Olympus ex-CEO Woodford resigns from board

YURI KAGEYAMA - AP Business Writer - Associated Press

Michael Woodford, who was fired as chief executive of Japanese camera and medical equipment company Olympus after blowing the whistle on dubious spending, said Thursday that he is resigning from the board.

Woodford said the decision was difficult because he still cares about Olympus Corp. and hopes it will come clean. Woodford was still a member of the board because dismissal from it can only be done by shareholders.

Although it initially denied wrongdoing, Tokyo-based Olympus has acknowledged a $687 million payment for financial advice and expensive acquisitions to cover up investment losses dating to the 1990s.

"It has been a difficult decision for me to resign from a company that I have devoted my entire life to," said Woodford, 51, a Briton who worked at Olympus for about three decades and became a rare foreigner to head a major Japanese company.

But he said he lost hope that the Olympus board would move toward reform after seeing a Nov. 28 message from Olympus' new president, Shuichi Takayama. He said he now thinks that the Olympus board will not change.

He also said stakeholders should decide who should lead Olympus and called for a shareholders meeting. He will be working with stakeholders to propose a new board, he said.

Woodford, fired Oct. 14, has called for the entire board to resign and to bring in outside members to the board for more transparency.

Olympus' bookkeeping is now under investigation in Japan, the U.S. and Great Britain. The fiasco has evolved into one of Japan's biggest corporate scandals.

Woodford was in Japan last week to speak with Japanese prosecutors and police and also spoke with the Olympus board during the visit. He says he is also speaking with U.S. and British authorities.

Speculation is rife that the amount that Olympus has falsified in its financial reports could be massive. Japanese magazine Facta was first to report on the dubious money.

Olympus must submit a proper financial report by Dec. 14, or it risks being delisted by the Tokyo Stock Exchange.

"I am strongly of the view that it's completely inappropriate for the current management team who are tainted by its past mistakes to make choices about the

identity of new board members," Woodford said in a statement.

At the center of the scandal is the compensation Olympus paid for advice when it bought British medical instruments maker Gyrus Group in 2008.

Tsuyoshi Kikukawa, who was behind Woodford's appointment as chief executive and later his firing, has since resigned as chairman.

Olympus shares have plunged over the last several weeks from their value before Woodford's firing.

Woodford reiterated his belief in Olympus' potential, adding it was "led down the wrong path" by some board members.

"I am not walking away from Olympus," he said. "I believe passionately in the company, its employees, its products and its future."

___

Follow Yuri Kageyama on Twitter at http://twitter.com/yurikageyama [1]

Source URL (retrieved on *12/19/2013 - 7:50am*):
http://www.mdtmag.com/news/2011/11/olympus-ex-ceo-woodford-resigns-board

Links:
[1] http://twitter.com/yurikageyama