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From: "Pieter Stek Yahoo" <pieter_stek@yahoo.com>
To: <ascoffier@cityfirstbank.com>
Subject: visit+an issue
Date: Wednesday, February 23, 2005 8:30:14 AM

Dear Ann,

We shall be in DC from March 23 – April 5 and are looking forward immensely to it. The '*causa movens*' is that I have a meeting on March 21 in Bermuda of all places (no shady offshore stuff but the highly respectable International Assoc. for Digital Publications, led by Angus Scrimgeour meets there, at the invitation of John Vereker, the Governor-General and a fellow member of IADP's Board of Trustees) and we are flying over DC in order to use my United miles before they melt away in a plausible melt-down of that company. The deeper reason, of course, is that we have been seeking an opportunity to come back because of our friends and because there is so much to see that neither let nor I had time for earlier. We certainly hope it will be possible to see you and Marco!

The issue: Karen Hudes of the Legal Department has a problem and I think it would be very useful for her to hear a passionate dispassionate view from an intelligent person who knows the Bank. The passion would be for the Bank, truth, and fairness; the dispassionateness would come from intelligence and a bit of distance. Karen has bitten into a case of failure of the Bank, harm to a country, cover-up, failure of evaluation, failure of controls, and threatening failure of the Board (Audit Committee) to take up the issue. The corollary is not hard to envisage: the Bank runs the risk of being caught with its pants down (in an area where it is lecturing the developing world on how to dress) and the whistleblower (who has not whistled in public) is at imminent risk of being dismissed, due to failure of the checks and balances in the Bank meant to protect individuals (the Integrity Directorate, the Ombudsman, the Tribunal, the President himself). I hope you will be willing to talk with her and give her the benefit of your thoughts.

In my opinion, somebody in the Bank needs to be interested and brave (staff) or a bit brave (Board). By far the most elegant way forward would be for the Audit Committee to discuss the material case from the point of view of whether the accusations against the handling of the case are correct and, if so, whether there could be a systemic aspect to this kind of failure.

One thing in my view is certain: if the truth is withheld from the Board and the Board does not even react when it has indications that this may be the case, the Board is negligent in exercising its responsibility and, therefore, also at risk. An underlying issue is whether a staff member has the duty to inform the Board if he or she hits upon a cover-up. Is one's duty towards the Bank or towards one's bosses? The parallels with other corporate, US Administration, and European Commission cases is obvious, not to speak of broader and more emotional analogies from recent history.

Karen lives at 5203 Falmouth Road in Bethesda and her private e-mail is kandbspergel@att.net

With love from us both,

Pieter

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