



News Release

SERVICE EMPLOYEES
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\$47 Million in Wackenhut Revenue Imperiled as DOD Declines to Exercise Option on Army Base Security Contracts, Puts All Contracts Out To Bid

Army Cuts Short Controversial Private Security Contracts After GAO Investigation Finds Multiple Security Problems

DOD is Second Gov't Agency to End Major Contract with Wackenhut This Month

WASHINGTON, D.C. – The U.S. Army is making plans to re-solicit controversial contracts to provide security at several U.S. Army bases after the U.S. Government Accountability Office—the independent investigative arm of the United States Congress—reported numerous problems plaguing the contracts, including inadequate training and incomplete background checks that led to employment of officers with criminal records. As a consequence, the Army's no-bid contract with Alutiiq Security and Technology, an Alaska Native Corporation with limited previous security experience, will be put out to competitive bidding. Alutiiq currently subcontracts work to Wackenhut, a subsidiary of London-based Group 4 Securicor, for which Wackenhut is eligible to receive an estimated \$47 million per year.

The GAO findings echoed those of the Service Employees International Union (SEIU) in their seminal report, "*Homeland Insecurity: How Wackenhut and an Alaska Native Corporation May Be Compromising Security at U.S. Army Bases*," detailing the concerns of security officers working for Alutiiq and Wackenhut at several U.S. Army bases, including inadequate training, screening of new officers, and supplies, as well as poor weapons management.

"Wackenhut used the ANC's unique position to secure unlimited, sole-source contracts to their advantage but what's worse is that they failed to adequately protect sensitive military sites," said Stephen Lerner, SEIU Director. "The Army's decision to re-bid these contracts is a step in the right direction and it begs the question why the Department of Energy and other agencies continue to roll the dice with Wackenhut."

Alutiiq's contract included two additional option years, which—if exercised and Wackenhut were retained as subcontractor—would have yielded up to \$94 million in revenue to Wackenhut. Instead, Wackenhut's continued access to this work depends on the uncertainties of bidding, putting the continuation of its revenue stream at risk. Wackenhut was a loser in 2003 when a portion of the Army base security work had been put out to competitive bidding.

The GAO investigation was conducted at the request of Rep. Ike Skelton (D-MO) and Rep. Lane Evans (D-IL), the ranking member and a senior member respectively of the House Armed Services Committee. SEIU had briefed many committee members on the preliminary findings of "*Homeland Insecurity*," and also briefed GAO investigators on the report's findings.

The U.S. Army's decision to cut short the controversial security contracts, and by Wackenhut's work as a sub-contractor, comes just days after the U.S. Department of Homeland Security cut short its contract with Wackenhut to guard DHS headquarters. NBC News and the *Associated Press* both reported accounts by whistleblowing Wackenhut officers alleging the mishandling of a suspected anthrax scare at the site, as well as accounts of under-manned building entrances, and inadequate training.

Wackenhut is the government's largest supplier of private guards, holding multi-million dollar contracts with the Department of Energy and other agencies. The company guards dozens of highly sensitive nuclear power plants where multiple security problems have been reported in the last several years including findings that Wackenhut:

- Was caught cheating on an anti-terrorism drill at a U.S. nuclear site.
- Performed poorly on an anti-terrorism drill and was found "systematically" violating weapons inventory and handling procedures at a separate U.S. nuclear site.
- Was criticized for conflict of interest involving security testing at commercial nuclear power plants.
- Had employees showing new hires at a nuclear power plant where they could take naps.
- Was taking shortcuts on patrols at a nuclear power plant in Florida.
- Has been accused by guards at U.S. Army bases for sloppy security practices and lax training.

For more information, visit www.FocusOnGroup4Securicor.org