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Ex-Siemens Director in Graft Trial

By The Moscow Times

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MUNICH — Former Siemens management board member Thomas Ganswindt appeared in a Munich court Thursday on charges that he failed to halt bribes paid in Nigeria and Russia.

The Munich Regional Court is scheduled to hear the case against Ganswindt, the first senior executive to go on trial in the scandal. He faces three counts of tax evasion and inadequately supervising a company by failing to halt corrupt payments.

"We see that attitudes of both prosecutors and companies in handling these issues have changed compared with a decade ago," Christian Schroeder, criminal law professor at Germany's Halle University said about the case.

Ganswindt's attorney, Michael Rosenthal, said he wouldn't comment before the trial started. Siemens spokesman Jörn Roggenbuck declined to comment.

The Siemens corruption scandal broke in 2006 and led to investigations in at least a dozen countries. Siemens agreed to pay $1.6 billion to settle probes in the United States and

Germany in 2008. Probes against other managers are continuing.

Ganswindt headed Siemens's former communications unit from 2001 to 2004, when he became a member of the company's central management board. By mid-2003, he had learned on several occasions about corruption allegations at the company, according to the indictment. Had he investigated, he could have uncovered a system of slush funds at Siemens, prosecutors claim.

Since July 2003, about $41.2 million was diverted from Siemens into slush funds that were used to bribe officials in Nigeria and managers of Russian customers, prosecutors said. Ganswindt could have prevented that, prosecutors claim.

Siemens has sued Ganswindt for $6.65 million for failing to halt the corruption.

Ganswindt was also charged with another seven counts of aiding to bribe foreign officials. The court hasn't yet ruled on whether that part of the charges may go to trial and will handle it separately, court spokeswoman Margarete Noetzel said last month.

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