

In re Cognizant Technology Solutions Corporation (2019)

Nature of the Business.

Cognizant Technology Solutions Corporation (“Cognizant”) is a global information technology services provider, headquartered in Teaneck, N.J.

Influence to be Obtained.

According to the DOJ, Cognizant and its subsidiary in India violated the FCPA’s anti-bribery, books-and-records, and internal accounting controls provisions. Cognizant, through its senior management, allegedly authorized a contractor to pay bribes to various government officials in India to secure permits and licensing for various development projects in India. These payments were later reimbursed to the contractor under the pretense of paying construction invoices that were falsified.

Enforcement.

On February 13, 2019, the DOJ issued a declination letter, explaining that it had declined to prosecute Cognizant for these alleged violations under the FCPA Corporate Enforcement Policy. The DOJ noted that this decision was informed by various factors: Cognizant promptly and voluntarily disclosed the violations once the Board discovered the conduct, Cognizant conducted a “thorough and comprehensive investigation” and made efforts to cooperate with the DOJ, Cognizant’s compliance program and the continued improvements instituted by the company, and Cognizant’s “full remediation” by terminating and disciplining the individuals involved.

Cognizant agreed to disgorge \$19,370,561 in connection with the alleged bribery, and the DOJ agreed to credit the disgorgement the company pays to the SEC (not including any prejudgment interest).

On February 15, 2019, the SEC settled its enforcement action against Cognizant for violations of the FCPA’s anti-bribery, books-and-records, and internal accounting controls provisions. Cognizant was ordered to pay a disgorgement fee of \$16,394,351, prejudgment interest of \$2,773,017, and a civil monetary penalty of \$6,000,000.

Key Facts

Citation. *In re Cognizant Technology Solutions Corporation*, Letter to Karl Buch and Kathryn Ruemmler from Craig Carpenito, US Attorney of the District of New Jersey and Robert Zink, Acting Chief Fraud Section, DOJ (Feb. 13, 2019).

Date Filed. February 13, 2019.

Country. India.

Date of Conduct. 2014 - 2015.

Amount of the Value. Not stated.

Amount of Business Related to the Payment. Not stated.

Intermediary. Contractor.

Foreign Official. Unnamed government officials in India.

FCPA Statutory Provision. Not stated.

Other Statutory Provision. Not stated.

Disposition. Declination with Disgorgement.

Defendant Jurisdictional Basis. Domestic Concern.

Defendant’s Citizenship. United States.

Total Sanction. \$19,370,561.

Compliance Monitor/Reporting Requirements. None.

Related Enforcement Actions. *In the Matter of Cognizant Technology Solutions Corporation; SEC v. Coburn & Schwartz.*

Total Combined Sanction. \$25,167,374.