

In the Matter of Sridhar Thiruvengadam (2019)

Nature of the Business.

Cognizant Technology Solutions (“Cognizant”) is global information technology services provider headquartered in New Jersey. Sridhar Thiruvengadam, an Indian national, was the former Chief Operating Officer.

Cognizant maintains common stock registered under Section 12(b) of the Exchange Act that is publicly traded on NASDAQ. Cognizant India is a subsidiary based in India.

Influence to be Obtained.

According to the SEC, Thiruvengadam was aware of and helped conceal bribe payments in India which were paid to obtain planning permits for construction projects by Cognizant. The SEC alleges that Thiruvengadam was aware of bribery demands by Indian government officials and was aware of, but failed to prevent, a plan devised by Cognizant executives and officers to pay bribes through contracting firms and concealing the payments through fake contract change orders.

According to the SEC, despite Thiruvengadam’s knowledge, he signed falsified management subcertifications for Cognizant’s audits from 2014 through 2016. In so doing, Thiruvengadam falsely certified that he was unaware of any fraud implicating senior management, and the company’s CEO and CFO relied on this misrepresentation in signing and sending management representation letters to the company’s outside auditor. The auditor relied on this misinformation in issuing an opinion as to the company’s financial statements.

Enforcement.

On September 13, 2019, the SEC—taking into consideration Thiruvengadam’s agreement to cooperate in the SEC’s investigation and related enforcement actions—announced that Thiruvengadam agreed to pay a civil penalty of \$50,000 to settle charges that he violated the FCPA’s books-and-records and internal controls provisions and had agreed to cooperate with the SEC’s investigation or litigation of related violations arising from the conduct.

Key Facts

Citation. *In the Matter of Sridhar Thiruvengadam*, Admin. Proc. File No. 3-19446 (Sept. 13, 2019).

Date Filed. September 13, 2019.

Country. India.

Date of Conduct. 2014 – 2016.

Amount of the Value. Approximately \$2 million.

Amount of Business Related to the Payment. Not stated.

Intermediary. Contractor.

Foreign official. Unnamed government official.

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

Other Statutory Provision. None.

Disposition. Cease-and-Desist Order.

Defendant Jurisdictional Basis. Agent of Issuer.

Defendant’s Citizenship. India.

Total Sanction. \$50,000.

Compliance Monitor/Reporting Requirements. None.

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

Total Combined Sanction. \$50,000.