contributed to designing Bank operations to prevent integrity risks from occurring and to strengthening the World Bank Group’s approach to integrity risk management.

Investigate more on this topic...
There are multiple warning signs that can help identify the risk of fraud, corruption, collusion, or coercion in procurement. INT’s “Warning Signs of Fraud and Corruption in Procurement” elaborates on these red flag issues, which, if spotted, might be cause for concern. Read Warning Signs online here.
Former United States Federal Reserve Chairman, Paul Volcker, speaks at the 2008 Integrity Day event. The panel report that he chaired, also known as the “Volcker Report,” made recommendations that strengthened the Bank’s anticorruption efforts and set INT on the path to its current form. Former World Bank Group (WBG) President, Robert Zoellick, listens (seated).

Past INT events have welcomed representatives from leading international anticorruption organizations, including Hugette Labelle, former Chair of Transparency International, who addressed the 2009 Integrity Day event.

Over its first two decades, INT has signed Memoranda of Understanding (MOU) with more than 40 major international organizations and national anticorruption agencies. Here, for example, former INT Vice President Leonard McCarthy signs a MOU with the Prosecutor’s Office attached to the High Court of Cassation and Justice of Romania in 2014.

Signing an MOU with the Office of the National Anti-Corruption Commission of Thailand in 2014.
Signing a MOU with Italy’s Guardia di Finanza in 2013.

Signing a MOU with the Investigation Police Department of Corruption, Ministry of Public Security of Vietnam in 2014.

Former WBG President, James Wolfensohn (center left), whose 1996 World Bank Annual Meetings “Cancer of Corruption” speech revolutionized the institution’s approach to the issues, engages with then WBG President, Jim Yong Kim, at the 2017 Confronting Corruption Event.

World Bank Group leaders over multiple decades have made fighting corruption in development a priority for the institution.
Supporting the Bank’s Country Offices with Anticorruption Knowledge and Experience

At various times in INT’s first two decades, the outcome of an investigation had ramifications on the entire project portfolio for a country. In the early 2010’s, following a significant corruption investigation in one South Asian country, the Bank’s country team initiated a process to strengthen its anticorruption practices. The country office engaged INT to share lessons it had gleaned from other country-wide operational reviews it had supported.

In instances where fraud and corruption have been of notable risk within a country’s portfolio, the Bank has undertaken multi-year efforts to introduce programmatic approaches for taking on corruption into those countries’ portfolio of projects. Such measures are embedded into various strategic instruments, including the Country Partnership Frameworks, which guide the Bank’s lending within a country. As one of the stakeholders in these efforts, INT’s Preventive Services Unit (PSU) has helped to distill and share lessons learned on their impact. In this example, the South Asian country team recognized that the anticorruption effort would be an ongoing process even as the active portfolio was being implemented.

Early into the effort, INT was alerted to some corruption allegations within health sector operations in the country. While these integrity issues were investigated, INT’s PSU team undertook a series of missions to support the in-country fiduciary and sector teams, examine underlying risks within the portfolio, and agree with counterparts on measures to enhance risk management. Given the issues, it was agreed that if left unaddressed they
could have significant repercussions on the sector’s donor financing picture as well as on the World Bank Group’s reputation.

With close coordination between the country team and relevant Bank offices, and following a series of missions and workshops among the stakeholders, the institution drafted an overall anticorruption plan for health sector operations in the country that was then discussed with the Bank’s country counterparts, and additional development financing was made contingent on the sector agencies strengthening anticorruption controls. This plan included extensive and specific anticorruption measures to enhance sector systems, and supported the country’s actions.

INT’s PSU has continued to engage with the Bank’s country team on this effort, and in the near decade since, has broadened its approach to operational engagement to share its insights and guidance more widely across countries and regions to help ensure that World Bank Group development funds are used for their intended purposes.
Beyond the sanctions system, INT is also responsible for carrying out investigations into allegations of misconduct by World Bank Group staff and corporate vendors. These internal investigations are equally important as external matters in maintaining the Bank’s anticorruption credibility and are carried out diligently, comprehensively, and with fairness to all parties involved. At times, World Bank Group staff are the ones to bring misconduct allegations to INT’s attention, and as such may qualify for whistleblower protections.

In 2008, the World Bank Group significantly strengthened its whistleblower protection policy (Staff Rule 8.02), clarifying the rights and obligations of staff in reporting misconduct that may threaten the Bank’s operations or governance. The policy expanded the channels available to staff for reporting concerns and strengthened protections against retaliation. In addition, it clearly lays out that any staff providing information or cooperating in an investigation shall face no retaliation by manager or other staff, and that they may seek relief under the policy if they believe retaliation had nonetheless occurred against them. Through these measures, and further updates in more recent years, the policy supports staff members in raising concerns and enables the Bank Group to effectively address cases, manage risks, and uphold standards of good governance.

Since its inception, INT has handled hundreds of cases in which World Bank Group staff have “blown the whistle.” Indeed, staff remain one of INT’s most important sources of complaints and we are grateful for their partnership.
CASE EXAMPLE

HOW STAFF WHISTLEBLOWERS CAN HELP EXPOSE FRAUD, COLLUSION, AND OBSTRUCTION

An INT investigation of a firm hired by the World Bank to perform oversight functions in a fragile and conflict-affected state (the “Monitoring Agent”), uncovered and substantiated fraud, collusion, and obstruction involving a trust fund-financed contract worth well over three million dollars.

The case began when two locally-based Bank staff noticed an odd address on one of the invoices that the Monitoring Agent submitted. Acting as Whistleblowers, the staff informed the Project Lead, who alerted INT of the suspicious invoices. Due to fear of reprisal in their locality, the Whistleblowers requested confidentiality. INT’s investigation was able to independently corroborate and substantiate the allegations, while maintaining the Whistleblowers’ confidentiality. The protection of Whistleblower confidentiality, when requested, is of the utmost importance to INT.

Because the staff spoke up early, the World Bank was able to withhold fraudulently claimed payments of almost $300,000, and mitigate the reputational risk posed by the fraudulent and collusive activities of the Monitoring Agent.

Investigate more on this topic...
Review the World Bank Group’s “Staff Rule 8.02: Protections and Procedures for Reporting Misconduct (Whistleblowing)” online here.
INVESTIGATING MISCONDUCT BY WORLD BANK GROUP STAFF AND CONSULTANTS

Ensuring the integrity of the World Bank Group’s own staff is critical to maintaining the institution’s credibility in the global anticorruption arena. Through its internal investigations, INT investigates allegations of fraud and corruption involving Bank Group staff, consultants, and corporate vendors occurring in the institution’s operations or supported activities or affecting its administrative budgets.

In certain instances, hybrid cases occur, which combine subjects of both internal and external investigations. Historical examples of such cases show their inextricable linkage and have led to both the termination of Bank Group staff and the debarment of companies bidding on contracts in World Bank-supported operations. One of INT’s best assets is its ability and willingness to work flexibly and collaboratively with partners both within and outside the Bank Group to bring all aspects of an investigation to a satisfying conclusion.

In 2011, INT received an allegation that led to findings that a Short-Term Consultant (STC) hired on multiple World Bank-financed projects repeatedly and systematically engaged in corrupt and collusive practices in concert with numerous contractors. Over a period of five years, the STC tainted the procurement processes of more than 40 tenders worth more than US$20 million, in coordination with nine corrupt companies willing to pay the STC a percentage of contract value in exchange for real or perceived assistance in securing contract awards.

While INT’s case against the STC determined that the STC received more than US$500,000 from one contractor, subsequent findings by national law
enforcement officials to whom INT referred the case determined that the scope of the illicit activities was much larger. In fact, the STC held several million dollars in various bank accounts in two countries, which were derived from the illicit activities connected to the STC’s work on Bank-financed projects.

INT’s internal investigation into the STC’s misconduct resulted in a permanent bar from rehire, and INT’s external investigations into the contractors led to several Sanctions Board debarments. In addition, in collaboration with national judicial authorities, INT was able to recover almost all the bribes that the STC had received and return these stolen assets to the client countries from whose projects the money was misappropriated.
Harmonizing the Multilateral Approach to Sanctions in Development

Since the early 2000’s, INT and its counterparts in other international financial institutions (IFIs) have demonstrated the power of a united front. It did not take long for the leaders of the IFIs’ integrity offices to recognize that coordination would be critical to the success of their anticorruption efforts. Early in 2006, a Joint IFI Anti-Corruption Task Force was organized to develop a consistent and harmonized approach to combatting corruption in the IFIs’ activities and operations.

The task force’s work culminated that September in the Uniform Framework for Preventing and Combatting Fraud and Corruption, which was adopted by the Asian Development Bank (ADB), African Development Bank Group (AfDB), European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Inter-American Development Bank (IDB), World Bank Group, and International Monetary Fund (IMF). Among its recommendations to make IFI sanctions more effective, the Task Force agreed on standardized definitions of sanctionable prohibited practices like fraud and corruption, and stated that its member institutions would explore how they could support enforcement actions taken by others.

To actualize the Uniform Framework’s goals, five IFIs soon signed another landmark accord that would advance their coordinated anticorruption efforts even further. In April 2010, the ADB, AfDB, EBRD, IDB, and World Bank Group signed the Agreement for Mutual Enforcement of Debarment Decisions (also known as the “Cross-Debarment Agreement”).
The Cross-Debarment Agreement ushered in a new era of accountability for firms and individuals participating in IFI-sponsored projects around the world. Under the agreement, each participating IFI agreed to recognize and enforce debarments imposed by other participating IFIs, subject to certain criteria and conditions. The agreement filled a critical gap by protecting multiple IFIs, not just one, from parties found to have engaged in significant misconduct. This trend towards collective action has continued in recent years, as many bilateral aid agencies, national authorities, and other international organizations have chosen to reflect IFI sanctions decisions in their own procurement systems.

In a statement issued with the agreement’s signing, the leaders of the participating institutions signaled a commitment to cooperation that exists still today: “The institutions will continue to work together to assist their member countries in strengthening governance and combatting corruption, in cooperating with civil society, the private sector, and other stakeholders and institutions, such as the press and judiciary with the goal to enhance transparency and accountability.”

*Investigate more on this topic...*
Read the “Agreement for Mutual Enforcement of Debarment Decisions” [online here](#).
Another major shift for INT came in 2011, with the establishment of the Integrity Compliance Office (ICO). Conceived to support the strengthening of policies and controls within companies who work with the World Bank Group, the ICO engages with firms and individuals sanctioned by the Bank. It is one way by which the Bank has encouraged the private sector to take greater responsibility in curbing fraud and corruption.

The creation of the ICO came following a related reform with the Sanctions System: changing the baseline sanction from debarment for a finite period to debarment with conditional release. This converted the driving purpose of debarment from protection-through-exclusion to one with an emphasis on rehabilitation of the firms and individuals under sanction. By helping sanctioned entities to improve their own internal policies and business practices through their engagement with the ICO, the World Bank Group is better able to foster a cleaner and fairer business environment in the places it operates.

The ICO uses the World Bank Group’s Integrity Compliance Guidelines as its standard for evaluating sanctioned entities. The Guidelines are a distillation of international best practice in the area of corporate integrity compliance and are applied in a flexible manner to best meet the unique needs and circumstances appropriate for each sanctioned company. It is up to the independent determination of the ICO as to whether the required integrity compliance reforms have been sufficiently designed and implemented to warrant the removal of sanctions.
Over the past decade, the ICO has actively engaged with around 250 sanctioned parties in connection with their efforts to fulfil their requirements for release from World Bank Group sanction, such as by implementing strengthened integrity compliance programs. The ICO now engages with more than 100 sanctioned parties annually in its ever-growing portfolio and has developed a global network of companies that have benefitted from adopting these better business practices. Many now participate in mentorship programs to share their experiences with peer companies across sectors and regions around the world.

Investigate more on this topic...
Read the “Summary of the World Bank Group Integrity Compliance Guidelines” online here.
Since its creation, INT has rigorously investigated and enforced cases of fraud, corruption, and collusion in World Bank Group–financed projects. Sanctions arising from INT investigations hold companies responsible for wrongdoing in these projects, while also advancing an anticorruption agenda that promotes greater accountability in markets where the World Bank Group operates.

A salient example of this approach is the multijurisdictional, transnational investigation and subsequent 2009 settlement that INT concluded with Siemens AG. The settlement arose in the context of the company’s admission of systematic corruption in the form of corporate bribery payments over a number of years. These admissions were the subject of German and US law enforcement operations, which were conducted parallel to INT’s investigation and concluded in late 2008.

INT’s investigation addressed allegations of corruption by Siemens AG and subsidiaries in multiple World Bank-funded projects. As the German and US law enforcement investigations were concluding, INT was able to establish a case against a Siemens AG subsidiary under a World Bank–financed transport project. The investigation uncovered that the subsidiary company had engaged in fraud and corruption–related misconduct prior to 2007. As a result, INT was able to enter into a comprehensive settlement following the company’s acknowledged misconduct, including the four-year debarment of the subsidiary company.

The landmark settlement not only included World Bank Group sanctions, but also established a collective action agenda to prevent further instances of...
wrongdoing by the company and set an example for upgraded global compliance. The terms of the settlement included, among other consequences, a commitment by the company to provide US$100 million over 15 years to support anticorruption work globally.

The comprehensive settlement with Siemens AG was the first for a project-based case in the history of multilateral development bank (MDB) anticorruption efforts. It’s success led to significant changes in the sanctions frameworks for the World Bank Group and other MDBs, which now regularly include the option to settle sanctions cases and, thus, improve transparency, accountability, and compliance globally. Since then, INT alone has settled well over 100 sanctions cases.
Codifying INT’s Transparency Standards

Transparency and accountability are of fundamental importance to the World Bank Group’s development process and to achieving its poverty-alleviation mission. With the World Bank’s 2010 adoption of a more robust Access to Information policy, INT sought to refine its own disclosure policy. INT’s goal was to strike an appropriate balance between granting public access to information about INT’s work, while also maintaining INT’s obligations to respect confidentiality and protect the integrity of its investigations.

INT’s Policy on Disclosure of Information came into effect in early 2011. It recognizes that while “a sound, practical disclosure of information policy is fundamental to fulfilling [INT’s] role in preventing and detecting fraud and corruption,” such a policy must also protect “the ability of INT to fulfill its unique mandate, of effectively investigating allegations of fraud and corruption.” It is based on the principles underlying the World Bank’s Access to Information Policy and adapted to the unique role of INT: maximizing access to information; safeguarding the deliberative process, and the integrity of INT’s investigations; and providing clear procedures for making information available, including a consistent process for redacting protected information.

The policy defines what INT information will be made public as a matter of course, relating to the results of INT’s investigative and preventive work. This includes Redacted Reports, reports and information generated as part of INT’s prevention efforts, and Annual Reports. Since its effectiveness, the policy has helped INT’s consistency in being transparent in its operations, findings, lessons, and outcomes.
In 2021, following the World Bank Group’s Personal Data Privacy Policy coming into effect, INT also updated its own Data Privacy Notice to support the institution’s commitment to protecting the confidentiality, integrity, and security of all personal data entrusted to it. As the digital information ecosystem within and around the institution continues to evolve, INT will remain vigilant that information about its work is handled appropriately, respectfully, and professionally. 

Investigate more on this topic...
Read “INT’s Policy on Disclosure of Information” online here.

Review “INT’s Data Privacy Notice” online here.
PROMOTING ACCOUNTABILITY THROUGH INVESTIGATIONS

While not punitive, sanctions arising from INT investigations are designed to deter fraud and corruption and promote greater accountability in the markets in which the World Bank operates. Over two decades, INT has concluded numerous high profile and complex cases from those involving well-known multinational firms to projects with contracts worth hundreds of millions of dollars. INT’s determined approach to its investigations is highlighted in a notable case that involved a dramatic degree of fraud, corruption, and collusion.

In 2010 and 2011, two World Bank-financed contracts worth US$43 million were awarded to an information technology company as part of a project to improve social assistance systems in a country in Eastern Europe. INT found evidence that the company had offered a senior government official US$6 million in bribes, as well as thousands of dollars in payoffs to lower-level ministry employees involved with the financial management of the contracts. INT also found that the company had participated in a collusive arrangement to fix the bidding process by manipulating technical specifications for the tenders, interfering with the activities of other bidders, and submitting inflated and fraudulent bids.

Once the company learned of INT’s investigation, it launched an unprecedented campaign of obstruction and obfuscation. The company refused to cooperate with INT investigators, replaced its servers in an attempt to destroy evidence of its misconduct, and prevented INT from exercising the Bank’s audit rights in violation of its contractual obligations.
Despite these difficulties, INT was able to obtain and authenticate thousands of documents corroborating the allegations of misconduct leveled against the company. The evidence was scrutinized through the World Bank Group’s two-tiered sanctions system and deemed sufficient to support a finding that the company had engaged in each of the alleged sanctionable practices. As a result, in 2016 the Sanctions Board imposed a 22.5-year debarment on the company—the longest fixed-term sanction ever imposed by the World Bank Group.

The severity of the sanction reflected the extent and gravity of the misconduct perpetrated by the company, as well as the company’s attempts to obstruct INT’s investigation. It also stands as a clear signal of the World Bank’s commitment that its financing be used solely to further the development objectives that are central to its mission.

Investigate more on this topic...
INT Redacted Investigation Reports provide the redacted findings of INT administrative inquiries into allegations of corrupt, fraudulent, collusive, and/or coercive practices in relation to World Bank Group supported activities. They can be found [online here].
Building Strong Anticorruption Partnerships

One of the most visible changes to the global anticorruption landscape has been the proliferation of anticorruption laws, regulatory bodies, and enforcement actions that have sought to keep pace with the increasingly transnational nature of fraud and corruption. An equally impactful development has been the deepening of coordination and collaboration between many of these burgeoning anticorruption actors.

INT’s second decade has been marked with greater attention to cooperation with anticorruption counterparts, particularly by referring cases that may be of interest to national law enforcement agencies. INT sends referral reports to relevant counterparts in member countries when evidence indicates that a member country’s laws may have been violated and INT assesses that a referral could be impactful. INT also shares information with counterparts in other MDBs, and other international institutions, when that information may be relevant to their operations.

Referrals are both a means for INT to cooperate with other authorities, and a manifestation of the fiduciary duty that underlies INT’s mandate and work. Since its enhanced focus on referrals in the 2010’s, INT used this tool as an opportunity to share information on fraud and corruption matters it substantiated. Over the years, INT has strived to make referrals in cases and at times likely to provide maximum value for their recipients. To this end, in 2021, INT adopted a refreshed, risk-based approach to referrals that draws on INT’s experience to focus referrals on situations most likely to benefit the World Bank Group, INT, or national investigations.
INT also strengthens relationships with other agencies and organizations through Memoranda of Understanding (MOUs). MOUs help to formalize working arrangements, including information sharing, with often-critical partners that help the World Bank Group generate concrete change. INT signed its first MOU in 2008 with the United States Agency for International Development’s Office of the General Counsel. It has since concluded MOUs with numerous national and international authorities in every region of the world.

Investigate more on this topic...
You can learn more about INT’s Referral process by in its past Annual Reports online here.
Mobilizing Coalitions Against Corruption: The International Corruption Hunters Alliance

Recognizing the potential for amplifying its efforts through partnerships with other national and transnational actors, INT has positioned itself as an advocate for strengthening relationships among anticorruption actors around the world.

In 2010, INT led an initiative to convene the first meeting of the International Corruption Hunters Alliance (ICHA), which brought together leading anticorruption practitioners from over 120 countries to share experiences and forge partnerships in the fight against corruption. Subsequent ICHA gatherings were held in 2012, 2014, and 2018. Over this time, ICHA has been a global platform that expands the dialogue on cutting edge issues such as illicit financial flows and beneficial ownership. Most importantly, ICHA strives to bridge the gap between dialogue and action, and to showcase knowledge from all corners of the world.

Past guests and featured speakers to the IHCA have included Chair of the OECD’s Working Group on Bribery, Dragos Kos; then Chair of Transparency International, Huguette Labelle; US Senator, Patrick Leahy; then Secretary-General of INTERPOL, Ronald Nobel; then Danish Minister for Development Cooperation, Ulla Tørnæs; and His Royal Highness Prince William, The Duke of Cambridge; among many other national and international anticorruption investigators and professionals.
ICHA has been a forum for INT to partner with governments and agencies that prioritize cooperation against corruption, as well as with countless national law enforcement agencies, international organizations, and civil society groups focused on anticorruption. This initiative is a model for how the World Bank Group can leverage its convening power to engage the correct stakeholders to tackle problems that extend beyond national boundaries and jurisdictions.
The International Corruption Hunters Alliance (ICHA) has featured leading global anticorruption voices, such as United States Senator, Patrick Leahy, who gave the keynote address at the 2010 ICHA Conference.

In 2014, ICHA welcomed HRH Prince William, the Duke of Cambridge, to give an address on global corruption issues, including illegal wildlife trafficking. (Former INT Vice President, Leonard McCarthy, and former World Bank Group President, Jim Yong Kim, are seated.)

Former WBG President, Jim Yong Kim, addresses the 2014 ICHA conference attendees. Since the mid-1990’s strengthening anticorruption efforts in development has been a priority for multiple WBG Presidents.

The 2018 ICHA Conference was co-hosted with Denmark’s Ministry of Foreign Affairs. Here, former INT Vice President Pascale Dubois attends a session with Ulla Tørnæs, former Minister for Development Cooperation in Denmark.
Under its current Vice President, Mouhamadou Diagne, INT continues to engage global forums to lend the World Bank’s voice in collective anticorruption efforts, such as at the Ninth session of the Conference of the States Parties to the United Nations Convention against Corruption, held in Sharm El-Sheikh, Egypt, in December 2021.

INT continues to engage with global, regional, and national anticorruption offices on issues of common interest, such as the meeting here between Mouhamadou Diagne and Charles Duchaine, Director of the Agence française anticorruption office.

Even during a period of remote work due to the COVID-19 pandemic, INT continued to connect with influential anticorruption partners. Here, Mouhamadou Diagne engages in a discussion with Delia Ferreira Rubio, Global Chair of Transparency International, during the 4th Marval International Summit on Compliance, Anti-Corruption, and Investigations in 2021.
Strengthening Forensic Audits and Digital Forensic Services

INT identified early on the strategic value of adding forensic audit capacity to its investigative toolkit in order to increase the effectiveness and impact of its investigations. Over the years, INT has built a dedicated team of experienced forensic auditors who collaborate with investigators throughout the complaint assessment, investigation, and post-investigation stages. INT’s forensic auditors also support: the Integrity Compliance Office to help assess how sanctioned companies have improved their internal controls and transaction monitoring activities; Bank operations by providing forensic input and expertise, including support for joint in-depth fiduciary reviews, to help mitigate the risk of fraud and corruption; and INT or Bank-led capacity building and training initiatives.

More recently, and in response to travel restrictions imposed by the COVID-19 pandemic, INT adopted an innovative approach by contracting a number of forensic audit and due diligence efforts to third party firms, under the close oversight of INT staff. While these efforts consisted mainly of document and information gathering, they enabled INT investigations to move forward during a challenging period. Working with the Bank’s Corporate Procurement team, INT developed framework agreement contracts for Investigations, Forensic Audit, Due Diligence, and Digital Forensics Services. These agreements provided INT with a roster of qualified firms who could provide Forensic Audit and other services to INT as needed, while COVID-19 restrictions remained in place. But in an increasingly complex and transnational world, these arrangement may help INT use its investigative resources more efficiently and effectively, when appropriate, even as the unit’s work begins to normalizes in the wake of the pandemic.
Similarly, electronic evidence has become a component of virtually all INT investigations, and the volume of electronic data collected and analyzed by INT continues to increase over time. INT has developed its digital forensic capabilities, investing in both people as well as best-in-class equipment, to expand its capacity to acquire, process, and analyze electronic evidence and enhance the efficiency of investigations. Through these investments, INT is now better positioned to manage the large volumes of electronic evidence that its internal and external investigations now routinely generate.

Investigate more on this topic...
Read the official World Bank Guidance document “Use of Different Types of Audits in Investment Project Financing” online here.
Modernizing INT for a Digital World

The environment in which INT operates is ever-changing, with the nature of fraud and corruption challenges becoming more complex, transnational, and—especially—digital. To ensure INT can fully leverage the power of data and analytics in investigations and risk management, it has put in place a modernization strategy that is transforming the way information is managed within the VPU.

Starting with a multi-year plan launched in 2019, INT has worked to modernize its systems and underlying information technology infrastructure to ensure it continues to have the tools necessary to combat fraud and corruption efficiently and effectively. To that end, the technology investments INT has made over the last several years aim to enhance the quality and delivery of its mandate by streamlining its processes while further developing capacity to detect, and more systematically address, integrity risks in World Bank Group operations.

For example, INT has adopted cloud computing technology to more readily ingest, integrate, and manage various sources of data in real-time and to develop digital tools it can deploy quickly and securely to meet changing needs. This ability allowed INT to set up a new internal COVID-19 Integrity Risk Map that allowed for more proactive, real-time monitoring of the Bank’s emergency response operations to better detect emerging integrity risks. This application enhanced INT’s existing project monitoring dashboard, which integrates Bank operational data with information drawn from INT’s own case management system.
In addition to developing analytic dashboards to support the analysis of complaints, INT is exploring the use of satellite imagery for investigations, enhancing its data science capability to build algorithms that proactively analyze large amounts of text from disparate data sources, to evaluate the sentiment of information in documents and display it in summary format, and to identify patterns and outliers among clusters of bidders as well as beneficial ownership mapping. INT is also piloting efforts aimed at using data from internal and external online sources to provide more robust risk information and preventive support to the World Bank Group’s operational and country-based staff.
Maintaining Its Mission Through Historic Challenges

The unprecedented, global impacts of COVID-19 in 2020–21 presented challenges INT, as it did for the entire institution. In response to the pandemic, the World Bank Group undertook a historic mobilization of its resources, committing $157 billion between April 2020–June 2021. Maintaining robust and responsive oversight of the use of these resources became a critical priority.

In the face of many restrictions imposed during this period, INT adapted its work to ensure the continuity of its investigations, preventive guidance, and integrity compliance support without interruption. Significantly, INT’s investigations had to adapt to an environment where travel to conduct in-person interviews or on-site forensic audits was not possible. INT’s teams had to adopt new technological approaches and adapt its processes to continue its operations. Although more limited than in-person visits, INT developed its techniques for conducting virtual audits and interviews, and it created new digital tools for more robust monitoring of Bank operations in real-time.

Similarly, the Integrity Compliance Office conducted successful virtual engagements with companies and individuals sanctioned with conditions for release, in order to review the implementation of their integrity compliance programs. In addition, INT worked with the Sanctions Board to participate in fully remote hearings in order to complete the adjudicative process in a number of cases. In a global environment where travel is not always feasible, despite some of its limitations, such virtual practices will likely continue to be part of INT’s approaches, even as the pandemic subsides.
Most significantly, INT continued to provide preventive support, especially during the pandemic’s earliest period when the World Bank Group quickly ramped up its emergency response. Working with colleagues across the institution, INT provided general and specific advice to operational teams preparing COVID-19 response and recovery operations, including COVID-19 vaccine operations. INT provided numerous clinics on integrity risks in COVID-19 operations. And INT also worked with country teams on integrity risk mitigation measures to be incorporated in projects addressing COVID-19 related issues.

As it has done time and again over its first 20 years, INT adapted its work to continue to deliver on its critical anticorruption mission.
Contributing to a Holistic Approach to Anticorruption

The negative impacts of corruption on lives and livelihoods are well known. Corruption diverts scarce development dollars from the people who need them most, and corrodes the systems and services that are integral for reducing extreme poverty. Entrenched corruption also comes with greater economic costs for countries, for the private sector, and can deter foreign investors from entering new markets.

The World Bank Group remains committed to placing governance, anticorruption, and transparency front and center in its work. Corruption undermines development objectives, interferes with the World Bank Group’s fiduciary responsibility, and damages the reputation of the World Bank Group and its clients. As such, the World Bank Group takes seriously all allegations of fraud and corruption in the projects it finances, and INT and the sanctions system remain key components to the institution’s anticorruption efforts in this regard.

As an institution, the World Bank Group engages in a broad range of activities and operations to confront corruption. These include external activities such as efforts to detect, diagnose, and measure fraud and corruption; to support national anticorruption strategies, policies, and practices; and to help design oversight and accountability mechanisms to prevent corruption, as well as internal efforts to prevent and mitigate integrity risks in operations along with strengthening sanctions.

The Governance Global Practice, for example, works at the country, regional, and global levels and helps countries build capable, accountable, transparent,
and inclusive institutions. The Stolen Asset Recovery Initiative (StAR), a partnership between the World Bank Group and the United Nations Office on Drugs and Crime (UNODC), supports international efforts to end safe havens for corrupt funds. StAR works with developing countries and financial centers to prevent the laundering of the proceeds of corruption and to facilitate the more systematic and timely return of stolen assets. Internally, the World Bank Group maintains strong policies and fiduciary standards for all of its operations, applying its Anticorruption Guidelines to borrowers, contractors, or beneficiaries of Bank financing.

Through these offices and their complementary programs, the World Bank Group takes a holistic approach to fighting corruption, and supports fairer and cleaner business practices, and the development of more robust, transparent, and just institutions, in its client countries.
Continuing INT’s Mission into a Third Decade

The World Bank Group has come a long way since President Wolfensohn’s “Cancer of Corruption” speech. Yet it remains sadly true that corruption still undermines development and has a devastating impact on the lives and livelihood of the poor. INT’s global operating environment, and the challenges posed by fraud and corruption, continue to evolve. But INT also evolves with them.

In early 2021, INT undertook a review of its internal processes and constituted a new management structure. The changes maintain INT’s core mandate for carrying out fraud and corruption investigations, while also positioning the unit to provide greater preventive support to World Bank Group operations. Notably, the new structure brings together several of INT’s functions under a new Prevention, Risk & Knowledge team, with the aim of building a more robust knowledge base and analytic support for integrity risk mitigation in Bank operations.

With nationalities representing nearly 30 countries, INT’s staff consists of a global cadre of professionals who are dedicated to the unit’s anticorruption mission. They consist of investigators, lawyers, forensic accountants, economists, risk specialists, data scientists, and information system specialists, among other professional backgrounds. Recognizing that their skills and expertise are the foundation for INT’s success, INT has sharpened its focus on building a positive and enabling work environment, resting atop a foundational emphasis on staff growth and development, diversity and inclusion, and a culture of engagement and collaboration.
As it works to detect, deter, and prevent known as well as new integrity risks, INT’s managers and staff remain committed as ever to its anticorruption mission and to supporting the development goals of the World Bank Group.
The World Bank Group’s commitment to fighting corruption is reflected in robust mechanisms across the institution that enhance the integrity of our operations. We take very seriously any allegation of fraud, corruption, or other sanctionable practices in the programs we finance.

HOW TO REPORT FRAUD OR CORRUPTION

Anyone can visit www.worldbank.org/fraudandcorruption to fill out the online integrity complaint form. The World Bank Group reviews all complaints it receives, including those submitted anonymously. All information provided will be treated in the strictest confidence. The World Bank Group will not disclose any information that may reveal your identity without your consent.

FURTHER INFORMATION:
For further information on the World Bank Group’s sanctions system and links to useful documents, please visit:

www.worldbank.org/integrity
www.worldbank.org/sanctions
www.ifc.org/anticorruption
www.miga.org/integrity