

THE WORLD BANK GROUP

A World Free of Poverty

**News Release**

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Contact: Merrell Tuck (202) 473-9516

WORLD BANK ANNOUNCES DEBARMENT OF INDIVIDUAL AND THREE CORPORATIONS

WASHINGTON, April 8, 1999 — The World Bank today debarred Pradeep S. Nair and three corporations registered in Great Britain. Under the terms of the Bank's decision, Mr. Nair and the corporations, Crown Sakura, Ltd., Chase Berkeley Cavendish, Ltd., and Amani B.P., Ltd., are permanently ineligible to be awarded Bank-financed contracts.

In ordering debarment, **World Bank Group President James D. Wolfensohn** acted on the recommendation of the Bank's Sanctions Committee, which reviewed the record of investigation into allegations that fraudulent activities occurred in 1995 in connection with two procurements relating to the supply of computer equipment to agencies of the Government of Turkmenistan. Although the charges were disputed, the Sanctions Committee found violations of Paragraph 1.15 of the World Bank's procurement guidelines (see box below), which prohibits corrupt or fraudulent practices in the procurement and execution of Bank-financed contracts.

The World Bank is committed to eliminating fraud and corruption in the administration and execution of its financing activities. Under the direction of Mr. Wolfensohn and as part of the Bank's overall anti-corruption initiative, substantial resources are being devoted to the detection and investigation of fraud and corruption. These initiatives are on-going, and the Bank will continue to publicize the imposition of sanctions.

World Bank Procurement Guidelines Below:

Fraud and Corruption Relevant provisions of the World Bank's Procurement Guidelines

PARA. 1.15: It is the Bank's policy to require that Borrowers (including beneficiaries of Bank loans), as well as bidders/Suppliers/Contractors under Bank-financed contracts, observe the highest standard of ethics during the procurement and execution of such contracts. In pursuance of this policy, the Bank:

(a) defines, for the purposes of this provision, the terms set forth below as follows:

(i) "corrupt practice" means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution; and

(ii) "fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Borrower, and includes collusive practices among bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the Borrower of the benefits of free and open competition;