

## IBM Cloud Accounting Gets Probed

Written by Marco Attard  
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IBM admits it is the subject of a governmental probing-- one by the US Securities and Exchange Commission (SEC) regarding how Big Blue counts the numbers for its multibillion-dollar cloud computing services division.



The probe kicked off on May 2013 and IBM is reportedly cooperating in the matter, even if it stands by its accounting practices.

"IBM's reporting of cloud revenue is the result of a rigorous and disciplined process, and we are confident that the information we have provided has been consistently accurate," a company statement claims.

The most recent IBM results show H1 2013 cloud sales growing by 70% Y-o-Y. The company does not release separate quarterly cloud revenue numbers, and expects revenues to reach up to \$7 billion by 2015.

Big Blue's cloud investments are, needless to say, various and large in size. In June 2013 it [acquired cloud infrastructure provider SoftLayer Technology](#) for \$2 billion, before combining it with the current SmartCloud offering into a new Cloud Services division.

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This is not the first time IBM ended up facing the feds-- back in 2011 the company had to out \$10 million in settlements following foreign bribery charges of S. Korean and Chinese government officials.

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