

US probes HP's Autonomy fraud allegations

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Computer maker Hewlett-Packard headquarters is seen in Diegem on January 12, 2010. US authorities are probing allegations by Hewlett-Packard that a British software firm it bought out had fraudulent accounts, the US tech giant said in its annual report released.

US authorities are probing allegations by Hewlett-Packard that a British software firm it bought out had fraudulent accounts, the US tech giant said in its annual report released Thursday.

On November 20, HP reported a writedown of \$8.8 billion, including

more than \$5 billion it attributed to inflated data from [Autonomy](#), acquired by HP in 2011 for more than \$10 billion.

The Californian demanded US and British authorities investigate Autonomy, saying "accounting improprieties" before the acquisition led to an "overvalued" acquisition price, which forced HP to take the huge writedown in value.

"On November 21, 2012, representatives of the US Department of Justice advised HP that they had opened an investigation relating to Autonomy," HP said, in its report filed with the US [Securities and Exchange Commission](#).

HP said it had also provided information to the UK Serious Fraud Office and the US Securities and Exchange Commission "related to the accounting improprieties, disclosure failures and [misrepresentations](#) at Autonomy that occurred prior to and in connection with HP's acquisition of Autonomy."

"HP is cooperating with the three investigating agencies," it said.

HP's call for a probe came in November as it reported a \$6.9 billion [quarterly loss](#), of which \$5.5 billion was linked to Autonomy and the rest to the slumping value of HP's own [share price](#).

HP said at the time it had launched an internal investigation "after a senior member of Autonomy's leadership team came forward."

As a result, HP said it believed "that Autonomy was substantially overvalued at the time of its acquisition."

Mike Lynch, founder of the software group Autonomy, has said that members of his management team are being unjustly blamed for the

writedown.

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