

**The World Bank**  
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H Street N.W.  
Washington, D.C. 20433  
U.S.A.

(202) 473-1000  
Cable Address: INTBAFRAD  
Cable Address: INDEVAS

**Exhibit 7**

May 1, 2007

The R.H. Judge Jan Paulsson  
President  
The World Bank Administrative Tribunal  
1818 H Street, NW  
Washington, D.C. 20433

Re: *O. No. 2 v. IBRD*, WBAT Case 07/3

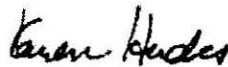
Dear Mr. President,

On April 26 I received Respondent's Jurisdictional Challenge, which relied in material part upon a document that was redacted to remove exculpatory evidence. The document in question appears in Annex 2. On that same date I informed Mr. Nassib Ziade of this serious matter, and offered Respondent the opportunity to withdraw the offending filing, together with the shocking argumentation based upon the tampered documentation.

This is to inform you that I have informed Ms. Ana Palacio, Senior Vice President and Group General Counsel, of my complaint to the Bank's Office of Ethics and Business Conduct about this misconduct which has continued until now. A copy of my email to Ms. Palacio is attached to this letter for your ready reference.

I would like to request the Tribunal to determine in light of these developments whether I am still required to answer Respondent's Jurisdictional Challenge. I would also like to reiterate at this time my request of April 19, 2007 for provisional relief.

Sincerely,



Karen Hudes  
Senior Counsel

Karen Alexandra Hudes Subject Re: WBAT 07/3- Violation of Ethics Rules [ ]  
05/01/2007 11:39 AM  
81622 LEGKM

Ana,

I assume David Rivero informed you that last Thursday I offered the Bank the opportunity to withdraw the Jurisdictional Challenge in my case in the Administrative Tribunal because this document rested in material part upon tampered documentation. Rule 3.4 of the District of Columbia Rules of Professional Conduct provides that "A lawyer shall not: (a) Obstruct another party's access to evidence or alter, destroy, or conceal evidence..." Failure to observe generally applicable norms of prudent professional conduct constitutes misconduct in the Bank. I regret that since the Jurisdictional Challenge has not been withdrawn, it was necessary for me to lodge a formal complaint with the Office of Ethics and Business Conduct.

Best, Karen

Anna Y. Chytla

Anna Y. Chytla To Karen Alexandra Hudes  
05/01/2007 07:58 AM cc  
85823 LEGAD Subject Calls to David

Karen,

David Rivero is in meetings all day today and is likely to be tied up for the rest of the week. He asked me to respond to your calls. Is there anything that I can help you with? I have meetings this morning, but should be free by early afternoon.

Anna

----- Forwarded by Karen Alexandra Hudes/Person/World Bank on 05/01/2007 11:35 AM -----

Karen Alexandra Hudes To Kurt Nemes  
05/01/2007 11:02 AM cc Nichola Dyer  
81622 LEGKM Subject Re: [ ]

Yes, I would like to schedule a meeting. Hopefully my case will settle, but still this serious problem needs to be addressed.

Kurt Nemes



Kurt Nemes To Karen Alexandra Hudes  
05/01/2007 10:57 AM cc Nichola Dyer  
32230 EBC Subject Re: [ ]

## MEMORANDUM

To: The World Bank Administrative Tribunal  
From: The World Bank Staff Association  
Date: December 7, 2007  
Re: Karen Hudes v. IBRD, WBAT Case No. 07/3  
Statement of Support

DEC 07 2007

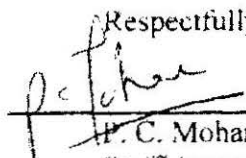
As Chair of the World Bank Staff Association I am writing to advise the World Bank Administrative Tribunal that the Staff Association supports the application of Karen Hudes and opposes its dismissal on jurisdictional grounds as sought by the World Bank, (WBAT Case No. 07/3). Understanding the limitations imposed by Rule 14 of the Administrative Tribunal we do not address the arguments made by either party in this dispute. Rather, our intention is to simply make the members of the Administrative Tribunal aware of our position in this matter.

The Staff Association firmly believes that the integrity of the Bank depends in large part upon its willingness to comply with the terms of agreements it has reached with staff members. Violations of a Memorandum of Understanding ("MOU"), as alleged by Ms. Hudes, not only undermine the credibility of this institution but damage the morale of its workforce.

This impact is particularly harmful when the MOU is intended to address retaliation against an individual who has reported suspected misconduct to the Bank's officers. Violating such an agreement invariably deters other staff members from advising their superiors of wrongdoing. In signing the MOU the Bank agreed to put an end to retaliation against Ms. Hudes; by violating its express terms the Bank instead compounded the misconduct.

Based upon these extraordinary circumstances, the Staff Association urges the Administrative Tribunal to reject the Bank's jurisdictional challenge and to adjudicate her application on the merits.

Respectfully submitted,

  
P. C. Mohan  
Staff Association Chair