

## **DISCIPLINARY PROCEEDINGS**

### **1. SUBJECT, POLICY RATIONALE, AND APPLICABILITY**

#### **Subject and Policy Rationale**

1.01 This Rule governs disciplinary proceedings. The purpose of this Rule is to spell out to managers and staff what may constitute misconduct, possible disciplinary action and the associated decision-making process, as well as the obligations of managers and staff with regard to reporting alleged misconduct. In addition, this Rule also sets forth special procedures to be applied in cases of failure by a staff member to comply with financial disclosure requirements as set forth in Staff Rule 3.03. As amended, the Rule is effective February 1, 2006.

#### **Applicability**

1.02 This Rule applies to all staff members and former staff members regarding actions taken in the course of their employment.

### **2. MISCONDUCT**

2.01 Disciplinary measures may be imposed whenever there is a finding of misconduct. Misconduct does not require malice or guilty purpose, and it includes, but is not limited to, the following acts and omissions:

- (a) Failure to observe Principles of Staff Employment, Staff Rules, and other duties of employment. Examples of such failure may include failure to observe Bank Group health and safety regulations, personnel information policies, public information disclosure policies, information security policies, or procurement policies; unauthorized use of Bank Group offices, equipment, computer resources or staff; abuse of authority; absence from duty without justifiable cause; or abuse or misuse of Bank Group funds, benefits, allowances, or property.
  - (b) Reckless failure to identify, or failure to observe, generally applicable norms of prudent professional conduct; failure to perform assigned duties; gross negligence in the performance of assigned duties; performance of assigned duties in an improper or reckless manner; failure to know, and observe, the legal, policy,
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budgetary, and administrative standards and restrictions imposed by the Bank Group; undertaking an activity where authority to do so has been denied; or willful misrepresentation of facts intended to be relied upon.

- (c) Acts or omissions in conflict with the general obligations of staff members, including those set forth in Principle 3 of the Principles of Staff Employment and Staff Rules 3.01 through 3.05. Omissions may include, and are not limited to, failure to file a timely, complete and accurate financial disclosure form.
- (d) Misuse of Bank Group funds or other public funds for personal gain of oneself or another in connection with Bank activities or employment, or abuse of position in the Bank for personal gain of oneself or another.
- (e) Conviction for acts that are criminal in nature, including but not limited to theft, forgery, fraud, corrupt practices, use of or possession of illegal drugs, physical assault, and domestic abuse.
- (f) Harassment or wrongful discrimination, including but not limited to harassment or wrongful discrimination on the basis of age, race, color, sex, sexual orientation, or national origin.
- (g) Failure to meet personal legal obligations as required by Bank Group policies, including but not limited to payment of court-ordered spousal and child support.

### **Reporting of Suspected Misconduct**

2.02 See below:

- (a) **Fraud or Corruption.** A staff member has a duty to report suspected fraud or corruption in Bank-Group financed projects or in the administration of Bank Group business to his or her direct manager, or to the Department of Institutional Integrity ('INT'). A manager who suspects or receives a report of suspected fraud or corruption has an obligation to report it to INT.
  - (b) **Other Misconduct.** A staff member is encouraged to report all other forms of misconduct to his or her manager, or INT, but is not required to do so. A manager who suspects or receives a report of suspected misconduct, however, has an obligation to report it to INT.
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- (c) False and Malicious Allegations. Notwithstanding provisions of paragraph 2.02(a) or (b) above, knowingly making false or malicious allegations of misconduct constitutes misconduct and can subject a staff member to disciplinary action under this Rule.

### **Prohibition of Retaliation**

2.03 Retaliation by a staff member against any person who in good faith provides information about suspected misconduct, or who uses the Conflict Resolution System, is expressly prohibited and can subject a staff member to disciplinary action under this Rule.

## **3. DISCIPLINARY MEASURES**

3.01 Upon a finding of misconduct, disciplinary measures, if any, imposed by the Bank Group on a staff member will be determined on a case-by-case basis. Any decision on disciplinary measures will take into account such factors as the seriousness of the matter, any extenuating circumstances, the situation of the staff member, the interests of the Bank Group, and the frequency of conduct for which disciplinary measures may be imposed. Subject to the provisions of paragraph 3.02 below, termination of service will be mandatory where it is determined that any of the following misconduct has occurred:

- (a) misuse of Bank Group funds or other public funds for the personal gain of oneself or another in connection with Bank Group activities or employment, or abuse of position in the Bank Group for the personal gain of oneself or another; or
- (b) conviction of a felonious criminal offense; or
- (c) refusal by the staff member to file a timely, complete and accurate financial disclosure form without reasonable justification acceptable to the Office of Ethics and Business Conduct.

3.02 Where termination is mandatory under this Rule, the President, or the President's designee appointed to review the case, retains full and sole discretion to determine otherwise based on particular circumstances – *i.e.*, where an act is a felony in one jurisdiction but not in most others, or where there has been a manifest lack of due process in the relevant case. For

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cases involving IFC staff, the President, or the President's designee, will consult with Vice President, Human Resources for IFC before making a mandatory termination decision.

3.03 Depending on the circumstances of the case, one or more of the following disciplinary measures may be taken by the Bank Group when misconduct is determined to have occurred, provided the determination is made within three years from the date the misconduct is discovered, except that no time limitation will apply to a determination of misconduct for which mandatory termination is to be imposed:

- (a) Oral or written censure;
- (b) Suspension from duty with pay, with reduced pay, or without pay;
- (c) Restrictions on access to the Bank's premises;
- (d) Restitution, forfeiture of pay or benefits, or reduction or elimination of a salary increase in respect of a prior year in which it is later determined misconduct occurred, either to penalize a staff member or to compensate the Bank Group for losses attributable to misconduct;
- (e) Removal of privileges or benefits, whether permanently or for a specified period of time;
- (f) Reassignment;
- (g) Assignment to a lower level position;
- (h) Demotion without assignment to a lower level position;
- (i) Reduction in future pay, including the withholding of future pay increases;
- (j) Termination of appointment;
- (k) Loss of future employment and contractual opportunities with the Bank Group; and
- (l) When the financial disclosure form that is submitted pursuant to the requirements set forth in Staff Rule 3.03 is not timely, complete or accurate, in addition to the disciplines described above, a fine to the staff member in accordance with paragraph 3.06 of Staff Rule 3.03.

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#### 4. DISCIPLINARY AND DECISION-MAKING PROCESS

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### **Initiating the Investigative Process**

4.01 The investigative process may be initiated by the Bank Group whenever conduct for which disciplinary measures may be imposed is reported to INT or the Vice President, Human Resources for the Bank, or the Vice President, Human Resources for IFC.

#### **Preliminary Inquiry**

4.02 Where an incident of possible misconduct is reported, a preliminary inquiry may be undertaken if necessary to determine whether there is sufficient evidence to warrant further proceedings. INT will conduct all preliminary inquiries, except where INT requests a staff member's manager, or where the President or the Vice President, Human Resources for the Bank designates a person outside of INT, to conduct the inquiry. For cases involving IFC staff, the President or the Vice President, Human Resources for the Bank will consult with the Vice President, Human Resources for IFC, before designating a person outside of INT to conduct the preliminary inquiry. Where it is determined there is a sufficient basis to merit further proceedings, an investigation will be undertaken to determine the substance and circumstances of the matter.

#### **Notification of Alleged Misconduct**

4.03 Where it is determined that there is a sufficient basis to merit an investigation, the staff member will be notified in writing of the alleged misconduct at the onset of the investigation. The notice will include a description of the allegations made against the staff member, and a summary of the staff member's rights and obligations.

#### **Conduct of Investigation**

4.04 INT will conduct all investigations, except where INT requests a staff member's manager, or where the President or the Vice President, Human Resources for the Bank designates a person outside of INT to conduct the investigation. For cases involving IFC staff, the President or the Vice President, Human Resources for the Bank will consult with the Vice President, Human Resources for IFC, before designating a person outside of INT to conduct the investigation.

#### **Gathering of Information**

4.05 The person conducting a preliminary inquiry or an investigation may:

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- (a) Call upon any staff member for the production of documents believed to have probative value;
- (b) Interview any staff member who is believed to have knowledge of the events in question; and
- (c) Consult persons believed to have, or materials believed to contain, information of probative value to the investigation.

### **Duty to Cooperate**

4.06 A staff member who is the subject of a preliminary inquiry or an investigation has a duty to cooperate with the person conducting the investigation. A staff member believed to have knowledge relevant to a preliminary inquiry or an investigation also has a duty to cooperate absent a showing by the staff member of reasons, determined by the person conducting the investigation, to be sufficient to justify failure to cooperate. Failure or refusal to cooperate may constitute misconduct under this Rule.

### **Administrative Leave**

4.07 The Vice President, Human Resources for the Bank, or a Managing Director, may place a staff member on administrative leave pending completion of an investigation. Administrative leave can last up to six months, and can be extended when the Vice President, Human Resources for the Bank determines that additional time is needed to complete an investigation. A staff member will be notified in writing of the decision to place a staff member on administrative leave, the reason for the decision, and the duration of the administrative leave. For cases involving IFC staff, the Vice President, Human Resources for IFC will be consulted before a decision on administrative leave is taken.

### **The Right to Respond**

4.08 **During an Investigation.** A staff member has a right to respond to allegations of misconduct during the course of the investigation either orally or in writing, or both, and may be required to do so by the person conducting the investigation. The amount of time allowed a staff member to respond in writing will take into account the complexity and seriousness of the matter, but will not be less than 5 business days.

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4.09 **At the End of an Investigation.** A staff member will be provided with a copy of the investigative report at the conclusion of an investigation in order to afford a staff member an opportunity to comment on the findings. The amount of time allowed a staff member to comment will take into account the complexity and seriousness of the matter, but will not be less than 5 business days. The report, along with the staff member's comments and a response from the person conducting the investigation will be submitted to the Vice President, Human Resources for the Bank for a decision. (For cases involving IFC staff, a copy of the report, the staff member's comments, and the response from the person conducting the investigation will be sent to the Vice President, Human Resources of IFC for information.)

4.10 **Assistance During an Investigation.** A staff member may be accompanied at investigation interviews by another staff member who is reasonably available and who is not connected to the matter under investigation. The presence of such a person will not relieve a staff member of the obligation to respond personally in the matter under investigation. Members of the Legal Departments of the Bank Group may not represent, advise or otherwise assist a staff member in connection with investigations into suspected misconduct.

### **Decision-Making Process**

4.11 See below:

- (a) Where the investigation has been conducted by INT or by a person designated by the President or the Vice President, Human Resources for the Bank, the determination whether misconduct has occurred and what disciplinary measures, if any, to impose will be made:
    - i. by the Vice President, Human Resources for the Bank; or
    - ii. where there is conflict of interest for the Vice President, Human Resources for the Bank, a Managing Director, or the President. The decision will be made considering findings of fact and conclusions of the person conducting the investigation and recommendations from any other official the decision-maker consults for advice. Where a person designated by the President has conducted an investigation, the determination whether misconduct occurred and what disciplinary measures to impose will be made by the President, or by a person designated by the President for that purpose. For cases involving IFC staff, the Vice President, Human Resources for IFC will be consulted before a decision is made regarding misconduct.
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- (b) Where the investigation has been conducted by a manager of a staff member, the manager will determine whether misconduct has occurred and, if so, may censure the staff member orally or in writing. If a manager believes the discipline should be something other than oral or written censure, the manager will make a recommendation to the Vice President, Human Resources for the Bank, regarding a decision on the finding of misconduct and the discipline to be imposed.

#### **Notification of Decision on Misconduct**

4.12 A staff member will be notified of the disciplinary measures that will be taken, the reasons for their imposition, and the right to appeal by the person who determined what the measures will be. Except where the measure is oral censure, the notification will be in writing.

#### **Retention of Records Regarding Disciplinary Measures**

4.13 Except for oral censure, the Bank Group will retain in a staff member's personnel records information regarding disciplinary measures taken. The decision-maker will specify the period of time a record of the disciplinary action will be kept in a staff member's official personnel file. This information will be subject to the terms and conditions in Rule 2.01, 'Confidentiality of Personnel Information.'

## **5. REPORTING OF MISCONDUCT**

### **Confidentiality and Anonymity**

5.01 A staff member who reports suspected misconduct may choose to remain anonymous or request that his or her name be kept confidential. Anonymity means that a staff member does not provide the Bank Group with his or her name. Confidentiality means that a staff member provides his or her name, but the Bank Group will not reveal the source of the allegations to anyone outside of the investigative team unless the staff member consents to disclosure, or the Bank Group is so ordered by a competent judicial authority within a member government, or it is determined that the staff member knowingly made a false allegation of misconduct.

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**6. SPECIAL PROVISION FOR DISCIPLINARY AND DECISION MAKING PROCESS  
IN MATTERS INVOLVING FAILURE TO COMPLY WITH FINANCIAL  
DISCLOSURE REQUIREMENTS**

6.01. This Section 6 sets forth special provisions for the disciplinary and decision making process in matters involving failure to comply with financial disclosure requirements. It supersedes for these matters the procedures set forth in Section 4 of this Rule.

6.02 The Office of Ethics and Business Conduct shall notify a staff member in writing if the staff member fails to file a financial disclosure form by April 30 of the reporting period, or if the staff member fails to provide requested additional information by the due date. The Office of Ethics and Business Conduct shall have the authority to impose a fine, in accordance with paragraph 3.03 (1) of this Rule, to the staff member who has been notified as per paragraph 3.06 of Staff Rule 3.03 of his/her failure to file a financial disclosure form by April 30 of the reporting period, or to provide requested additional information by the due date. In addition, after the Office of Ethics and Business Conduct notifies the staff member in writing of his/her failure to submit a timely, complete, and accurate financial disclosure form or provide additional information as requested, the Office of Ethics and Business Conduct will submit to the Vice President, Human Resources, the record of the Office of Ethics and Business Conduct's communications with a staff member whenever, without a justification acceptable to the Office of Ethics and Business Conduct, a staff member does not submit a timely, complete, and accurate financial disclosure form or does not provide additional information as requested, as required by Staff Rule 3.03, "Financial Interest and Disclosure". The Vice President, Human Resources, will decide, based on the record, whether the staff member's noncompliance constitutes misconduct and, if so, what other disciplinary measures from Section 3 of this Rule to impose in addition to the fine imposed by the Office of Ethics and Business Conduct in accordance with paragraph 3.03 (1) of this Rule and paragraph 3.06 of Staff Rule 3.03.

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