



CONGRESS OF THE UNITED STATES

JOINT ECONOMIC COMMITTEE

CHAIRMAN JIM SAXTON

PRESS RELEASE

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WORLD BANK ACCOUNTING ALLEGATIONS ARE VERIFIED

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WASHINGTON, D.C. – The Joint Economic Committee (JEC) has obtained evidence documenting allegations of accounting irregularities at the World Bank in the 1990s, Chairman Jim Saxton said today. The new information corroborates allegations of accounting errors amounting to tens of millions of dollars made by former World Bank employees in interviews with committee staff. Some errors also caused increased interest charges on some World Bank loans. The Committee has been unable to determine whether affected borrowers were individually compensated for the full cost of these errors.

“The evidence shows that multi-million dollar accounting errors were made by the World Bank in the 1990s, and that some errors resulted in overcharges to borrowers,” Saxton said. “The allegations have been supported by conclusive evidence that will be made public at the appropriate time. This evidence raises a number of troubling questions about World Bank operations.

“I am also concerned with the way these accounting issues were handled by World Bank managers. Our inquiry has come a long way in a short period of time, but many additional questions have arisen that need to be answered,” Saxton concluded.

Allegations concerning the World Bank that have been verified include the following:

- A World Bank accounting system generated mistakes amounting to tens of millions of dollars during the 1990s.
- The World Bank itself recognized the problems in its accounting system.
- The accounting mistakes caused overcharges in at least some World Bank loans.

The new information also raises questions about the extent to which the World Bank has a policy of publicly disclosing internal accounting problems.

For more information on World Bank reform, please visit our website at www.house.gov/jec

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