

SAP Settles Foreign Bribery Investigation with \$220 Million Agreement



German software giant SAP SE has agreed to pay over \$220 million to resolve a foreign bribery investigation by US authorities. The settlement involving the Justice Department and the Securities and Exchange Commission reflects a significant step in enforcing corporate regulations.

Allegations and Deferred-Prosecution Agreement

The investigation focused on two bribery schemes SAP and its co-conspirators orchestrated to influence government officials in South Africa and Indonesia. The Department of Justice (DOJ) revealed that the company engaged in illicit practices, including cash payments, political contributions, and the provision of luxury goods, spanning from 2013 to 2018. These tactics were employed to secure business deals in South Africa from 2013 to 2017 and Indonesia from 2015 to 2018. Additionally, SAP was charged with two counts of conspiracy to violate the Foreign Corrupt Practices Act.

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SAP entered into a three-year deferred-prosecution agreement with the DOJ as part of the resolution. This agreement stipulates that the US won't pursue prosecution if SAP adheres to specific conditions, including cooperation in ongoing or future criminal investigations related to the matter.

Enforcement Strategy in Action

US authorities view this settlement as a demonstration of their corporate enforcement strategy. The Department of Justice emphasizes the effectiveness of incentivizing companies to cooperate in investigations and rectify internal issues. This approach is highlighted through SAP's acceptance of responsibility for corrupt practices and its commitment to mitigating the impact on honest businesses involved in global commerce.

Past Agreements and Commitments

This isn't the first time SAP has faced legal repercussions. The company has previously negotiated with US authorities about violations of bribery and export law. In response to the current settlement, SAP issued a separate statement, asserting that the implicated schemes are in the past and the company has taken measures to prevent a recurrence. SAP claims to have severed ties with responsible parties over five years ago and significantly bolstered its global compliance program and internal controls.

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Future Vigilance

Jessica D. Aber, the US attorney for the Eastern District of Virginia, underscored the commitment to prosecuting bribery cases vigorously. Aber emphasized the importance of protecting domestic companies that adhere to the law while participating in the international marketplace. The settlement signifies SAP's acknowledgment of its wrongdoing and the collaborative effort with US authorities to rectify the situation.

Don't be a silent ninja! Let us know your thoughts in the comment section below.