

# World Bank Debars India-Based Power Equipment Company Based on Findings for Fraudulent and Corrupt Practices

A Cautionary Example for Suppliers in Multilateral Development Bank Projects

November 13, 2025

On November 4, 2025, the World Bank's Office of Suspension and Debarment issued a Notice of Uncontested Sanctions Proceedings, announcing an enforcement action against Transformers and Rectifiers (India) Ltd. ("T&R") for engaging in fraudulent and corrupt practices in connection with an electricity project in Nigeria.<sup>1</sup> T&R will be debarred for a minimum of three years and seven months, with conditional release only after it adopts appropriate measures to remediate the misconduct and implements an integrity compliance program satisfying the standards of the World Bank Group's Integrity Compliance Officer (ICO).<sup>1</sup> This decision provides a cautionary tale for companies engaged in or considering projects financed by the World Bank, particularly with respect to implementing adequate compliance procedures and financial controls related to third-party intermediaries and government officials.

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## Procedural Background

The World Bank's Office of Suspension and Debarment (OSD), led by the Chief Suspension and Debarment Officer, is the first-level adjudicatory body in the World Bank's sanctions system. Prior to the issuance of any sanctions action, the OSD is responsible for reviewing the sufficiency of the evidence against the entities and individuals, *i.e.*, the "Respondents," charged with fraud and corruption on projects financed by the World Bank.

Pursuant to established sanctions procedures, the proceedings are first initiated by the World Bank Integrity Vice Presidency (INT), which determines whether there is "sanctionable misconduct" warranting a sanctions proceeding by the OSD.<sup>1</sup> In this case, following an investigation, the Suspension and Debarment Officer issued a Notice of Sanctions Proceedings outlining the evidence and accusations made by the INT and recommending a sanction of debarment with conditional release of three years and seven months, which T&R did not contest.<sup>2</sup>

## Findings and Misconduct

In its November 4, 2025 notice, the World Bank OSD stated that, according to the INT, T&R made improper payments to public officials during the bidding and execution phases of a World Bank-funded contract and failed to disclose commission payments made to two agents to influence the award and execution of the contract.<sup>3</sup> A prior announcement by the World Bank noted that the contract in question was part of a broader \$486 million project to improve Nigeria's electricity

transmission network and infrastructure by increasing the transfer capacity of its electrical grid.<sup>4</sup>

As part of the enforcement action, the World Bank INT found that T&R engaged in two sanctionable practices:

1. **Fraudulent Practice** – Failing to disclose commission payments to two agents assisting with its bid.<sup>5</sup>
2. **Corrupt Practice** – Making improper payments to public officials to influence the award and execution of the contract.<sup>6</sup>

## The Debarment

If a company engages in fraud, corruption, collusion, or other misconduct in connection with a World Bank financed-project, it may be subject to various sanctions. One common sanction is **debarment**, which prevents the sanctioned party from benefiting from World Bank financing and contracts for a designated period of time. Notably, a debarment is published publicly on the World Bank Listing of Ineligible Firms and Individuals.<sup>7</sup> This list is accessible to the public and can be particularly useful for compliance teams conducting due diligence and eligibility checks related to potentially sanctioned parties.

Here, the World Bank issued a debarment with conditional release based on the following terms:

<sup>1</sup> *Office of Suspension and Debarment*, WBG, <https://www.worldbank.org/en/about/unit/sanctions-system-new/osd#1> (last visited Nov. 12, 2025).

<sup>2</sup> World Bank Group [WBG], Notice of Uncontested Sanctions Proceedings, ¶¶ 1, 4, 5–6, Sanctions Case No. 788 (Nov. 4, 2025).

<sup>3</sup> *Id.* at ¶ 3.

<sup>4</sup> *Nigeria—Electricity Transmission Project (Inglês)*, WBG, <https://documents.worldbank.org/pt/publication/documents-reports/documentdetail/704121518922836847/nigeria-electricity-transmission-project> (last visited Nov. 12, 2025); *Nigeria: World Bank Approves \$486 Million to Improve Nigeria Electricity Transmission Network and*

*Infrastructure*, WBG (Feb. 15, 2018), <https://www.worldbank.org/en/news/press-release/2018/02/15/nigeria-world-bank-approves-486-million-to-improve-nigeria-electricity-transmission-network-and-infrastructure>.

<sup>5</sup> World Bank Group [WBG], Notice of Uncontested Sanctions Proceedings, ¶ 3, Sanctions Case No. 788 (Nov. 4, 2025).

<sup>6</sup> *Id.* at ¶ 3.

<sup>7</sup> World Bank Listing of Ineligible Firms and Individuals, WBG (Jan. 1, 2021), <https://www.worldbank.org/en/projects-operations/procurement/debarred-firms>.

— **Duration:**

- Minimum of **three years and seven months**,<sup>8</sup> subject to conditional release, which allows a company to be released from debarment only if the minimum period has run and after the company has demonstrated effective remediation and implementation of integrity compliance measures consistent with the World Bank Integrity Compliance Guidelines.<sup>9</sup>

— For T&R, this means that:

- T&R is ineligible to be awarded or otherwise benefit—financially or in any other manner—from any World Bank-financed contract. This includes *indirectly* benefitting, such as by serving as a subcontractor or consultant of an otherwise eligible firm awarded a World Bank-financed contract.<sup>10</sup>
- T&R is also barred from receiving proceeds of any World Bank loan and continuing work on any pre-existing World Bank-financed projects. The sanction applies across the World Bank Group.<sup>11</sup>
- Under the Agreement for Mutual Enforcement of Debarment Decisions, T&R is also subject to cross-debarment by other major multilateral development banks (MDBs), such as the African Development Bank Group (AfDB), the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), and the Inter-American Development Bank (IDB).<sup>12</sup>

<sup>8</sup> World Bank Group [WBG], Notice of Uncontested Sanctions Proceedings, ¶ 4, Sanctions Case No. 788 (Nov. 4, 2025).

<sup>9</sup> *Id.* at ¶ 4. These Guidelines consolidate “standards, principles, and components of good governance and anti-fraud and corruption practices” and guide the World Bank’s determinations of when conditional release is appropriate. *Summary of World Bank Group Integrity Compliance Guidelines*, WBG, at 1, 4, <https://thedocs.worldbank.org/en/doc/06476894a15cd4d6115605e0a8903f4c-0090012011/original/Summary-of-WBG-Integrity-Compliance-Guidelines.pdf>.

*Aggravating Factors*

The World Bank has identified certain aggravating factors that can lead to a longer debarment in the World Bank’s Sanctioning Guidelines, which include:

- repeated patterns of misconduct;
- sophisticated means;
- involvement of public official or World Bank staff;
- involvement or acquiescence of senior management;
- taking on a “central” or “leadership” role in the misconduct;
- harm to public welfare and degree of harm to the project;
- interference with the investigative process;
- breaching confidentiality of sanctions proceedings; and
- prior debarment or penalty imposed by the World Bank or another MDB, if subject to cross-enforcement (not national proceedings).<sup>13</sup>

Here, the World Bank cited multiple instances of misconduct and senior-management involvement as aggravating factors that it considered in determining the applicable sanction for T&R’s misconduct. Notably, in prior cases, the presence of aggravating factors have resulted in debarment periods longer than that imposed against T&R.<sup>14</sup>

<sup>10</sup> World Bank Group [WBG], Notice of Uncontested Sanctions Proceedings, ¶ 1, 4, Sanctions Case No. 788 (Nov. 4, 2025).

<sup>11</sup> *Id.* at ¶ 4, n.3.

<sup>12</sup> *Id.* at ¶ 4, n.4.

<sup>13</sup> *IBRD/IFC/MIGA/IDA Guidance, WBG Sanctioning Guidelines*, WBG, at III.F (Oct. 31, 2024), <https://www.worldbank.org/content/dam/documents/sanctions/office-of-suspension-and-debarment/2025/feb/5%20-%20World%20Bank%20Group%20Sanctioning%20Guidelines%20October%202024.pdf>.

<sup>14</sup> For example, in *Angelique International Ltd.*, Angelique International Ltd. was debarred for four years and six

### Mitigating Factors

In general, the World Bank considers voluntary corrective action, cooperation with investigation, undue pressure, passage of time, and a minor role in the misconduct as mitigating factors for debarment periods.<sup>15</sup> Here, the World Bank cited limited cooperation by T&R as a mitigating factor.<sup>16</sup> In other actions, the World Bank has credited cooperation as a basis in support of settlement<sup>17</sup> or reducing the severity of sanctions.<sup>18</sup>

### Key Takeaways for Companies

This case reinforces several enforcement trends within the World Bank's sanctions regime:

- **Transparency of agent relationships** remains a priority to the World Bank and nondisclosure of

commission payments can *itself* lead to a finding of fraud, even if a bribe was not proven.<sup>19</sup>

- **Involvement of senior management in misconduct** is an aggravating factor that increases sanction severity.
- **Early release from debarment is likely to be conditioned** on demonstrable adoption of integrity programs and internal controls meeting the World Bank's standards.<sup>20</sup>

For companies engaged in World Bank-financed projects, this case demonstrates the importance of:

1. **Implementing Robust Integrity Compliance Programs**
  - Developing and maintaining a robust compliance framework that satisfies the World Bank Integrity Compliance Guidelines and

months based on the World Bank's finding of corrupt and fraudulent practices in Ethiopia and Nepal and aggravating factors, including senior-management involvement and a repeated pattern of conduct. The World Bank Group Sanctions Board, Sanctions Board Decision No. 102, Sanctions Case No. 345 (Dec. 18, 2017). Additionally, in *Klemen Jerin*, an individual was debarred for eight years based on the World Bank's findings related to corrupt practices in the Democratic Republic of Congo and aggravating factors including a repeated pattern of conduct, sophisticated means, and his leadership role. The World Bank Group Sanctions Board, Sanctions Board Decision No. 133, Sanctions Case No. 669 (Apr. 5, 2021).

<sup>15</sup> *IBRD/IFC/MIGA/IDA Guidance, WBG Sanctioning Guidelines*, WBG, at III.G. (Oct. 31, 2024), <https://www.worldbank.org/content/dam/documents/sanctions/office-of-suspension-and-debarment/2025/feb/5%20-%20World%20Bank%20Group%20Sanctioning%20Guidelines%20October%202024.pdf>.

<sup>16</sup> World Bank Group [WBG], Notice of Uncontested Sanctions Proceedings, ¶ 4, Sanctions Case No. 788 (Nov. 4, 2025).

<sup>17</sup> See generally *World Bank Group Settlements: How Negotiated Resolution Agreements Fit Within the World Bank Group's Sanctions System*, WBG, at 3, <https://thedocs.worldbank.org/en/doc/2188264d782e34c474156a301599c4b4-0090012021/original/Settlement-Process-Note.pdf>.

<sup>18</sup> See, e.g., World Bank Group [WBG], Sanctions Board Decision No. 143, Sanctions Case No. 759 (Mar. 11, 2024) (World Bank finding "a significant degree of mitigation"

related to sanctions based on the Respondents' "high degree of cooperation"); World Bank Group [WBG], Sanctions Board Decision No. 140, Sanctions Case No. 762 (Jun. 22, 2023) (World Bank finding of some mitigation for sanctions based on cooperation).

<sup>19</sup> See, e.g., World Bank Group [WBG], Sanctions Board Decision No. 114, Sanctions Case No. 464 (Nov. 29, 2018) ("The Sanctions Board has consistently determined that a failure to meet disclosure obligations may constitute an omission or misrepresentation under the first element of fraudulent practice."); *Guidelines: Selections and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers*, WBG (Jan. 2011, rev. Jul. 2014)

<https://documents.worldbank.org/en/publication/documents-reports/documentdetail/796061468126898713/guidelines-selection-and-employment-of-consultants-under-ibrd-loans-and-ida-credits-and-grants-by-world-bank-borrowers> (defining "fraudulent practice" as including "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").

<sup>20</sup> *Summary of World Bank Group Integrity Compliance Guidelines*, WBG, at 1, <https://thedocs.worldbank.org/en/doc/06476894a15cd4d6115605e0a8903f4c-0090012011/original/Summary-of-WBG-Integrity-Compliance-Guidelines.pdf> ("... the existing sanction of debarment with conditional release has become the default or 'baseline' WBG sanction for cases initiated under the WBG's revised Sanctions Procedures effective September 2010 ...").

demonstrating general best practices with respect to effective compliance, including comprehensive policies, risk assessments, training, third party management, investigations, and monitoring, is a crucial preventative measure.<sup>21</sup>

## 2. Engaging Promptly and Constructively in Sanctions Proceedings

- Cooperation in a World Bank investigation and sanctions proceeding can increase the likelihood of more favorable terms.<sup>22</sup>

## 3. Screening Third-Party Agents, Partners, and Subcontractors

- Ongoing monitoring and periodic due diligence checks related to third-parties, including MDB debarment lists, can mitigate potential risks related to third-parties and prevent engagement with ineligible entities.<sup>23</sup>

## 4. Assessing Contractual and Reputational Exposure

- Debarment can trigger termination clauses under project agreements that are conditioned on a firm's eligibility to work on World Bank-financed projects.

## 5. Prioritizing Management Oversight

- Cultivating a strong "tone-from-the-top" compliance culture that reaches all levels of the organization is critical, as well as mandatory training focused on preventing misconduct and mitigating potential risks.<sup>24</sup>

## Conclusion

The T&R debarment highlights how the World Bank treats fraud and corruption in the context of a World Bank-financed project, in particular when payments are transmitted to public officials. Notably, recent enforcement actions by the World Bank have been consistent with the approach taken to corrupt and fraudulent misconduct in T&R's case.<sup>25</sup>

For companies active in MDB-financed infrastructure or energy projects, the case underscores the critical

<sup>21</sup> *Summary of World Bank Group Integrity Compliance Guidelines*, WBG, <https://thedocs.worldbank.org/en/doc/06476894a15cd4d6115605e0a8903f4c-0090012011/original/Summary-of-WBG-Integrity-Compliance-Guidelines.pdf>; *MDB General Principles for Business Integrity Programmes*, WBG, <https://thedocs.worldbank.org/en/doc/528f96bfd7a3991fba23747e20ed6dc0-0530012023/mdbgeneral-%20principles-for-business-%20integrity-programmes> (guidelines agreed upon between participating MDBs in considering sanctions). See also [the U.S. Department Of Justice's "Evaluation of Corporate Compliance Programs"](#) for additional factors that inform an enforcement agency's evaluation of a company's compliance program. *Evaluation of Corporate Compliance Programs*, U.S. Department of Justice Criminal Division, (updated Sep. 2024)

<https://www.justice.gov/criminal/criminal-fraud/page/file/937501/dl?inline=>.

<sup>22</sup> *IBRD/IFC/MIGA/IDA Guidance, WBG Sanctioning Guidelines*, WBG, at III.G. (Oct. 31, 2024), <https://www.worldbank.org/content/dam/documents/sanctions/office-of-suspension-and-debarment/2025/feb/5%20-%20World%20Bank%20Group%20Sanctioning%20Guidelines%20October%202024.pdf>.

<sup>23</sup> *Summary of World Bank Group Integrity Compliance Guidelines*, WBG, Section 5.1, at 3,

<https://thedocs.worldbank.org/en/doc/06476894a15cd4d6115605e0a8903f4c-0090012011/original/Summary-of-WBG-Integrity-Compliance-Guidelines.pdf>.

<sup>24</sup> *Summary of World Bank Group Integrity Compliance Guidelines*, WBG, Sections 2 and 7, <https://thedocs.worldbank.org/en/doc/06476894a15cd4d6115605e0a8903f4c-0090012011/original/Summary-of-WBG-Integrity-Compliance-Guidelines.pdf>.

<sup>25</sup> See World Bank Group [WBG], Notice of Uncontested Sanctions Proceedings, Sanctions Case No. 772 (uncontested) (May 16, 2025) (imposing debarment with conditional release of four years and six months for both fraudulent and corrupt practices and finding repeated conduct and interference with investigation as aggravating factors); World Bank Group [WBG], Notice of Uncontested Sanctions Proceedings, Sanctions Case No. 764 (uncontested) (October 30, 2024) (imposing debarment with conditional release of three years and four months for fraudulent failure to disclose nature of bids and finding repeated conduct as aggravating factor); World Bank Group [WBG], Sanctions Board Decision No. 137, Sanctions Case No. 610 (June 29, 2022) (imposing debarment with conditional release of three years against firm for engaging in fraudulent practices, including failing to disclose payments to consultant, and considering repeated conduct



importance of maintaining a robust and effective compliance program and financial controls, accurate recordkeeping, transparency in agency relationships, a well-functioning whistleblower channel, and appropriate ongoing monitoring.

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and senior management involvement as aggravating factors, but cooperation as a partially mitigating factor).