

## **Notice of Uncontested Sanctions Proceedings**

**December 10, 2024**

**Sanctions Case No. 776  
IBRD Loan Number 8286-AZ  
(Azerbaijan Agricultural Competitiveness Improvement Project)  
IDA Credit Number 4723-AZ  
(Azerbaijan Third Highway Project)**

**Respondents:  
Grand Motors LLC  
Mr. Rufat Majidov  
CNN Caucasia LLC**

1. On September 3, 2024, the World Bank’s Chief Suspension and Debarment Officer (the “SDO”) issued a Notice of Sanctions Proceedings (the “Notice”) to Grand Motors LLC, Mr. Rufat Majidov, and CNN Caucasia LLC (the “Respondents”) pursuant to sub-paragraph 4.1(a) of Section III.A of the Bank Procedure: Sanctions Proceedings and Settlements in Bank Financed Projects issued by the Bank on November 30, 2023 (the “Sanctions Procedures”).
2. The Statement of Accusations and Evidence (the “SAE”) prepared by the Bank’s Integrity Vice Presidency (“INT”) and appended to the Notice contained INT’s accusations that the Respondents engaged in Sanctionable Practices (as defined in the Sanctions Procedures) in connection with the above-named projects. The SAE also contained the evidence gathered by INT in support of these accusations.
3. The specific accusations made by INT in the SAE were that: (a) CNN Caucasia LLC engaged in a fraudulent practice by making misrepresentations regarding its conflict of interest with another company in its bid for a supply contract under the Azerbaijan Agricultural Competitiveness Improvement Project; and (b) Grand Motors LLC and Mr. Rufat Majidov engaged in obstructive practices by concealing evidence material to the Bank’s investigation and materially impeding the exercise of the Bank’s inspection and audit rights in connection with the Azerbaijan Third Highway Project.
4. Based on a review of INT’s SAE conducted in accordance with sub-paragraph 4.1(a) of Section III.A of the Sanctions Procedures, and pursuant to sub-paragraph 4.1(c), sub-paragraph 9.1, and sub-paragraph 9.4 of Section III.A of the Sanctions Procedures, with due consideration of the factors set forth in sub-paragraph 9.2 of Section III.A of the Sanctions Procedures and in the World Bank Group Sanctioning Guidelines, the SDO recommended in the Notice that the Respondents, together with certain Affiliates (as defined in the Sanctions Procedures) where so specified, be sanctioned as follows:

Respondent 1  
Grand Motors LLC (“Grand Motors”)

**Recommended Sanction: Debarment with Conditional Release  
Minimum Period of Ineligibility of Two (2) Years and Eight (8) Months**

*It is recommended that Grand Motors (together with any entity that is an Affiliate directly or indirectly controlled by Grand Motors) be declared ineligible (i) to be awarded or otherwise benefit from a Bank-financed contract, financially or in any other manner;<sup>1</sup> (ii) to be a nominated<sup>2</sup> sub-contractor, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract; and (iii) to receive the proceeds of any loan made by the Bank or otherwise to participate further in the preparation or implementation of any Bank-Financed Project; provided, however, that after a minimum period of ineligibility of two (2) years and eight (8) months, Grand Motors may be released from ineligibility only if Grand Motors has, in accordance with sub-paragraph 9.3 of Section III.A of the Sanctions Procedures, demonstrated to the Bank Group’s Integrity Compliance Officer that Grand Motors has complied with the following conditions:*

- (a) Grand Motors has taken appropriate remedial measures to address the Sanctionable Practices for which Grand Motors has been sanctioned; and*
- (b) Grand Motors has adopted and implemented, in a manner satisfactory to the Bank, integrity compliance measures as may be imposed by the World Bank Group’s Integrity Compliance Officer pursuant to sub-paragraph 9.3(b) of Section III.A of the Sanctions Procedures (e.g., an integrity compliance program or elements thereof) to address the Sanctionable Practices.*

*In determining this recommended sanction, the SDO took into account, as an aggravating factor, the involvement of high-level personnel of the organization in the obstructive misconduct. The SDO also took into*

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<sup>1</sup> For the avoidance of doubt, the declaration of ineligibility to be awarded a contract will include, without limitation, (i) applying for pre-qualification, expressing interest in a consultancy, and bidding, either directly or as a nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider, in respect of such contract, and (ii) entering into an addendum or amendment introducing a material modification to any existing contract.

<sup>2</sup> A nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider (different names are used depending on the particular bidding document) is one which has been (i) included by the bidder in its pre-qualification application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid or (ii) appointed by the borrower.

account, as a mitigating factor, the significant amount of time that has elapsed since Grand Motors' misconduct occurred and since the Bank became aware of it. The SDO did not apply any additional mitigating or aggravating factors.

This declaration of ineligibility will extend across the operations of the World Bank Group, including IFC, MIGA, and the guarantee and carbon finance operations of the Bank.<sup>3</sup>

Respondent 2

Mr. Rufat Majidov ("Mr. Majidov")

**Recommended Sanction: Debarment with Conditional Release  
Minimum Period of Ineligibility of Two (2) Years and Eight (8) Months**

It is recommended that Mr. Majidov (together with any entity that is an Affiliate directly or indirectly controlled by Mr. Majidov) be declared ineligible (i) to be awarded or otherwise benefit from a Bank-financed contract, financially or in any other manner;<sup>4</sup> (ii) to be a nominated<sup>5</sup> sub-contractor, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract; and (iii) to receive the proceeds of any loan made by the Bank or otherwise to participate further in the preparation or implementation of any Bank-Financed Project; provided, however, that after a minimum period of ineligibility of two (2) years and eight (8) months, Mr. Majidov may be released from ineligibility only if Mr. Majidov has, in accordance with sub-paragraph 9.3 of Section III.A of the Sanctions Procedures, demonstrated

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<sup>3</sup> Sanctions Procedures, . . . sub-paragraph 9.1(c) of Section III.A. For the avoidance of doubt, the declaration of ineligibility also extends to activities financed through trust funds administered by the Bank to the extent governed by the Bank's Procurement Regulations (or either of the Regulations' predecessor documents, the Procurement Guidelines and Consultant Guidelines) or Anti-Corruption Guidelines, as defined in the Sanctions Procedure. *Id.*, Section II and sub-paragraph 1.1(c)(i) of Section III.A.

<sup>4</sup> For the avoidance of doubt, the declaration of ineligibility to be awarded a contract will include, without limitation, (i) applying for pre-qualification, expressing interest in a consultancy, and bidding, either directly or as a nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider, in respect of such contract, and (ii) entering into an addendum or amendment introducing a material modification to any existing contract.

<sup>5</sup> A nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider (different names are used depending on the particular bidding document) is one which has been (i) included by the bidder in its pre-qualification application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid or (ii) appointed by the borrower.

*to the Bank Group's Integrity Compliance Officer that Mr. Majidov has complied with the following conditions:*

- (a) Mr. Majidov has taken appropriate remedial measures to address the Sanctionable Practices for which Mr. Majidov has been sanctioned;*
- (b) Mr. Majidov has completed training and/or other educational programs that demonstrate a continuing commitment to personal integrity and business ethics; and*
- (c) Any entity that is an Affiliate directly or indirectly controlled by Mr. Majidov has adopted and implemented, in a manner satisfactory to the Bank, effective integrity compliance measures as may be imposed by the World Bank Group's Integrity Compliance Officer pursuant to sub-paragraph 9.3(b) of Section III.A of the Sanctions Procedures (e.g., an integrity compliance program or elements thereof) to address the Sanctionable Practices.*

*In determining this recommended sanction, the SDO took into account, as an aggravating factor, that Mr. Majidov was a high-level manager of Grand Motors and was involved in the obstructive misconduct. The SDO also took into account, as a mitigating factor, the significant amount of time that has elapsed since Mr. Majidov's misconduct occurred and since the Bank became aware of it. The SDO did not apply any additional mitigating or aggravating factors.*

*This declaration of ineligibility will extend across the operations of the World Bank Group, including IFC, MIGA, and the guarantee and carbon finance operations of the Bank.<sup>6</sup>*

*[ . . . ]*

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<sup>6</sup> *Sanctions Procedures, . . . sub-paragraph 9.1(c) of Section III.A. For the avoidance of doubt, the declaration of ineligibility also extends to activities financed through trust funds administered by the Bank to the extent governed by the Bank's Procurement Regulations (or either of the Regulations' predecessor documents, the Procurement Guidelines and Consultant Guidelines) or Anti-Corruption Guidelines. Id., sub-paragraph 1.1(c)(i) of Section III.A.*

*Respondent [3]*  
*CNN Caucasasia LLC (“CNN Caucasasia”)*

***Recommended Sanction: Debarment with Conditional Release  
Minimum Period of Ineligibility of Two (2) Years***

*It is recommended that CNN Caucasasia (together with any entity that is an Affiliate directly or indirectly controlled by CNN Caucasasia) be declared ineligible (i) to be awarded or otherwise benefit from a Bank-financed contract, financially or in any other manner;<sup>7</sup> (ii) to be a nominated<sup>8</sup> sub-contractor, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract; and (iii) to receive the proceeds of any loan made by the Bank or otherwise to participate further in the preparation or implementation of any Bank-Financed Project; provided, however, that after a minimum period of ineligibility of two (2) years, CNN Caucasasia may be released from ineligibility only if CNN Caucasasia has, in accordance with sub-paragraph 9.3 of Section III.A of the Sanctions Procedures, demonstrated to the Bank Group’s Integrity Compliance Officer that CNN Caucasasia has complied with the following conditions:*

- (a) CNN Caucasasia has taken appropriate remedial measures to address the Sanctionable Practices for which CNN Caucasasia has been sanctioned; and*
- (b) CNN Caucasasia has adopted and implemented, in a manner satisfactory to the Bank, integrity compliance measures as may be imposed by the World Bank Group’s Integrity Compliance Officer pursuant to sub-paragraph 9.3(b) of Section III.A of the Sanctions Procedures (e.g., an integrity compliance program or elements thereof) to address the Sanctionable Practices.*

*In determining this recommended sanction, the SDO took into account, as a mitigating factor, the significant amount of time that has elapsed since CNN Caucasasia’s misconduct occurred and since the Bank became aware of*

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<sup>7</sup> *For the avoidance of doubt, the declaration of ineligibility to be awarded a contract will include, without limitation, (i) applying for pre-qualification, expressing interest in a consultancy, and bidding, either directly or as a nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider, in respect of such contract, and (ii) entering into an addendum or amendment introducing a material modification to any existing contract.*

<sup>8</sup> *A nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider (different names are used depending on the particular bidding document) is one which has been (i) included by the bidder in its pre-qualification application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid or (ii) appointed by the borrower.*

*it. The SDO did not apply any aggravating factors or any additional mitigating factors.*

*This declaration of ineligibility will extend across the operations of the World Bank Group, including IFC, MIGA, and the guarantee and carbon finance operations of the Bank.<sup>9</sup> The Bank will also provide notice of this declaration of ineligibility to the other multilateral development banks (“MDBs”) that are party to the Agreement for Mutual Enforcement of Debarment Decisions (the “MDB Cross-Debarment Agreement”) so that they may determine whether to enforce the declarations of ineligibility with respect to their own operations in accordance with the MDB Cross-Debarment Agreement and their own policies and procedures.<sup>10</sup>*

5. None of the Respondents submitted an Explanation in accordance with sub-paragraph 4.2(b) of Section III.A of the Sanctions Procedures.
6. Sub-paragraph 4.4 of Section III.A of the Sanctions Procedures provides that if a respondent does not contest the accusations or the sanctions recommended by the SDO in a Notice of Sanctions Proceedings by submitting a Response (as defined in the Sanctions Procedures) to the World Bank Group Sanctions Board (the “Sanctions Board”) within ninety (90) days after delivery of such Notice of Sanctions Proceedings, the sanctions recommended by the SDO shall enter immediately into force.
7. No Response having been submitted to the Sanctions Board by any of the Respondents within the specified period, INT’s accusations in the SAE and the sanctions recommended by the SDO in the Notice are deemed uncontested for purposes of sub-paragraph 4.4 of Section III.A of the Sanctions Procedures, and the recommended sanctions set forth in paragraph 4 above have entered into force as of the date hereof.

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<sup>9</sup> *Sanctions Procedures, . . . sub-paragraph 9.1(c) of Section III.A. For the avoidance of doubt, the declaration of ineligibility also extends to activities financed through trust funds administered by the Bank to the extent governed by the Bank’s Procurement Regulations (or either of the Regulations’ predecessor documents, the Procurement Guidelines and Consultant Guidelines) or Anti-Corruption Guidelines, as defined in the Sanctions Procedure. Id., Section II and sub-paragraph 1.1(c)(i) of Section III.A.*

<sup>10</sup> *At present, the parties to the MDB Cross-Debarment Agreement are the Bank Group, the African Development Bank Group, the Asian Development Bank, the European Bank for Reconstruction and Development, and the Inter-American Development Bank Group. The MDB Cross-Debarment Agreement provides that, subject to the prerequisite conditions set forth in the MDB Cross-Debarment Agreement, unless a participating MDB (i) believes that any of the prerequisite conditions set forth in the MDB Cross-Debarment Agreement have not been met or (ii) decides to exercise its rights under the “opt out” clause set forth in the MDB Cross-Debarment Agreement, each participating MDB will promptly enforce the debarment decisions of the other participating MDBs.*



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The World Bank