

Exhibit 18

From: David Rodolfo Rivero on 05/30/2006 09:46 AM
LEGAD

To: Karen Alexandra Hudes/Person/World Bank@WorldBank
cc: David Freestone/Person/World Bank@WorldBank, Elizabeth O. Adu/Person/World Bank@WorldBank,
Pauline B. Ramprasad/Person/World Bank@WorldBank

bcc:
Subject: Re: Settlement

Karen

Thank you for your note, attached below.

I have discussed with the Front Office your concerns and request for arbitration. The view remains as outlined in Deborah Laufer's email of May 19, 2006, to you in which she explains that Legal Management continues to believe that the MOU is a binding agreement and that the Management team has fulfilled its obligations.

Regards,

David

David R. Rivero, Chief Counsel
Corporate Administration
Legal Vice Presidency
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Karen Alexandra Hudes

Karen Alexandra Hudes
05/24/2006 05:55 PM
81622 LEGKM
To: David Rodolfo Rivero
cc
Subject: Settlement

Dear David,

This is in response to Deborah Laufer's email of May 19, 2006, attached below, informing me that the Legal VPU does not agree to mediate issues that have arisen in the January 26 th settlement of my case. The MOU was signed two days before a hearing that was scheduled in the Appeals Committee. The Appeals Committee had denied my request for a continuance, and had replaced the Staff Association representative on the Panel at the last minute. The MOU reflected clearly the Bank's advantageous bargaining power. Although the MOU provided that the disputed OPE's were to be placed in the limited access section of my career file, Scott White and David Freestone were asked to concur with the assessments of my performance.

Each time that the MOU was breached, I informed the Legal VPU that it had not performed as specified in the MOU. On May 18, 2006 I finally informed Deborah Laufer that I was exercising my right to cancel the MOU and that it was no longer in force. I do not agree with Deborah Laufer's opinion that I had no legal right to cancel the MOU, and that enforceability of the MOU can only be determined after an Appeal or from other fact-finding venues within the Bank. This position is incorrect as a matter of contract law, which provides that non-breaching parties are entitled to cancel when the other party fails to perform in accordance with the terms of the agreement.

Since the Appeals Committee and Tribunal have not been able to satisfactorily resolve my case after six years, at this point I would only agree to submit the question whether or not the MOU is still valid for adjudication by an independent arbitration; provided that there is agreement to such arbitration before June 5, 2006. The arbitration should also include an inquiry into whether I was retaliated against and if the settlement has eliminated the effects of such retaliation. The US Congress has stated that it is US policy to make this forum available to Bank employees as protection against retaliation for disclosures.

As I had mentioned to you in my email of May 19, 2006, I am hopeful that the remaining issues under the MOU will be rendered moot through the simple passage of time.

Best,
Karen Hudes

----- Forwarded by Karen Alexandra Hudes/Person/World Bank on 05/24/2006 05:41 PM -----

Deborah Laufer
05/19/2006 08:17 PM
81888 MEF

To: Karen Alexandra Hudes
cc: Pauline B. Ramprasad
Subject: Outcome of your request to mediate

Dear Karen:

I have carefully considered your request to mediate the issues you raise in your e-mail dated May 18, 2006. Since signing the MOU on January 26, 2006, we have met, e-mailed, or spoken frequently. Not long ago you brought to my attention a list of concerns where the terms of the MOU might not have been fulfilled. I worked closely with Pauline Ramprasad and David Rivero to provide you prompt responses on each issue. I believe that this was a very good experience for everyone as it showed the willingness of parties to be pro-active in ensuring that the terms of the MOU were fulfilled.

The statement in your May 18 e-mail that "The MOU has been breached, and it is now no longer in force and effect," has led me to conclude that Mediation Services is not the correct forum for redress. Whether the MOU has been breached or not, is a finding of fact, (whether it is or isn't related to retaliation). A party cannot unilaterally *declare* that the MOU is a nullity. This position can only be *claimed* when filing an Appeal or seeking redress from other fact-finding venues within the Bank. As you know, the nature of the mediation process avoids any assessment of factual veracity or falsity. As per the MOU, it would not be a breach of confidentiality for you to use the MOU itself if you decide to file a case before Appeals.

Further, please keep in mind that until the facts are determined, you are obligated to act in accordance with the terms of the MOU.

When I met with LEGAL management representatives, the following points were emphasized:

- That LEGAL believes that the MOU that was signed is a lawful and binding document, and thus, they will continue to act in accordance with its terms;
- That LEGAL understands its obligations under the MOU and believes that it has, and continues to, fulfill all its obligations under this contract;
- That LEGAL has given priority to address all the issues you have raised since signing the

MOU, and has responded with alacrity to attend to your concerns; and

- That as a result of these above affirmations, that LEGAL would not be willing to participate in a mediation.

In summary, MEF is not the appropriate forum for your concerns because of (1) the nature of the issues you raise; and (2) the lack of identification of parties to participate.

I appreciate your discussions with me as these were the appropriate way to start a conversation on your concerns. As you know, when MEF cannot be of assistance, there are many other venues for redress within the Bank.

Wishing you all the best,
Deborah