

Japan prosecutors raid Olympus

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Japanese prosecutors raided the headquarters of Olympus Corp. on Wednesday as part of an investigation into the cover-up of massive losses at the camera and medical equipment maker.

Japanese prosecutors confirmed the raid, which was also broadcast on national television. A trail of dark-suited officials were shown marching solemnly into the downtown Tokyo office building.

Olympus said it could not comment on an ongoing investigation. NHK TV said the suburban home of former President Tsuyoshi Kikukawa, suspected of helping to orchestrate the cover-up, was also raided.

The deception at Olympus dates back to the 1990s and involved an elaborate scheme to hide 117.7 billion yen (\$1.5 billion) in investment losses. It only came to light in October when then President Michael Woodford blew the whistle on what he thought was strange and excessive spending.

Woodford, a Briton, had been a rare foreigner to head a major Japanese company.

The scandal has raised serious questions about corporate governance in Japan, and whether major companies are complying adequately with global standards.

Woodford was fired after he confronted the company's board of directors with his doubts. In recent weeks, he has been trying to stage a comeback to the top, by appealing to shareholders, employees and others that his return will work to clean up Olympus.

Woodford had questioned exorbitant fees for advice on the acquisition of British medical equipment maker Gyrus Group and other expensive acquisitions in 2008.

Woodford is demanding the resignation of the entire board, including President Shuichi Takayama, who replaced him and initially declared in a news conference that the spending was legitimate.

The battle over who will lead the camera and medical equipment maker and its 40,000 employees could come to a head at the next shareholders' meeting. A date has not been set.

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