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Leonard Frank McCarthy June 15, 2015

The World Bank

Vice President, Institutional Integrity

1800 G. St. NW

Washington D.C. 20006

**Re: Ferrovial S.A. (Cintra infraestructuras), SNC Lavalin’s partner in the 407 East Development Group (407 ETR toll road) was convicted of bribing politicians to win over 1.2 billion dollars in public contracts in Barcelona.**

**Please ban Ferrovial S.A., Cintra Infraestructuras, Cespa, I-77 Mobility Partners and all of Ferrovial’s other subsidiaries from bidding on any World Bank contracts. Also, use your cross debarment act for bans at the African Development Bank, Inter-American Bank, and all other banks in your multilateral agreement.**

Dear Mr. McCarthy,

I am writing to you because you are a crusader against bribery and corruption, especially the bribery of politicians for public contracts. I have discovered through Spanish court documents and Spanish newspapers (I teach Spanish at a local university in North Carolina) that the Spanish company Ferrovial S.A., SNC Lavalin’s partner on the 407 ETR toll road in Toronto, has been bribing politicians in Spain in order to win large public contracts.

This discovery is devastating for our communities in North Mecklenburg and Iredell because our politicians including US Republican Senator Thom Tillis and Governor McCrory have forced us into a 50 year toll road contract between the NCDOT and the Spanish company Cintra, renamed 1-77 mobility partners (parent is Ferrovial).

On April 17, 2013 you announced to the world that SNC-Lavalin Inc. and over 100 of its subsidiaries have been banned from bidding on any World Bank funded projects for a period of 10 years. This was due to SNC Lavalin’s misconduct involved in a conspiracy to pay bribes to politicians in Bangladesh for the building of the “Padma Multipurpose Bridge.” Also there have been allegations of paying bribes to officials in Libya under Moammar Gadhafi’s regime to win contracts in that country.

Your ban was far reaching and it included the SLI 407 East Development Group (a SNC Lavalin subsidiary) which was a joint partnership (50/50) with the 407 Cintra Infraestructuras East Development Group (a subsidiary of Ferrovial S.A.) to build the 407 ETR toll road in Canada. Your message was powerful and extraordinary in the battle against corruption because subsidiaries were not spared by the bribery and corruption of their parent companies.

Ironically, just 2 months (June 14, 2013) after the World Bank’s announcement, Ferrovial, Cintra’s parent was accused in one of the largest cases of bribery and corruption of political officials in Barcelona’s history:

**Case of bribing CDC Political Party in Barcelona, Spain in order to be awarded over 1.2 billion euros worth of public contracts.**

Ferrovial Agroman (Ferrovial’s construction unit) was accused of one of the largest cases of bribery and fraud in Catalonia’s history with bribes in excess of 6 million euros. In a 37 page court document dated June 14, 2013 in Barcelona (I have attached this PDF document from Barcelona), Attorney Emilio Sánchez Ulled(from the Anti-Corruption and Organized Crime division of the Ministry of Justice) details how Ferrovial paid “illegal commissions” to “individuals with sufficient political influence on the agencies in charge of awarding large-scale public contracts.” **This includes the Line 9 Metro project worth 890,000,000 and the City of Justice (Barcelona) project that is estimated at around 263,035,900 euros.**

This was a landmark case in which Ferrovial used the “Palau de la Música” concert hall in Barcelona to funnel these illegal bribes to the politicians. They pretended to be a sponsor of the arts. The money arrived at the CDC in 3 ways: 1. Cash disbursements to CDC treasurers Carles Torrent and Daniel Osácar (2000-2007) 2. False documentation (2005-2009). Five companies charged Palau for nonexistent work or services. 3. There was an agreement between Palau and the Trias Fargas Foundation.

Finally, on May 28, 2015 all the major Spanish newspapers announced the judge’s conviction against Ferrovial. He concluded that Ferrovial Agroman was responsible for paying millions of dollars in kickbacks to the CDC through the Palau de la Música to be awarded the public contracts. The ex Ferrovial executive Pedro Buenaventura is still waiting to be sentenced. This is a pending action and a continuous black mark on Ferrovial as a corporation. It will certainly impact the corporation financially.

**Here are just a few of the pending cases in Spanish courts:**

**New investigations of bribery of Adif executives (state owned company that manages the AVE, high speed railway line) by Ferrovial.**

On December 15, 2014, the newspaper *El Periódico de Catalunya noted* that a court in Alcala de Henares (Madrid) opened up a case to investigate Ferrovial bribing executives at Adif during the construction of the high speed Ave train from Madrid to the French border. This investigation was lodged after an ex Ferrovial officer named Vicente S filed a complaint in March of 2013 about bribery. Vicente S. worked for Ferrovial from 2006-2011. He described the gifts, cash, and elaborate feasts awarded to Adif executives in exchange for increases in the original price of the budgeted projects so that Ferrovial could get paid even more from the government.

**Cespa, Ferrovial’s waste management subsidiary involved in corruption in Galicia, Spain.**

**On February 18, 2014 , the newspaper** *La Voz de Galicia,* announced that 5 people were arrested including 2 employees from Cespa (Ferrovial’s subsidiary) on charges of bribery and document falsification. This was called “Operación Patos” and it included many local government offices across Galicia as well as other implicated companies.

**Rafael del Pino, owner of Ferrovial, S.A. was forced to pay 200 million euros to the Treasury in Spain to avoid going to jail for tax evasion charges.**

This was noted in all major newspapers across Spain and the world including the Spanish publication *El Diario* on June 14, 2013. Rafael del Pino sent money to Holland over several years to avoid paying taxes on his dividends. This speaks volumes about the corrupt way in which Ferrovial is run. If Ferrovial Agroman, the construction division of Ferrovial S.A. is financially responsible for the Cintra contract (Aka I77 Mobility Partners), it is troublesome to know about the corrupt nature of its owner.

Mr. McCarthy, I am so disappointed with some our local politicians as well as our Governor McCrory and Senator Thom Tillis. Please send a message to the world that companies like Ferrovial should be excluded from government contracts since they bribe politicians and falsify documents (among other illegal acts). Please ban Ferrovial S.A., Cintra Infraestructuras, Cespa, and all of its subsidiaries including 1-77 Mobility Partners from bidding on any World Bank contracts. Also, use your cross debarment act for bans at the African Development Bank, Inter-American Bank, and all other banks in your multilateral agreement.

Please feel free to contact me any time at 704-301-6497.

Most sincerely,

Diane Elizabeth Gilroy, M.B.A, M.A.