

Sun Micro: We may have broken US anti-bribery law

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(AP) -- Sun Microsystems Inc. may have broken anti-bribery laws with its actions in an unspecified location outside the United States, a revelation that would-be acquirer Oracle Corp. knew about before inking its \$7.4 billion takeover deal.

It's unclear what Sun's admission Friday will mean for the company.

Sun said in a regulatory filing that it found "potential violations" of the Foreign Corrupt Practices Act, which prohibits U.S. companies from bribing foreign government officials to drum up business.

Sun wouldn't say what happened or where it happened, only that it "took remedial action" and alerted the Justice Department and the Securities and Exchange Commission, both of which are investigating.

If a violation is found, the punishment can range from a fine to criminal charges to even a ban on working with the U.S. government, a major source of Sun's revenue. Sun declined to comment beyond the filing.

Many cases involving a violation of this law, however, end with a slap on the wrist, usually just a fine. All kinds of companies have been ensnared.

In 2007, networking provider Alcatel-Lucent agreed to pay \$2.5 million to settle charges that Lucent Technologies, before it was bought by Alcatel SA in 2006, illegally paid for hundreds of trips for Chinese officials to win contracts.

In a separate case, IBM Corp. agreed in 2000 to pay \$300,000 to settle allegations that its Argentina subsidiary was involved in bribing officials of a government-owned bank to win a contract to upgrade the bank's computer systems.

Oracle said in its own filing Friday that it learned of the possible violations before signing its agreement to buy Sun last month.

The deal is expected to close this summer and shouldn't face antitrust objections because the companies have very little overlap. A takeover by Sun's previous suitor, IBM, which Oracle beat out in bidding for Sun, would have been more complicated.

Oracle wants Sun because it's trying to assemble its own one-stop technology shop, similar to what IBM and HP have, to sell services, software and hardware.

Shares of Santa Clara-based Sun rose 3 cents to close at \$9.13. Shares in Oracle, based in Redwood Shores, slipped 10 cents to close at \$18.32.

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