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## NEWS RELEASE

### World Bank Launches Voluntary Disclosure Program

*New Anticorruption Tool Increases Risk to Firms Engaging in Fraud and Corruption*

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**WASHINGTON, August 1, 2006**—The World Bank today announced that its Board of Executive Directors has formally approved a Voluntary Disclosure Program that will strengthen the institution's capacity to prevent corruption in its operations.

The Voluntary Disclosure Program (VDP) is a proactive anti-corruption investigative tool designed to uncover corrupt and fraudulent schemes and patterns in Bank-financed projects through the voluntary cooperation of participating firms and individuals. Managed by the Bank's Department of Institutional Integrity (INT), the VDP allows entities which have engaged in past fraud and corruption to avoid administrative sanctions if they disclose all prior wrongdoing and satisfy standardized, non-negotiable terms and conditions. Lessons learned through the program will be applied to mitigate risks more effectively in future operations.

**World Bank President Paul Wolfowitz** said: *“One of the most important partners in the World Bank's fight against corruption is the private sector worldwide. While there are individual firms that may hope to profit, the private sector as a whole stands to lose when corruption is pervasive and the rule of law is undermined. The Voluntary Disclosure Program is a new tool that will help the Bank further its anti-corruption agenda in a practical and cost-effective way. Designed to prevent and deter corruption in our projects and contracts, the VDP encourages companies to adopt business practices that will contribute to a more competitive and healthy private sector in the countries we serve.”*

Under the VDP, participants commit to cease paying bribes or engaging in fraud, corruption, collusion or coercion. They must disclose to the Bank all such past misconduct in Bank-supported projects or contracts, implement a robust and monitored compliance program, and pay the bulk of the costs associated with participation in the VDP. Participants can be firms or other entities, such as NGOs or individuals. Those under active investigation by the World Bank are not eligible to enter the program.

In exchange for full cooperation, VDP participants avoid public debarment for disclosed past misconduct, and benefit from the Bank's assurances of confidentiality. The World Bank has publicly debarred more than 330 firms and individuals, whose names and terms of sanction are posted on the Bank's website.

Details about the Voluntary Disclosure Program, including its Terms and Conditions, can be found at <http://www.worldbank.org/vdp>.

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