

## In the Matter of Dun and Bradstreet Corporation (2018)

### Nature of the Business.

Dun and Bradstreet Corporation (“D&B”), a Delaware corporation headquartered in Short Hills, New Jersey, is a provider of business financial information about companies worldwide. It sells commercial data to businesses and entities through subscriptions and reports about credit history, sales and marketing, counterparty risk exposure, and other business data information products. The company maintains stock that is registered with the SEC under Section 12(b) of the Exchange Act and trades on the New York Stock Exchange.

### Influence to be Obtained.

The alleged misconduct occurred in the midst of D&B’s efforts to expand its China-based operations through a series of mergers, acquisitions, and joint ventures. Between 2006 and 2012, two of D&B’s indirect subsidiaries allegedly made improper payments to obtain confidential business information and personal data from Chinese government authorities.

In 2006, D&B entered into a joint venture with Chinese company Huaxia International Credit Consulting Co. Limited, together referred to as HDBC. Huaxia was targeted as a partner because of its connections to the Chinese government. In its due diligence, D&B discovered that Huaxia was sourcing information about Chinese businesses from various government agencies rather than publicly available sources. Business information, such as the type integral to D&B business model, is kept on file at Chinese government agencies. Access to such data is highly regulated under Chinese law, is granted in only limited circumstances, and there are express prohibitions against using the files for commercial activities. According to the SEC, D&B’s management in China knew of these restrictions, but knew it could obtain this information by bribing Chinese government officials. To circumvent the legal restrictions on confidential business information, HDBC engaged third-party agents to make improper payments to government officials in an attempt to avoid legal liability. HDBC falsely recorded the illicit payments as legitimate data acquisition expenses.

In addition, the SEC alleges that D&B knowingly engaged an indirect subsidiary to obtain personal data on Chinese citizens in violation of Chinese law. Specifically, Roadway, an indirect subsidiary of D&B and a provider of direct marketing services in China, allegedly violated provisions of the FCPA by making improper payments to officials to obtain the non-public personal data, which D&B then used for its business operations. According to the SEC, D&B knew that Chinese law forbids obtaining citizens’ private data from Chinese government entities or organizations. D&B also knew through its due diligence that Roadway obtained much of its information from third-parties, and that Roadway could not certify that no “rebates” were paid to obtain personal data. D&B is alleged to have conducted insufficient due diligence as to the legality of the Roadway-acquired data or potential rebates paid to third-parties for providing the data.

### Enforcement.

On April 23, 2018, the SEC settled its enforcement action against Dun and Bradstreet for violations of the FCPA’s books-and-records and internal controls provisions. According to the cease-and-desist order, Dun and Bradstreet agreed to pay \$6,077,820 in disgorgement, \$1,143,664 in prejudgment interest, and a \$2 million civil penalty—totaling \$9,221,484 in sanctions.

On the same day, the DOJ issued a declination letter to D&B stating that it would decline prosecution under the FCPA Corporate Enforcement Policy, recognizing D&B’s voluntary disclosure; cooperation, including identification of individuals responsible for the alleged misconduct; and remediation, including disciplining responsible employees.

### Key Facts

**Citation.** *In the Matter of Dun and Bradstreet Corporation*, Admin. Proc. File No. 3-18446 (April 23, 2018).

**Date Filed.** April 28, 2018.

**Country.** China

**Date of Conduct.** 2006 – 2012.

**Amount of the Value.** \$6,077,820

**Amount of Business Related to the Payment.**

**Intermediary.** Agents; Subsidiary.

**Foreign Official.** Unnamed government officials in China.

**FCPA Statutory Provision.** Books-and-Records; Internal Controls.

**Other Statutory Provision.** None.

**Disposition.** Cease-and-Desist Order.

**Defendant Jurisdictional Basis.** Issuer.

**Defendant’s Citizenship.** United States.

**Total Sanction.** \$9,221,484

**Compliance Monitor/Reporting Requirements.** None

**Related Enforcement Actions.** None.