

Mark Hurd
Congressional Testimony
Oral Remarks
Sept. 28, 2006

Mr. Chairman, members of the Committee, thank you for the opportunity to appear before you today.

My name is Mark Hurd. I am with the Hewlett-Packard Company.

I know that you have heard a lot of testimony and know you have a lot of questions as a result. But before we do get to those, I would like to try to provide a larger context to what you have heard.

What is really hardest for me to explain is this: HP is a company that has consistently earned recognition for our adherence to standards of ethics, privacy and corporate responsibility. And yet these practices that we have taken such pride in have recently been violated by people inside the company and by people outside the company whom we hired. This committee rightfully wonders what happened.

What began as a proper and serious inquiry of leaks to the press of sensitive company information became a rogue investigation that violated our own principles and values. There is no excuse for this aberration. It happened and it will never happen again.

Before I do anything else, I want to apologize to those whose privacy was infringed upon. This includes nine journalists and their families, two current HP employees, seven former or current HP Board members and their families. To varying degrees, these individuals were investigated through the use of pretexting, a technique used to obtain their telephone call information.

In addition to a heartfelt apology, I want those whose privacy was violated to know that we will soon provide to the victims the details regarding the information obtained about them, the means by which it was obtained and when it was obtained.

I also want to apologize to the employees of Hewlett-Packard who on a daily basis carry on their work with the highest integrity. They are the reasons HP has been recognized so often for their ethics. This current mess in no way reflects upon the vast amount of our employees, their work or their reputation.

The question remains: how did such an abuse of privacy occurred in a company renowned for its commitment to privacy?

And it's an age-old story that the ends came to justify the means. The investigation team became so focused on finding the source of the leaks that they lost sight of the values of this company. They lost sight of the values that this company has always represented.

This company was built on integrity. If Bill Hewlett and David Packard were alive today, they would be appalled. They would be embarrassed. And that is the way the great majority of the people in our company feel.

Members of the committee, I want you to know I am not putting myself above the breakdown that occurred. I wish I had asked more questions. There are signs which I wish I had caught. I am responsible for the company, which means I am responsible for fixing it and leading it forward through this hard time.

Our culture, our core, which we call the H-P Way, remains strong and ethical. But, clearly, changes are in order. Mistakes will happen—and these are very serious and unsettling ones that we've been discussing. But what matters ultimately is how a company addresses the mistakes. HP has taken specific actions and will take further actions in the days and weeks ahead.

We have accepted the resignation of our previous chairman and our general counsel. Other employees have left the company.

We have appointed a new lead independent director.

We have appointed Bart Schwartz, the former head of the criminal division of the US Attorney's Office under Rudy Giuliani, to do an

assessment of current practices and develop future best practices so that our processes will always be legal, ethical, appropriate and without peer.

We are putting into place new measures to maintain the highest levels of information privacy.

In summary, the big picture of what happened is that we began an investigation of our Board for leaks and have ended up investigating our investigation.

I pledge three things to the committee, to our employees, to our shareholders, and to those whose privacy was violated.

I pledge that I will dig harder and deeper and I will get to the bottom of this.

I pledge that HP will take whatever steps necessary to make sure nothing like this ever happens again.

And I pledge that this company will regain not just its reputation as a model citizen with the highest ethical standards, but we will regain our pride.

Thank you for the privilege of speaking today and Mr. Chairman I will be happy to answer any of your questions.