

Summary of Pizarro v. IBRD, Decision No. 507 [2015]

The Applicant challenged the Bank's decisions addressing allegations of wrongdoing made against him by the Argentine newspaper, *La Nación*, in a Bank-financed project. He seeks damages for loss of earnings, emotional distress and reputational harm. He contested the 15 February 2014 decision by Mr. Tuluy to deny him any compensation for the damage caused by the allegations published by *La Nación* and the Bank's refusal to allow the Applicant to defend himself. The Applicant also contested the Bank's "unconscionable, inexplicable, and repeated delays in responding ... and permitting him to inform the public and/or potential employers of his innocence."

The Tribunal first considered whether the Bank treated the Applicant fairly in the decisions it took regarding the allegations published by *La Nación*. According to the Tribunal, the Bank's decisions on its "communication strategy" and its implementation of those decisions, essentially by unresponsiveness and inaction, while denying the Applicant the possibility of his publicly rebutting accusations against him, were unfair. The Tribunal found that the Bank failed to take the minimum step of affirming, in its public statements, the presumption of innocence of all parties involved pending the outcome of the INT inquiry. Such a minimum step could have helped safeguard the Applicant's interests and would not have adversely affected the Bank's organizational interests.

Regarding the Bank's restrictions on the Applicant discussing the outcome of the INT preliminary inquiry until 18 February 2014, the Tribunal observed that over a year elapsed between the date the Applicant was cleared of wrongdoing by INT and the date he was permitted to publicly discuss and disclose the outcome of the INT preliminary inquiry without restrictions. The Tribunal found that the Bank failed to respect the need to address the matter expeditiously, did not act with sensitivity towards the Applicant, nor apparently did it take into consideration the impact the undenied allegations and ensuing INT inquiry would have had on the Applicant.

This summary is provided to assist in understanding the Tribunal's decision. It does not form part of the reasons for the decision. The full judgment of the Tribunal is the only authoritative document. Judgments are available at: www.worldbank.org/tribunal

The Tribunal then considered the question of causation; namely, whether the Bank's decisions caused or contributed to the damage suffered by the Applicant. The Tribunal found that there were steps the Bank could have taken in accordance with its duty of care towards the Applicant which would have mitigated the reputational damage the Applicant suffered, but which it failed to take. In apparently focusing solely on its perception of its organizational interests, the Bank unjustifiably contributed to the Applicant's economic and other harm.

Decision:

- (1) The Bank shall pay the Applicant compensation in the amount of \$350,000 net of taxes.
- (2) The Bank shall pay the Applicant's attorney's fees in the amount of \$21,749.38.
- (3) All other claims are dismissed.