

The mysterious circumstances of Hurd's departure

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After listening to the vague explanations of why Mark Hurd resigned, I'm still left wondering:

Did he really have to go? Or did Hewlett-Packard's board panic?

We may never know. No doubt the parties have signed blood oaths requiring total silence. And there's the ever-present threat of litigation that will have everyone looking over their shoulders for months.

But based on what was disclosed Friday, it's still unclear what Hurd's major misdeed was. (I'm absolutely not defending what he did, of course.) All sides seem to agree that there was no affair between Hurd and the mystery woman. And officially, the company's investigation found no evidence of sexual harassment, though that's not likely to quell the snickering and jokes. (HP does not stand for Hanky Panky, by the way.)

No, supposedly the issues revolve solely around Hurd's expense reports, which, sources have told the Mercury News, involved an amount between \$1,000 and \$20,000, money that Hurd probably keeps in his shoe.

It's hard to imagine that one of the best-paid CEOs in the United States (almost \$70 million the past two years) was simply caught fudging some receipts. HP said the amount didn't really matter. What mattered was the issue of integrity.

Ah, integrity. Now there's a word that really opens some old wounds at HP.

Think back to when Hurd was hired five years ago. HP was reeling from the tumultuous tenure of Carly Fiorina.

Hurd was the straight, boring man brought in to clean up that mess and reboot HP's reputation. Get it back to the good old days when it was the lion of Silicon Valley. Not long after he arrived, the HP spying scandal erupted, in which the company was accused of monitoring journalists and employees to find the source of leaks of company information. Hurd wasn't implicated, and he was named board chairman to replace Patricia Dunn, who resigned as a result of the controversy.

Since then, Hurd has done everything he can to make HP a lusterless juggernaut that was all business.

Then came the letter on June 29 from the woman's attorney, Gloria Allred, whose clients have included a host of minor Hollywood celebrities, reality TV stars, and even one of Tiger Wood's alleged mistresses.

While the board said the allegations of sexual harassment made by Allred's client didn't hold up, and a statement from Allred's firm late Friday says there was no sex, no affair, it's hard to believe that nothing happened. Even Hurd's own statement implied some poor judgment.

Who'll rescue HP now?

The impression left is that while we don't know exactly what occurred, it must have been pretty awful.

Because if this just involved the expense reports, why would you chuck aside one of the most successful chief executives of Silicon Valley over a minor transgression?

And you have to wonder how things seemed to turn so poisonous between Hurd and the board, which just weeks ago had been negotiating his new contract, according to a source familiar with the story. How did this go sideways so quickly?

All of this remains mystifying.

Perhaps the board hoped that decisive action would allow it avoid a lengthy public relations backlash and move on from this mess quickly. Instead, HP is right back where it was four years ago, saddled with a reputation as a scandal-plagued company that's lost its moral center. And hoping to find another white knight off in the horizon to ride to its rescue.

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