

April 20, 2009

Hewlett-Packard Company
3000 Hanover Street
Palo Alto, CA 94304-1185

Dear Sir or Madam:

The Project On Government Oversight (POGO) has updated its Federal Contractor Misconduct Database (<http://www.contractormisconduct.org/>), a compilation of information from public resources regarding government contractors, including Hewlett-Packard. I have enclosed the findings relevant to your company, and I am seeking verification of this data.

Any response would be greatly appreciated, as the accuracy of this information is in the best interest of all parties. Out of fairness to Hewlett-Packard, please be assured that any response received by POGO will be posted on the website along with the data. Please note that the database includes pending instances, but these are kept separate from resolved instances and are not included in the totals.

If you have any questions, I can be reached at (202) 347-1122. Thank you for your time and consideration.

Sincerely,

Neil Gordon
Investigator

Enclosure

Instances

Boardroom Leak Investigation (SEC)

Date: 05/23/2007 (Date of Order)

Misconduct Type: Securities

Enforcement Agency: SEC

Contracting Party: None

Court Type: Administrative

Amount: \$0

Disposition: Settlement

Synopsis: The Securities and Exchange Commission settled administrative charges against Hewlett-Packard for failing to disclose the reasons for a director's abrupt resignation during HP's investigation into leaks of confidential information about board meetings to the media. The SEC found that several months before the public revelation of the company's leak investigation, an HP director objected to the company's handling of the matter and resigned from the board in May 2006, yet HP failed to disclose the reasons for his resignation as required by federal securities laws. The SEC charged HP with violating the public reporting requirements of the Securities Exchange Act of 1934. Without admitting or denying the SEC's findings, HP consented to an order that it cease and desist from committing or causing violations of these provisions. See related Hewlett-Packard instance, "Boardroom Leak Investigation (California)." See related Hewlett-Packard instances, "Boardroom Leak Investigation (California)" and "Boardroom Leak Investigation (Stockholder Derivative Lawsuits)."

Boardroom Leak Investigation (Stockholder Derivative Lawsuits)

Date: 12/14/2007 (Date of Settlement)

Misconduct Type: Securities

Enforcement Agency: Non-Governmental

Contracting Party: None

Court Type: Civil

Amount: \$6,300,000

Disposition: Settlement

Synopsis: Stockholder derivative lawsuits filed in California and Delaware on behalf of HP stockholders sought to recover damages for alleged breach of fiduciary duty as a result of the activities of the boardroom leak investigation (see Hewlett-Packard instances "Boardroom Leak Investigation (California)" and "Boardroom Leak Investigation (SEC)"). In December 2007, HP and the plaintiffs in the California and Delaware derivative actions entered into an agreement to settle those lawsuits. Under the terms of the settlement, HP agreed to continue certain corporate governance changes until December 31, 2012 and to pay the plaintiffs' attorneys' fees (\$3.8 million for California counsel and \$2.5 million for Delaware counsel).

Cornell University v. HP (Patent Infringement)

Date: 12/27/2001 (Date of Filing)

Misconduct Type: Intellectual Property

Enforcement Agency: Non-Governmental

Contracting Party: None

Court Type: Civil

Amount: \$184,044,048

Disposition: Judgment Against Defendant

Synopsis: Cornell University and the Cornell Research Foundation, Inc. alleged that HP's PA-RISC 8000 family of microprocessors, and servers and workstations incorporating those processors, infringed a patent assigned to Cornell Research Foundation. In May 2008, a jury returned a verdict in favor of the plaintiffs in the amount of \$184 million.

Boardroom Leak Investigation (California)

Date: 12/07/2006 (Date of Settlement Announcement)

Misconduct Type: Labor

Enforcement Agency: State/Local

Contracting Party: None

Court Type: Civil

Amount: \$14,500,000

Disposition: Settlement

Synopsis: California's attorney general investigated allegations that Hewlett-Packard unlawfully spied on its own employees and directors to discover the source of leaks of confidential information about board meetings to the media. In December 2006, HP entered into an agreement with the attorney general by which it did not admit wrongdoing and paid \$14.5 million. See related Hewlett-Packard instances, "Boardroom Leak Investigation (SEC)" and "Boardroom Leak Investigation (Stockholder Derivative Lawsuits)."

Pending Instances

Skold v. Intel Corporation and HP (Pentium 4 Lawsuit)

Date: 06/14/2004 (Date of Filing)

Misconduct Type: Consumer Affairs

Enforcement Agency: Test.

Contracting Party: None

Court Type: Civil

Amount: \$0

Disposition: Pending

Synopsis: A lawsuit pending in state court in Santa Clara County, California, alleges that HP and microprocessor manufacturer Intel misled the public by misrepresenting the performance capabilities of the Intel Pentium 4 processor.

Baggett v. HP (LaserJet Printer Lawsuit)

Date: 06/06/2007 (Date of Filing)

Misconduct Type: Consumer Affairs

Enforcement Agency: Non-Governmental

Contracting Party: None

Court Type: Civil

Amount: \$0

Disposition: Pending

Synopsis: A lawsuit pending in the United States District Court for the Central District of California alleges that HP employs a technology in its LaserJet color printers whereby the

printing process shuts down prematurely, preventing customers from using toner remaining in the cartridge.

Rich v. HP (Inkjet Printer Lawsuit)

Date: 05/22/2006 (Date of Filing)

Misconduct Type: Consumer Affairs

Enforcement Agency: Non-Governmental

Contracting Party: None

Court Type: Civil

Amount: \$0

Disposition: Pending

Synopsis: This class action lawsuit alleges that HP designed its color inkjet printers to unnecessarily use the more expensive color ink in addition to the black ink when printing black and white images and text.

Schorsch v. HP (LaserJet Printer Lawsuit)

Date: 10/28/2003 (Date of Filing)

Misconduct Type: Consumer Affairs

Enforcement Agency: Non-Governmental

Contracting Party: None

Court Type: Civil

Amount: \$0

Disposition: Pending

Synopsis: A lawsuit pending in Illinois state court alleges that HP included an electrically erasable programmable read only memory (EEPROM) chip in certain of its LaserJet printers that prematurely advises the user that the drum kit needs replacing.

Alliance Benefits False Claims Act Lawsuit

Date: 04/12/2007 (Date of Filing)

Misconduct Type: Government Contract Fraud

Enforcement Agency: Multiple Agencies

Contracting Party: Multiple Agencies

Court Type: Civil

Amount: \$0

Disposition: Pending

Synopsis: The U.S. Department of Justice joined Norman Rille and Neal Roberts' civil qui tam lawsuit alleging violations of the False Claims Act and the Anti-Kickback Act of 1986 by HP and other technology companies. The companies are accused of participating in an industry-wide practice of using partnership and alliance programs to make improper payments and cause the submission of false claims in connection with government IT contracts. The Department of Justice alleges an industry-wide scheme where companies provided millions of dollars in improper payments, known as "alliance benefits," to each other, causing the federal government to make payments to the companies which they were not entitled to receive under the contracts.