

United States House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

March 13, 2024

The Honorable Janet Yellen
Secretary
Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, DC 20220

Dear Secretary Yellen:

I write to you to express my strong concerns with the International Finance Corporation's (IFC's) pending Management Action Plan (MAP) related to Bridge International Academies (Bridge) and urge you to direct the U.S. Executive Director to reject this plan until meaningful compensation can be provided directly to survivors and their families. Four years ago, I worked with then-World Bank President Malpass and Secretary Mnuchin to ensure a series of reforms, including halting all direct IFC investments in for-profit schools and requiring IFC's divestment of its investments in Bridge.¹ My focus on for-profit schools and, specifically Bridge, grew out of alarming reports about the widespread failures of for-profit education, and in particular with how children were being harmed.

Last October, the Compliance Advisor Ombudsman (CAO), the independent accountability mechanism for the IFC, published a communique about its investigation of Bridge reporting that dozens of schoolgirls were sexually abused at Bridge schools across Kenya.² Rather than do everything in its power to ensure that Bridge provided direct compensation to the sexual abuse survivors and their families, it has been reported that IFC staff and Bridge executives conspired to delay reporting of the abuse, as they feared that such reporting, according to Bridge executives, would "spook investors" as the company was attempting to raise capital.³

The IFC's own Performance Standards require clients, like Bridge, to provide "prompt remediation for those who believe that they have been harmed by a client's actions."⁴ Moreover, the IFC as an organization has committed to provide, "prompt remediation of various project-related grievances," in its Policy on Environmental and Social Sustainability.⁵ However, the MAP being considered by the IFC's Board, which is purported to provide remediation by creating new gender-based violence programs within the community, provides no remediation directly to survivors and their families, other than bus fare for the survivors to attend these programs. This does not constitute meaningful compensation, is out of line with the IFC's Performance Standards, and is unacceptable.

I strongly urge the U.S. Executive Director to oppose this MAP, and work with the IFC Board to ensure that it:

¹ House Financial Services Committee Democrats, [Letter from World Bank President Malpass to U.S. Treasury Secretary Mnuchin](#), (Mar. 20, 2020).

² CAO, [CAO Cases Regarding IFC's Investment in Bridge International Academies in Kenya](#), (Oct. 4, 2023). In addition to the child sexual abuse, there were two cases of electrocution. In one case, a six-year-old was electrocuted by a live wire and died. Another student was severely injured by electrocution in a separate case. The family of one child who was electrocuted settled and the other lawsuit is pending.

³ The Intercept, [Neutralize Adler](#), (Oct. 17, 2023).

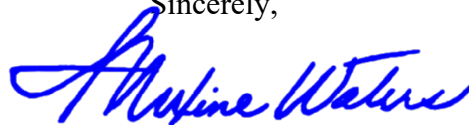
⁴ IFC, [Performance Standards on Environmental and Social Sustainability](#), (Jan. 1, 2012).

⁵ IFC, [International Finance Corporation's Policy on Environmental and Social Sustainability](#), (Jan. 1, 2012).

- Consults directly and meaningfully with the Bridge survivors and their families;
- Provides significant and meaningful compensation to the Bridge survivors and their families;
- Investigates reporting that the IFC worked with Bridge to delay reporting related to child sexual abuse as Bridge was attempting to raise capital. If this allegation proves to be true, IFC should fire the employees involved, and revise its policies that enabled the cover up;
- Holds Bridge accountable to its commitments under the Performance Standards on Environmental and Social Sustainability that it made when entering into an investment agreement;
- Has meaningful oversight over investments (including an increased understanding of due diligence that has occurred) as well as in ensuring that the CAO operates as a truly independent oversight mechanism. CAO independence is crucial because the IFC has historically had some level of immunity in its member countries, and thus, CAO must be able to hold the IFC accountable.

I'm concerned that failing to provide direct and meaningful compensation will not only harm the survivors and their families, but it will also harm the reputation of the IFC, which has a critical mission around the world, and that of the United States as its largest shareholder. Please keep me apprised as to how this matter develops and the extent to which the United States shows leadership herein.

Sincerely,



Representative Maxine Waters
Ranking Member
Committee on Financial Services