

Matteson Ellis Quoted on World Bank Settlement Debaring Selçuk Yorgancıoğlu in Anti-Corruption Report

"World Bank Settlement Debars Selçuk Yorgancıoğlu With Integrity Compliance Conditions"

ANTI-CORRUPTION REPORT

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Matteson Ellis, former Litigation Specialist and Investigator at the World Bank Group's Integrity Vice Presidency, discussed the World Bank Group's (World Bank) recent settlement with a Turkish national, Selçuk Yorgancıoğlu, in connection with fraudulent conduct as part of the Abraaj Turkey Fund I Project. The settlement debars Yorgancıoğlu and any firms that he controls from participating in projects and operations financed by institutions of the World Bank for two years. "Yorgancıoğlu was able to obtain a reduction of the debarment period by a third (from three years down to two years) based on his cooperation, voluntary restraint, and corrective action," Ellis said. "This is a standard component of a negotiated settlement process and an incentive respondents have to bypass a lengthy and uncertain sanctions proceeding, in order, instead, to seek a reduced debarment period through a settlement," Ellis noted. He cautions that the misconduct at issue demonstrates the importance for companies that participate in World Bank and IFC financed projects to have in place controls designed to avoid misrepresentations about a firm's financial state when seeking support. "This means ensuring that various sets of eyes review proposals before they are submitted, and that backup support is maintained in compliance files demonstrating the accuracy of representations made," Ellis said. He added "[m]ultilateral development banks, like the World Bank, are increasingly seeking to proceed against more high-profile respondents, what some call 'bigger fish,' and this seems to be an example of just that, as Yorgancıoğlu is affiliated with the high-profile Abraaj scandal."