

HP execs: Spy scandal was ethical wake-up call

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WASHINGTON--Hewlett-Packard's top ethics and privacy executives on Thursday said a now infamous investigation into boardroom media leaks was a "wake-up call" that prompted a shakeup in the company's operations.

The gaffe's silver lining is that a host of "tighter processes and controls" are now in place, said Jonathan Hoak, the company's chief ethics and compliance officer, at a luncheon meeting here with a small group of journalists.

For instance, at the end of last year, the company launched a special program to screen outside investigative firms before hiring them to conduct inquiries into allegations of misconduct by employees or board members, he said. He described the new process as "broader than putting a phrase in the contract that says, 'You won't use pretexting and you will adhere to ethics.'" After thorough vetting, HP has cleared a "small number" of firms on which it believes it can now safely rely, he added.

The changes are a direct response to [the brouhaha](#) last year in

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which HP executives admitted that outside investigators had used a technique called "pretexting," or posing as someone else to obtain phone records of reporters and board members suspected of involvement in press leaks. Then-board Chairman Patricia Dunn, who ordered the investigation, said she had been unaware of the technique's use and [called it "embarrassing."](#)

The high-profile events, which helped spur the enactment of legislation that specifically [criminalizes pretexting](#) for telephone records, signaled gaps in the system that had earned HP a reputation for high ethical standards, said Chief Privacy Officer Scott Taylor.

"It was not consistent with the values of our company, our privacy policy and our practices, and it was certainly not consistent with decades of ethical behavior," said Taylor, who was named to the post in June.

In addition to the investigator screening program, the company is banking on an emphasis on ethics voiced by the top of its executive ranks. While addressing the company's top-ranking 150 people at an internal conference two weeks ago, HP CEO Mark Hurd said one of his top dozen priorities was "building a world-class ethics and compliance program," Hoak said.

"I think that wouldn't have been on the list a year ago," said the top ethics officer. He added that he has traveled to company outposts in countries such as Russia, Hungary and Romania in recent months to deliver speeches reminding employees of HP's corporate values.

Hoak acknowledged the stepped-up efforts are not foolproof.

"In the end, you can't always prevent someone from being a cowboy," Hoak said. "You're always going to have people who are trying to cut corners, so you've got to be vigilant."

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