



U.S. Department of Justice

Criminal Division

*Fraud Section
Bond Building
1400 New York Avenue, NW
Washington, D.C. 20530*

August 27, 2024

Jason Halper
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Re: Boston Consulting Group, Inc.

Dear Counsel:

Consistent with the Criminal Division's Corporate Enforcement and Voluntary Self-Disclosure Policy, the Department of Justice, Criminal Division, Fraud Section and the United States Attorney's Office for the Southern District of New York (collectively, the "Government") have declined prosecution of your client, Boston Consulting Group, Inc. ("BCG" or the "Company"), for violations of the Foreign Corrupt Practices Act ("FCPA"), 15 U.S.C. § 78dd-2.¹ We have reached this conclusion despite evidence of bribery committed by employees or agents of the Company.

The Government's investigation found evidence that from in or about 2011 until in or about 2017, BCG, through its Lisbon, Portugal office, paid its agent in Angola the equivalent of approximately \$4.3 million in commissions to help BCG obtain business with agencies of the Angolan Government, in particular, the Angolan Ministry of Economy ("MINEC") and the National Bank of Angola ("BNA"). Certain BCG employees in Portugal were aware that the agent had close ties to Angolan Government officials and members of the ruling political party. BCG agreed to pay the agent 20 to 35 percent of the value of any government contracts procured and sent the funds to the agent's three different offshore entities. BCG's agent sent a portion of the commissions in Angolan currency to Angolan government officials associated with MINEC in connection with obtaining the BCG contracts. Certain BCG employees in Portugal took steps to

¹ Although the Criminal Division's Corporate Enforcement and Voluntary Self-Disclosure Policy applies to all FCPA matters handled by the Department of Justice, including matters jointly prosecuted by the Criminal Division and U.S. Attorneys' Offices, a declination with disgorgement would also be the appropriate result under the February 2023 U.S. Attorneys' Offices Voluntary Self-Disclosure Policy.

conceal the nature of the agent's work for BCG when internal questions arose, including by backdating contracts and falsifying the agent's purported work product. In total, the agent helped BCG secure eleven contracts with MINEC and one with BNA, which resulted in revenues of approximately \$22.5 million and profits for BCG in the amount of approximately \$14.424 million.

The Government has decided to decline prosecution of this matter based on an assessment of the factors set forth in the Criminal Division's Corporate Enforcement and Voluntary Self-Disclosure Policy and the Principles of Federal Prosecution of Business Organizations, Justice Manual 9-28.300, including but not limited to: (1) BCG's timely and voluntary self-disclosure of the misconduct, which occurred after BCG uncovered evidence, in the form of a 2014 email, of a potential FCPA violation; (2) BCG's full and proactive cooperation in this matter (including its provision of all known relevant facts about the misconduct, including information about the individuals involved) and its agreement to continue to cooperate with any ongoing government investigations and any prosecutions that have resulted or might result in the future; (3) the nature and seriousness of the offense; (4) BCG's timely and appropriate remediation, including termination of the personnel involved in the misconduct with compensation-based penalties, including requiring implicated BCG partners in Portugal to give up their equity in the Company, denying access to financial transition normally accorded to BCG employees leaving the firm, and withholding bonuses; (5) BCG's significant improvements to its compliance program and internal controls including formalizing employee training and vendor / client screening protocols, establishing local and global risk committees that meet regularly, and developing guidelines for opening offices in new and emerging markets; (6) the absence of aggravating circumstances, such as involvement by executive management, significant profit from the misconduct, egregiousness or pervasiveness of the misconduct, or criminal recidivism; and (7) the fact that BCG agrees to and will disgorge the amount of its ill-gotten gains.

Pursuant to this letter agreement, BCG agrees to continue to fully cooperate with the Government's ongoing investigation, including but not limited to the continued provision of any information and making available for interviews and/or testimony those officers, employees, or agents who possess relevant information, as determined in the sole discretion of the Government.

BCG further agrees to disgorge \$14,424,000 (the "Disgorgement Amount"), which represents the profit to BCG from the contracts secured by the agent, as calculated by the Government and agreed to by the Company.

This letter agreement does not provide any protection against prosecution of any individuals, regardless of their affiliation with BCG. If the Government learns information that changes its assessment of any of the factors outlined above, it may reopen its inquiry.

Sincerely,


GLENN S. LEON
Chief, Fraud Section
Criminal Division
Department of Justice

DANIEL M. GITNER
Chief
Criminal Division
Southern District of New York

BY:



NATALIE R. KANERVA
Trial Attorney, Fraud Section
JONATHAN P. ROBELL
Assistant Chief, Fraud Section



DAVID FELTON
Assistant United States Attorney
JESSICA FEINSTEIN
Special Assistant United States
Attorney

I have read this letter agreement and carefully reviewed every part of it with outside counsel for Boston Consulting Group, Inc. The Executive Committee of the Board of Directors of Boston Consulting Group, Inc. has been advised of the terms of this letter agreement. I understand the terms of this letter agreement and, on behalf of Boston Consulting Group, Inc., voluntarily agree and consent to the facts and conditions set forth herein, including to pay the Disgorgement Amount and to continue to cooperate with the Government.

Date: 27 August 2024

BY:



Ulrike Schwarz-Runer
Chief Legal Officer and General Counsel
Boston Consulting Group, Inc.