

From: kahudes <kahudes@aol.com>
To: howard.isaac <howard.isaac@international.gc.ca>
Cc: chairmanoffice <chairmanoffice@sec.gov>; john.hardy <john.hardy@usaexport.org>; deanna.horton <deanna.horton@international.gc.ca>; shanell <shanell@state.gov>
Bcc: pierre.vimont <pierre.vimont@eeas.europa.eu>; intelligenceunit <intelligenceunit@sfo.gsi.gov.uk>;
Sent: Tue, Oct 4, 2011 10:32 pm
Subject: Fwd: Congressional Oversight?

Dear Howard,

I believe Minister Deanna Horton is still out of the office? Following a hearing yesterday on the World Bank's capital increase, I spoke yesterday with Representative Gary Miller, Chair of the Subcommittee on International Monetary Policy and Trade of the House Committee on Financial Services, about the governance crisis at the World Bank. Representative Miller's senior policy director Lesli McCollum Gooch asked me to work with her on language in the appropriations legislation for the World Bank capital increase.

In view of the World Bank's internal control lapses, failed GAO investigation http://www.huffingtonpost.com/2011/09/21/gao-budget-cuts-2012_n_974378.html#postComment, and lax oversight (see attached), language in appropriations legislation will not suffice in resolving the governance crisis at the World Bank at this time. I will stop by the embassy tomorrow to request the good offices of Canada with a view to involving the Bank's Board of Executive Directors. It is necessary to ensure that the can does not keep getting kicked down the road with so-called solutions that have not brought the IBRD into compliance on the capital markets.

Best,
Karen
202 316 0684

From: breinsch@nftc.org
To: karenhudes@hotmail.com
Subject: RE: <http://www.ecattrade.com/uploads/content/28B40817A51A4068BC64016507781A62.pdf>
Date: Mon, 3 Oct 2011 14:52:18 -0400

Thank you for your call and for sending me this material. I appreciate your thinking of the NFTC. We work closely on matters like this with the Coalition for Employment through Exports (CEE), and I understand from John Hardy that you have also been in touch with him. Please continue to stay in touch with him, as he has the informal lead among a number of associations on issues pertaining to the World Bank.

From: Karen Hudes [<mailto:karenhudes@hotmail.com>];
Sent: Monday, October 03, 2011 12:23 PM
To: breinsch@nftc.org
Subject: FW: <http://www.ecattrade.com/uploads/content/28B40817A51A4068BC64016507781A62.pdf>

Dear Mr. Reinsch,

The World Bank's capital increase is held up pending resolution of corporate governance problems. If these problems remain unresolved, an accurate stakeholder analysis (which predicted in 2004 the end to the Gentlemen's Agreement for appointment by the US of the World Bank President if the US did not respect the rights of the World Bank's membership) is now predicting a currency war.

To document the above statement, I am forwarding for your consideration:

- letter dated June 1, 2011 from the Committee on Budgetary Control of the European Parliament following my testimony to the European Parliament on May 25, 2011 [an online file](#)
- request from the UK Parliament International Development Committee for written submissions on a review of multilateral aid. The UK leads the world in grant funding for the World Bank.

<http://www.parliament.uk/business/committees/committees-a-z/commons-select/international-development-committee/inquiries/dar/>

- letter requesting GAO inquiry from Senators Lugar, Leahy and Bayh into transparency at the World Bank. <http://citizenoversight.com/pdf/blwb.pdf> Senator Lugar had this to say about the World Bank's stonewalling the inquiry during hearings on the capital increase: "Let me ask you, Executive Director Solomon, one additional question. A few years ago, I joined then-Senator Biden, Senator Leahy, Senator Bayh, and others in asking the Government Accountability Office to conduct a review of the World Bank regarding its ability to fight corruption and to conduct environmental assessments. But, at that time, the GAO did not receive clearance from the World Bank to commence its work. What is delaying that review and what could be done to ensure that the GAO has the ability to carry out its work in this endeavor?" <http://www.gpo.gov/fdsys/pkg/C-HRG-111shrg62644/html/CHRG-111shrg62644.htm>

I am also contacting the Business Roundtable, Coalition for Employment through Exports, Emergency Committee for American Trade, U.S. Council for International Business, U.S. Chamber of Commerce, as well as the National Foreign Trade Council, on this matter.

Best,
Karen
Law Offices of Karen Hudes
202 316 0684