

HP Says Bribery Investigation Expanded

By The Moscow Times

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The company said it was cooperating in the expanded probe, which will look into deals dating back to 2000. **Ramin Talaie**

A bribery investigation into a Hewlett-Packard government contract in Russia has broadened to include more deals dating back to 2000, the U.S. computer giant said in a statement Friday.

HP said it was cooperating with authorities, "who have now expanded their investigations beyond" a transaction with the Prosecutor General's Office.

In April, it emerged that U.S. and German authorities were investigating whether HP employees in a German subsidiary had engaged in a bribery scheme involving a 35 million euro (\$44.5 million) contract to provide IT equipment to the office. The contract ran from 2001 to 2006.

Russian authorities in April raided HP's Moscow offices at the behest of German prosecutors.

The U.S. Department of Justice and Securities and Exchange Commission have been probing

the Russia deal and possible violations of the Foreign Corrupt Practices Act.

In a regulatory filing on Thursday, HP disclosed that U.S. authorities had also recently asked for information from HP relating to "governmental and quasi-governmental transactions" in Russia and the Commonwealth of Independent States region dating back to 2000.

In addition, HP said <u>in its regulatory filing</u> that German prosecutors had recently requested information on several "nonpublic sector transactions" entered into by HP in or around 2006, involving at least one person also involved in the prosecutor's office contract.

"HP does not give bribes. For us, it is a matter of principle," Alexander Mikoyan, managing director at HP Russia, said Friday in an interview with The Moscow Times.

"We are a big company and it may be difficult to preclude individuals from doing things they will regret later, but we have a special system, a set of rules in place, and we adjust them accordingly to ensure that likelihood of these mistakes being repeated is significantly lower," he said, without specifically referring to the new investigation.

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