Steptoe represents clients from around the world in investigations and sanctions proceedings involving allegations of misconduct in projects financed by International Financial Institutions (IFIs), principally the World Bank. The IFIs (also known as multilateral development banks or MDBs), such as the World Bank and the regional development banks (African, Asian, and Inter-American Development Banks, and the European Bank for Reconstruction and Development) have established standards of conduct and sanctions mechanisms for contractors and consultants who engage in specified types of misconduct—especially fraud or corruption—on projects wholly or partly financed by these institutions.

The most common sanction has been debarment—a loss of eligibility to participate in projects financed by these institutions, often coupled with conditions for reinstatement. Sanctions are typically made public and other institutions may suspend or debar a company based on a World Bank or other MDB sanction, sometimes automatically. The impact of a sanction can therefore be quite severe.

Steptoe has extensive experience with the sanctioning regimes of the World Bank and other MDBs. One of our partners previously served as head of one of the IFI investigative offices and helped design some of the sanctions procedures currently in place in these institutions. We have successfully represented firms from around the world going back to the earliest days of the sanctions system, in audits, investigations, settlements, Show Cause letter responses, sanctions proceedings, post-sanction remediation efforts, and collateral proceedings and issues. We have also represented clients before national authorities to whom the MDBs have made a referral.

How We Can Help

- Conduct internal investigations of possible misconduct on IFI-financed projects.
- Represent consultants and contractors in audits and investigations being conducted by the World Bank’s Integrity Vice-Presidency (INT) and other IFIs as well as regional authorities such as the EU’s European Anti-Fraud Office (OLAF).
- Represent respondents in sanctions proceedings, including hearings before the World Bank’s Sanctions Board and other similar bodies.
- Represent IFI senior management personnel in investigations involving ethical codes of conduct.
- Assist with voluntary disclosure issues, including the World Bank’s Voluntary Disclosure Program (VDP)
- Assist with negotiated resolution agreements and other settlements.
- Assist with the resolution of integrity issues involving project financing by IFC and other private-sector arms of IFIs.
- Deal with World Bank and other IFI referrals to national authorities, including issues of information-sharing among authorities and representation in concurrent World Bank and national investigations and proceedings.
- Advise on mitigating risks of cross-debarment under the Cross-Debarment Agreement and other collateral consequences.
- Advise on the privileges and immunities of the IFIs.
- Post-sanction representation and assistance, including representation before the World Bank’s Integrity Compliance Office (ICO).

Noteworthy

Representative Matters

- Represented an international development consulting firm in sanctions proceedings initiated by the World Bank's INT, which investigated and charged the firm with corruption in connection with a World Bank-funded project. We conducted investigation and argued case to World Bank Sanctions Board, which dismissed case and terminated sanctions proceedings. This is a significant and rare victory, as the Sanctions Board has terminated proceedings against respondents in only four other cases since 2012.

- Represented a manufacturer of key pharmaceuticals for the developing world in a World Bank investigation and potential sanctions proceedings arising out of a project in another South Asian country. We have defended the company in sanctions proceedings and appeared for a hearing before the World Bank Sanctions Board. As a result, the client got an three-month debarment period (well below the cross-debarment threshold) with no conditions on reinstatement.

- Represented a North American software company in the successful negotiation of a settlement of allegations of misconduct involving projects in multiple countries arising from an audit and show cause letter.

- Represented a US-based consulting engineering firm in connection with its World Bank sanctions proceedings, achieving a result from the first level of sanctions review that was acceptable to the client, which was managing significant potential collateral consequence risks. We subsequently represented the client in its dealings with the World Bank ICO. As a result, the ICO determined that the Company had met the conditions for reinstatement, and the company was reinstated.

- Represented an international consulting and engineering firm in several ongoing matters involving the World Bank. We negotiated the first settlement reached by the World Bank in a direct procurement case, resulting in a 3-year period of ineligibility for a subsidiary of the group’s companies, arising out of a project in China. Subsequently, we represented the group companies in sanctions proceedings, culminating in a decision of the Sanctions Board dismissing the case against the parent and imposing limited sanctions on two affiliates.

- Advised a South Asian pharmaceutical company on successor liability issues in connection with sanctions proceedings.

- Represented an international accounting firm in connection with allegations of fraud in a project in Latin America before the World Bank Sanctions Board.
News & Publications

PRESS RELEASES

GIR Names Steptoe One of the Top 30 Investigations Firms for Sixth Year
October 23, 2020

MEDIA MENTIONS

GIR Quotes Lucinda Low on World Bank’s Enforcement Approach
August 3, 2020

MEDIA MENTIONS

Global Investigations Review Quotes Brigida Benitez on World Bank’s INT Changes
July 7, 2020

MEDIA MENTIONS

Wall Street Journal Features Lucinda Low in 'Compliance Brief’ Q&A
May 13, 2020

PRESS RELEASES

Steptoe Receives China Business Law Award for Seventh Consecutive Year
April 6, 2020

MEDIA MENTIONS

National Law Journal Quotes Brigida Benitez on Practicing Law in New Normal
March 30, 2020

PRESS RELEASES

GIR Names Steptoe One of the Top 30 Investigations Firms for Fifth Year
December 10, 2019

PRESS RELEASES

Lucinda Low Receives Louis B. Sohn Award for Public International Law
May 1, 2019

PRESS RELEASES

Steptoe Receives China Business Law Award for Sixth Consecutive Year
March 12, 2019

PRESS RELEASES

GIR Names Brigida Benitez to 'Women in Investigations' List
June 29, 2018

Events

WEBINARS

Trends in IFI Sanctions Enforcement
August 11, 2020
Speakers: Lucinda A. Low, Brigida Benitez

WEBINARS

FCPA Year in Review
February 27, 2020
Speaker: Lucinda A. Low
Resources

INTERNATIONAL LAW ADVISORY

World Bank COVID-19 Emergency Financing: Seizing Opportunities While Avoiding Pitfalls
January 6, 2021
By: Brigida Benitez, Yas Froemel, Yasmin Almeida

INTERNATIONAL LAW ADVISORY

FCPA/Anti-Corruption Developments: 2019 Year in Review
January 21, 2020
By: Lucinda A. Low, Brittany Prelogar, Brigida Benitez, Wendy Wysong, Zoe Osborne, Steven J. Barber, Alexandra Melia, Susan Munro, Richard J. Battaglia, Ali Burney, Fernando Q. Merino, Rachel B. Peck, Nicholas Turner, Hena Schommer, Alexandra Baj, Jessica Piquet Megaw, Elizabeth Arkell, Jefferson Klocke, Yasmin Almeida, Yas Froemel, Veronica Ganzitti, Chris Han, Jessica D. Maneval, Lia Metreveli, Anthony Pan, Alexandrea Rahill, Troy Shephard, A. Cherie Tremaine, Stefan Tsakanakis, Meihui (May) Xiao, Lin Yang, Bo Yue

INTERNATIONAL LAW ADVISORY

World Bank Highlights Continued Enforcement Focus in Second Annual Sanctions System Report
October 28, 2019
By: Lucinda A. Low, Brigida Benitez, Jessica Piquet Megaw

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FCPA/Anti-Corruption Developments: 2018 Year in Review
February 28, 2019
By: Lucinda A. Low, Brittany Prelogar, Brigida Benitez, William L. Drake, Alexandra Melia, Fernando Q. Merino, Simon Hirsbrunner, Alexandra Baj, Rachel B. Peck, Jessica Piquet Megaw, Evan T. Abrams, Elizabeth Arkell, Katherine M. Dubyak, Chris Han, Jessica D. Maneval, A. Cherie Tremaine, Lin Yang, Bo Yue, Yasmin Almeida, Alexandrea Rahill, Troy Shephard

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FCPA/Anti-Corruption Developments: 2017 Year in Review & 2018 Q1 Preview
April 12, 2018
By: Lucinda A. Low, Brittany Prelogar, Brigida Benitez, William L. Drake, Simon Hirsbrunner, Alexandra Baj, Rachel B. Peck, Jessica Piquet Megaw, Evan T. Abrams, Elizabeth Arkell, Galen Kast, Peter Jeydel, A. Cherie Tremaine, Lin Yang, Bo Yue

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2017 FCPA Mid-Year Review
June 29, 2017
By: Lucinda A. Low, Brittany Prelogar, Brigida Benitez, Peter Jeydel, Jessica Piquet Megaw, Alexandra Melia, Stephanie W. Wang, Zhu (Judy) Wang, Bo Yue

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AIIB New Prohibited Practices Policy
May 12, 2017
By: Lucinda A. Low, Susan Munro, Brigida Benitez, Jessica Piquet Megaw, Henry Cao

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2016 FCPA Year in Review
February 16, 2017
By: Lucinda A. Low, Brittany Prelogar, Richard J. Battaglia, Brigida Benitez, Susan Munro, Evan T. Abrams, Peter Jeydel, Jessica Piquet Megaw, Alexandra Melia, Stephanie W. Wang, Bo Yue
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Canadian Supreme Court Upholds World Bank Immunities in *World Bank Group v. Wallace*, Encouraging a Continued Flow of Referrals to National Prosecutors

May 3, 2016
By: Lucinda A. Low, Jessica Piquet Megaw

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2015 FCPA Year in Review

March 8, 2016
By: Lucinda A. Low, Brigida Benitez, Richard J. Battaglia, Simon Hirsbrunner, Susan Munro, John P. Rupp, Peter Jeydel, Jessica Piquet Megaw, Alexandra Melia, Stephanie W. Wang, Bo Yue

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