

HP to pay \$108 million in US to settle bribery probes

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The settlement covers criminal and civil investigations under the Foreign

Corrupt Practices Act, according to a statement from the US Securities & Exchange Commission.

According to authorities, the California company's subsidiary in Russia paid more than \$2 million through agents and various shell companies to a Russian government official to retain a multimillion dollar contract with the federal prosecutor's office.

In Poland, gifts and cash [bribes](#) worth more than \$600,000 were paid to a Polish government official to obtain contracts with the national police agency.

And in Mexico, HP paid more than \$1 million in inflation commissions to a consultant to win a software sale to Mexico's state-owned petroleum company Pemex, and some of that money was funneled to a company official.

"Hewlett-Packard subsidiaries created a slush fund for bribe payments, set up an intricate web of shell companies and bank accounts to launder money, employed two sets of books to track bribe recipients, and used anonymous email accounts and prepaid mobile telephones to arrange covert meetings to hand over bags of cash," said Deputy Assistant Attorney General Bruce Swartz in a statement.

Kara Brockmeyer, an SEC enforcement official, said HP lacked internal controls and allowed the bribes to be recorded "as legitimate commissions and expenses."

According to US [officials](#), the bribes in Mexico were paid from 2008 to 2009, in Poland from 2006 to 2010 and in Russia from 2000 to 2007.

HP acknowledged the settlement in a separate statement and noted that it calls for "certain compliance, reporting and cooperation obligations."

"The misconduct described in the [settlement](#) was limited to a small number of people who are no longer employed by the company," said John Schultz, executive vice president and general counsel for the company.

"HP fully cooperated with both the Department of Justice and the Securities and Exchange Commission in the investigation of these matters and will continue to provide customers around the world with top quality products and services without interruption."

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