

Tech companies settle DOJ hiring inquiry

September 24 2010, By JOELLE TESSLER , AP Technology Writer

(AP) -- The Justice Department has reached an agreement with six major Silicon Valley companies to settle allegations that they colluded to hold down payroll expenses by agreeing not to poach employees from each other.

The [settlement](#), filed in the U.S. District Court for the District of Columbia late Friday, names [Google](#) Inc., Apple Inc., Intel Corp., [Adobe Systems](#) Inc., Intuit Inc. and Walt Disney Corp.'s Pixar Animation Studios.

The Justice Department was investigating whether the companies pledged not to use "cold calls" to recruit business partners' employees, as part of their partnership agreements. The government was concerned that these promises amounted to a form of price-fixing collusion to avoid bidding wars for employees with specialized skills.

These agreements, the Justice Department said, "eliminated a significant form of competition to attract highly skilled employees." The deals also deprived employees of access to better job opportunities.

The settlement bars the companies from entering into such "no-solicitation agreements" for employees for a period of five years.

In a statement, Intel spokesman Chuck Mulloy said, "[Intel](#) does not believe its actions violated the law, nor does the company agree with the allegations. The company is settling the matter because it believes it would not harm the company or its ability to do business."

Google planned to post its statement about the settlement later Friday afternoon. The Internet search leader maintains the recruiting restrictions didn't deter motivated [employees](#) from finding higher-paying jobs. Google says it has hired hundreds of workers away from the five other companies involved in the settlement.

Intuit general counsel Laura Fennell said in a statement that the company does not believe it did anything wrong.

"We do not intend to enter into the types of broad non-solicit agreements that are prohibited by the settlement," Fennell said. "The terms of the settlement will not have a significant impact on our business, so we have decided to resolve this matter."

The other companies did not immediately return calls seeking comment.

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