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HP reportedly under investigation for bribery

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Hewlett-Packard is being scrutinized by authorities in Germany and Russia for paying bribes to win a contract to sell computers to the Russian government, according to The Wall Street Journal.

The Journal cites "people familiar with the matter" in reporting that [German prosecutors are investigating whether HP paid \\$10.9 million](#) for the chance to sell a sophisticated computer system providing secured communications to the Russian prosecutor general's office through a German subsidiary company.

HP's offices in Moscow were reportedly raided Wednesday by Russian investigators looking into the matter on behalf of the German prosecutors. Specifically, they were looking for evidence that HP used a series of shell companies in a variety of countries-- Britain, Austria, Switzerland, the British Virgin Islands, Belize, New Zealand, Latvia, Lithuania, and the U.S.--to create a fund that paid the Russian prosecutor's office.

The German authorities also are looking into allegations of breach of trust, tax evasion, and money laundering by HP, though they are focusing on 10 individuals.

The contract between HP and the Russian prosecutor's office was initially signed August 1, 2003, though tracking down the people involved has apparently been difficult. The signature of the Russian official who signed the contract is apparently illegible, and the name of the HP signatory has not been made public, the Journal says.

While the news is just leaking out to the public now, HP has known about the investigation since December, when it was served search warrants for 10 suspects. The

PC maker has hired lawyers "to assist prosecutors in their investigation," HP told the Journal.

"This is an investigation of alleged conduct that occurred almost seven years ago, largely by employees no longer with HP," an HP spokesperson said in a statement to CNET. "We are cooperating fully with the German and Russian authorities and will continue to conduct our own internal investigation."

Updated at 8:05 p.m. PDT: *with HP comment.*



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