



U.S. Department of Justice

Criminal Division

*Fraud Section
1400 New York Avenue, NW
Washington, D.C. 20005*

June 21, 2017

Nathaniel B. Edmonds
Paul Hastings LLP
875 15th St NW
Washington, DC 20005

Dear Mr. Edmonds,

Consistent with the FCPA Pilot Program announced April 5, 2016, the Department of Justice, Criminal Division, Fraud Section (the "Department") is closing its investigation of your client, CDM Smith Inc. ("CDM Smith"), a privately held engineering and construction firm incorporated and headquartered in Boston, Massachusetts, concerning violations of the Foreign Corrupt Practices Act (the "FCPA"), 15 U.S.C. § 78dd-2.

The Department's investigation found that CDM Smith, through its employees and agents, and those of its wholly owned subsidiary in India ("CDM India"), paid approximately \$1.18 million in bribes to government officials in India in exchange for highway construction supervision and design contracts and a water project contract resulting in approximately \$4 million in net profits.

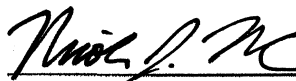
From approximately 2011 until approximately 2015, employees of CDM Smith's division responsible for India operations and CDM India illegally paid bribes to officials in the National Highways Authority of India ("NHAI"), India's state-owned highway management agency and an "instrumentality" under the FCPA, in order to receive contracts from NHAI. The bribes generally were 2-4% of the contract price and paid through fraudulent subcontractors, who provided no actual services and understood that payments were meant to solely benefit the officials. In addition, CDM Smith's division responsible for India and CDM India paid \$25,000 to local officials in the Indian state of Goa in relation to a water project contract. All senior management at CDM India (who also acted as employees and agents of CDM Smith and signed contracts on behalf of CDM Smith, including CDM India's country manager) were aware of the bribes for CDM Smith and CDM India contracts, and approved or participated in the misconduct.

The Department's decision to close its investigation of this matter is based on a number of factors, including but not limited to: (1) CDM Smith's timely, voluntary self-disclosure of the matters described above; (2) CDM Smith's thorough and comprehensive investigation; (3) CDM Smith's full cooperation in this matter (including its provision of all known relevant facts about the individuals involved in or responsible for the misconduct); (4) CDM Smith's agreement to disgorge to the Department all profits it made from the illegal conduct; (5) the steps CDM Smith has taken and continues to take to enhance its compliance program and its internal accounting controls; and (6) CDM Smith's full remediation, including but not limited to terminating all of the executives and employees who were involved in or directed the misconduct.

Pursuant to this letter agreement, CDM Smith agrees to disgorge \$4,037,138 USD (the "Disgorgement Amount"), which represents the profit to CDM Smith from the illegally obtained contracts in India. CDM Smith shall pay \$1,037,138 of the Disgorgement Amount to the United States Treasury within ten (10) business days of its execution of this letter, \$1,000,000 by August 1, 2017, \$1,000,000 by September 1, 2017, and \$1,000,000 by October 1, 2017. CDM Smith acknowledges that no tax deduction may be sought in connection with any part of its payment of the Disgorgement Amount. CDM Smith further agrees that it will not seek or accept directly or indirectly reimbursement or indemnification from any source with regard to the Disgorgement Amount.

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

Sincerely,

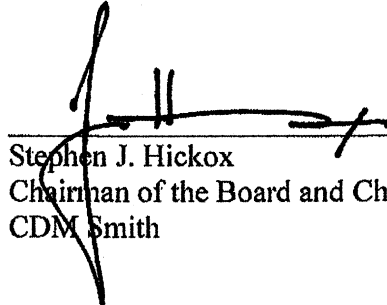


Nicola J. Mrazek, Senior Litigation Counsel
Daniel Kahn, Chief
Foreign Corrupt Practices Act Unit
Fraud Section

CDM Smith agrees and consents to the facts and conditions set forth herein:

Date: 6/29/2017

BY:



Stephen J. Hickox
Chairman of the Board and Chief Executive Officer
CDM Smith