

**Western firms face bribery blacklist**  
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The World Bank has formally reopened a corruption inquiry into a leading Canadian engineering company which could lead to the first blacklisting of a major international firm.

The move follows the conviction of Acres International in the high court of Lesotho, an unprecedented example of a Western firm being prosecuted for bribery by a developing country. The Ontario company was the first of several to be found guilty of bribing Masupha Sole, the CEO of the multibillion-dollar Lesotho Highlands Water Project, a massive series of dams providing water to South Africa and electricity to the tiny, landlocked country. The World Bank's share of the cost was \$155-million.

Last August, Acres International lost its appeal and it has taken six months for the bank's sanctions committee to study the judgements and issue a notice that the debarment case has been reopened.

In his appeal judgement, Judge Jan Steyn said the company "will live in the shadow of the taint of corruption," and he predicted that "an embargo by the World Bank and other institutions such as donor agencies is no remote possibility".

An earlier investigation by the World Bank, before the series of trials began, exonerated Acres International of any wrongdoing; the company still insists it was unaware that money given to its Lesotho agent went into Sole's Swiss bank accounts. He is now serving 15 years in prison.

The second company to be convicted at the end of last year was Lahmeyer International of Germany. The company is appealing against its conviction and a \$1-million fine.

In the latest trial, which ended last month, Schneider Electric of France pleaded guilty to 16 counts of bribery and was fined nearly £1-million after a plea bargain. If Acres is debarred, it will send a powerful signal to the world's big construction companies, which rely heavily on the World Bank and other international financial institutions for support.