

HP Cooperating With Germany, U.S. in Probe

By [The Moscow Times](#)

August 15, 2010

The  Moscow Times

WASHINGTON — Hewlett-Packard said Thursday that it was cooperating with U.S. and German authorities investigating allegations that three company executives used bribes to win a contract to sell computer gear to the Russian Prosecutor General's Office.

German prosecutors have been looking into whether the executives, plus at least six accomplices who did not work for the company, paid bribes totaling 8 million euros (about \$10.3 million) to win a 35 million euro contract to supply computers, software and hardware to the Russians.

Prosecutors say at least two of the executives no longer work for HP.

The Wall Street Journal reported Thursday that the U.S. Justice Department has asked HP to hand over internal documents to German prosecutors after they complained that the company had refused to provide them with relevant records.

The U.S. Securities and Exchange Commission is also investigating possible violations of the Foreign Corrupt Practices Act, which prohibits bribes to foreign officials. Russian officials, who raided HP's Moscow offices in April at the request of German prosecutors, have joined the investigation, as well.

"HP is and has been fully cooperating with all authorities on this matter," the company said in a statement.

The Justice Department and the SEC declined comment.

The latest development came just days after HP CEO Mark Hurd abruptly resigned following an investigation into sexual harassment claims.

The company said it found that its sexual harassment policy was not violated, but it uncovered falsified expense reports connected to dinners and other meetings with the woman who made those claims, actress Jodie Fisher.

Hurd has settled with Fisher for an undisclosed sum.

HP, based in Palo Alto, California, is the world's largest personal computer maker.

The contract for the Russian deal was signed in 2000, and the deliveries continued until 2006 or 2007, German authorities have said.

The three executives were arrested in Germany and Switzerland in December and later freed on bail. The participants are suspected of offenses including breach of trust, tax evasion and money laundering, authorities said.

Authorities say it is unclear who took the bribes, which flowed through a network of foreign firms and bank accounts.

The matter came to the attention of Dresden prosecutors when a tax office in Germany's Saxony state inspected a local company whose account was used in the kickback scheme, authorities said.

Original url:

<https://www.themoscowtimes.com/2010/08/15/hp-cooperating-with-germany-us-in-probe-a640>