

June 6, 2008

G4S PLC  
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Crawley, West Sussex RH10 9UN

Dear Sir or Madam:

Sometime in the next few weeks, the Project On Government Oversight (POGO) will update its Federal Contractor Misconduct Database (<http://www.contractormisconduct.org/>), a compilation of information from public resources regarding government contractors, including G4S. I have enclosed the findings relevant to your company, and I am seeking verification of this data.

Any response would be greatly appreciated, as the accuracy of this information is in the best interest of all parties. Out of fairness to G4S, please be assured that any response received by POGO will be posted on the website along with the data.

The biggest change we will be making to the database is the inclusion of more federal contractors (the top 100). We are also adding new instances that we have found in recent months and updating instances already in the database with new information. Please note that the database also includes pending instances, but these are kept separate from resolved instances and are not included in the totals.

If you have any questions, I can be reached at (202) 347-1122. Thank you for your time and consideration.

Sincerely,

Neil Gordon  
Investigator

Enclosure

## **Instances**

### 1. Back Pay Due Employees at Independence National Historical Park

Date: 08/21/2007 (Date of Press Release)

Misconduct Type: Labor

Enforcement Agency: Labor

Contracting Party: None

Court Type: Administrative

Amount: Unknown

Disposition: Restitution

Synopsis: Wackenhut Services Inc. informed its employees at the Independence National Historical Park in Philadelphia, Pa. that they will be receiving back pay owed to them after an employee, Officer Charles Wilson, filed a wage and hour complaint with the U.S. Department of Labor. Wilson accused Wackenhut of shortchanging them of at least 14 cents an hour in fringe benefits. Wackenhut acknowledged the employees had not been paid their proper rate since October 1, 2006.

### 2. Mozambique Overtime Pay Violations

Date: 10/30/2007 (Date of Ruling)

Misconduct Type: Labor

Enforcement Agency: International

Contracting Party: None

Court Type: Administrative

Amount: \$1,300,000

Disposition: Restitution

Synopsis: It was reported that Mozambique's Administrative Tribunal rejected Wackenhut's appeal of an order by the Labor Ministry to pay over 11 years of overtime to hundreds of its security guards. Wackenhut admitted that between 1994 and 2005 it had not paid any overtime to the guards, who had been working 12 hour shifts, four hours more than the standard eight hour day. In May 2006, an arbitration panel ruled that Wackenhut had to pay overtime, but found the amount the workers claimed they were owed – 33.9 billion old meticaais (approximately \$1.3 million) – had not been proved. However, since Wackenhut did not provide a basis on which an alternate amount could be calculated, the Ministry demanded that Wackenhut pay the 33.9 billion meticaais.

### 3. Jail Mismanagement

Date: 08/31/1999 (Date of Contract Termination)

Misconduct Type: Poor Contract Performance

Enforcement Agency: State/Local

Contracting Party: State/Local

Court Type: Administrative

Amount: \$625,000

Disposition: Fine

Synopsis: In 1999, it was reported that the state of Texas terminated Wackenhut's \$12 million a year contract to run a jail in Travis County due to mismanagement that eventually led to several guards being charged with sexually assaulting female inmates. Over a period of two years, the

state levied \$625,000 in penalties due to chronic staffing shortages at the facility. A state audit showed that the jail barely kept the minimum number of guards required in the contract.

4. Lowe v. The Wackenhut Corp. (Misconduct at a a Coke County, TX Juvenile Facility)

Date: 05/01/2000 (Date of Media Accounts)

Misconduct Type: Human Rights

Enforcement Agency: Non-Governmental

Contracting Party: State/Local

Court Type: Civil

Amount: Undisclosed

Disposition: Settlement

Synopsis: According to media accounts, the family of an inmate at a Wackenhut-managed juvenile justice center for delinquent girls in Coke County, Texas filed suit against Wackenhut, alleging widespread, systematic sexual assault at the facility. The suit was later joined by eleven other girls who alleged similar mistreatment. The parties settled the lawsuit, agreeing to keep the terms confidential.

5. Abuse and Neglect at Louisiana Juvenile Facility

Date: 04/03/2000 (Date of Settlement - approximate)

Misconduct Type: Human Rights

Enforcement Agency: Justice

Contracting Party: State/Local

Court Type: Civil

Amount: Undisclosed

Disposition: Settlement

Synopsis: The Department of Justice settled a lawsuit with the state of Louisiana and Wackenhut over allegations of excessive force and neglect at the company's Jena Juvenile Justice Center. The government alleged juveniles were being subjected to "dangerous and life-threatening conditions" at the center. The DOJ filed the emergency lawsuit under the Violent Crime Control and Law Enforcement Act of 1994. In the days that followed, Wackenhut turned over control of the facility to the state, which agreed to implement major reforms at the facility.

6. Security Breaches at DHS Headquarters

Date: 04/03/2006 (Date of Article)

Misconduct Type: Poor Contract Performance

Enforcement Agency: Homeland Security

Contracting Party: Homeland Security

Court Type: N/A

Amount: \$0

Disposition: Investigative Finding

Synopsis: In April 2006, Congressional Quarterly reported that Wackenhut lost its contract to provide security services at the Department of Homeland Security's Washington, D.C. headquarters following a mishandled anthrax threat and allegations of poor training and extensive security breaches. DHS sought new bidders for the contract, worth an estimated \$9 million a year.

7. Civil Rights Conspiracy and Obstruction at a NM Corrections Facility

Date: 04/12/2002 (Date of Conviction Announcement)

Misconduct Type: Human Rights

Enforcement Agency: Justice

Contracting Party: State/Local

Court Type: Criminal

Amount: \$0

Disposition: Found Guilty

Synopsis: Three former Wackenhut guards were found guilty of civil rights conspiracy and obstruction charges at the Lea County Corrections Facility in Hobbs, New Mexico. The jury found the defendants guilty of willfully assaulting an inmate by repeatedly kicking him in the head and causing bodily injury. The jury also found the defendants guilty of falsifying reports and lying to investigators to explain the incident.

8. Toon v. The Wackenhut Corp. (Misconduct at a Coke County, TX Juvenile Facility)

Date: 05/17/2001 (Date of Appeal)

Misconduct Type: Human Rights

Enforcement Agency: Non-Governmental

Contracting Party: State/Local

Court Type: Civil

Amount: \$1,500,000

Disposition: Settlement

Synopsis: Several young women sued Wackenhut after they were allegedly sexually, physically, and mentally abused by employees of Wackenhut-owned and operated Coke County Juvenile Justice Center in Texas. The case was settled for \$1,500,000 in October 1999.

9. Labor Practices in Southern Africa

Date: 05/31/2007 (Date of Report)

Misconduct Type: Labor

Enforcement Agency: International

Contracting Party: None

Court Type: N/A

Amount: \$0

Disposition: Investigative Finding

Synopsis: A report published by a global fact-finding delegation criticized Group 4 Securitor's labor practices in southern Africa. The report detailed instances of racism, disparate treatment of black and white employees, low pay and poor working conditions in South Africa, Malawi and Mozambique.

10. De La Rosa v. Wackenhut (Wrongful Death)

Date: 09/15/2006 (Date of Verdict)

Misconduct Type: Human Rights

Enforcement Agency: State/Local

Contracting Party: State/Local

Court Type: Civil

Amount: \$47,000,000

Disposition: Judgment Against Defendant

Synopsis: According to media accounts, Gregorio De La Rosa, an inmate at a prison in Raymondville, Texas operated by Wackenhut Corrections Corp., was beaten to death in the prison yard by two other inmates. His family sued Wackenhut and the prison warden for negligence, and a jury awarded them \$47.5 million (\$47 million of which was assessed against Wackenhut).

#### 11. Mozambique Labor Violation

Date: 09/07/2007 (Date of Media Accounts)

Misconduct Type: Labor

Enforcement Agency: International

Contracting Party: None

Court Type: Administrative

Amount: \$46,000

Disposition: Fine

Synopsis: According to media accounts, the Mozambican Labor Ministry, through the Labor General Inspectorate, fined a G4S subsidiary the equivalent of \$46,000 for hiring nine illegal foreign workers. The illegal workers included Portuguese and South African nationals holding positions of shift and project managers.

#### 12. Data Theft Reimbursement / Billing Irregularity (Nashville, TN)

Date: 01/04/2008 (Date of First Letter to Wackenhut)

Misconduct Type: Poor Contract Performance

Enforcement Agency: State/Local

Contracting Party: State/Local

Court Type: N/A

Amount: \$840,111

Disposition: Restitution

Synopsis: On Christmas Eve 2007, two laptop computers containing voters' personal data were stolen from the Davidson County Election Commission in Nashville, Tenn., where Wackenhut provides security services. Several days later, the city of Nashville demanded Wackenhut Corp. pay \$109,000 in damages arising from the theft and to reimburse the city for the cost of sending out letters to each of the 337,000 voters whose data was stored on the computers. During the city's investigation, auditors also allegedly discovered that, for at least three months at the end of 2007, Wackenhut had billed the city for guard services at the building during times when records show no guards were on duty. In May 2008, the city asked Wackenhut to refund a total of over \$840,000, encompassing audit fees, mailing expenses, the cost of providing identity-theft protection to more than 56,000 voters, and \$21,575 for security services the city claims Wackenhut never provided.

#### 13. Miami-Dade County Transit Security Officers Contract Audit

Date: 04/24/2008 (Date of Audit Report)

Misconduct Type: Government Contract Fraud

Enforcement Agency: State/Local

Contracting Party: State/Local

Court Type: N/A

Amount: Unknown

Disposition: Investigative Finding

Synopsis: According to an audit conducted by Miami-Dade County, Wackenhut Corp. billed Miami-Dade Transit over \$6 million over three years for work its security guards did not perform. The audit also found Wackenhut owes the county an additional \$233,500 in liquidated damages and other miscellaneous chargebacks. See related G4S PLC pending instance, "Miami-Dade County, ex rel. Michelle Trimble v. Wackenhut Corp. (Fraudulent Overbilling)."

### **Pending Instances**

Burke, et al. v. The Wackenhut Corp. (Non-Payment of Wages)

Date: 01/09/2006 (Date of Filing)

Misconduct Type: Labor

Enforcement Agency: Non-Governmental

Contracting Party: NRC

Court Type: Civil

Amount: \$0

Disposition: Pending

Synopsis: Over 70 Wackenhut security guards at the Three Mile Island nuclear plant in Pennsylvania filed a lawsuit under the Fair Labor Standards Act to recover unpaid back wages and overtime compensation from January 1, 2002 through April 2004.

Haight v. The Wackenhut Corp. (Non-Payment of Wages)

Date: 01/14/2005 (Date of Media Accounts)

Misconduct Type: Labor

Enforcement Agency: Non-Governmental

Contracting Party: None

Court Type: Civil

Amount: \$0

Disposition: Pending

Synopsis: According to media accounts, security guards employed by Wackenhut in New York filed a suit under the Fair Labor Standards Act and state labor law seeking overtime pay for time worked during the period of time when relief guards come in to take over duties from outgoing guards. The guards claim that during these "turnover" periods they are off the clock but still working.

Miami-Dade County, ex rel. Michelle Trimble v. Wackenhut Corp. (Fraudulent Overbilling)

Date: 08/04/2005 (Date of Filing)

Misconduct Type: Government Contract Fraud

Enforcement Agency: State/Local

Contracting Party: State/Local

Court Type: Civil

Amount: \$0

Disposition: Pending

Synopsis: Trimble, a former Wackenhut employee at Miami-Dade County's Juvenile Assessment Center, filed a false claims lawsuit alleging Wackenhut submitted inflated bills for its guard services at the facility. The complaint alleges Wackenhut engaged in similar fraudulent billing practices in other county contracts, costing the county up to \$3.5 million a year.

Los Angeles Contractor Responsibility Probe

Date: 06/26/2007 (Date of Press Release)

Misconduct Type: Labor

Enforcement Agency: State/Local

Contracting Party: State/Local

Court Type: Administrative

Amount: \$0

Disposition: Pending

Synopsis: The City of Los Angeles launched an investigation into Wackenhut Corporation/G4S's compliance with the city's Responsible Contractor Policy, a probe that could result in debarment from city contracts for five years. Wackenhut currently has more than \$5 million annually in contracts with Los Angeles to guard at least two dozen buildings and public places. The probe was launched after a public hearing chaired and conducted by various officials elicited testimony detailing the company's long history of workplace discrimination, labor violations, and managerial incompetence.

Security Lapses at Peach Bottom Atomic Power Station

Date: 09/24/2007 (Date of Announcement of Contract Termination)

Misconduct Type: Poor Contract Performance

Enforcement Agency: Non-Governmental

Contracting Party: Non-Governmental

Court Type: Administrative

Amount: \$0

Disposition: Pending

Synopsis: Exelon Nuclear terminated Wackenhut Nuclear Security's contract to manage security forces at the Peach Bottom Atomic Power Station in York County, PA after an internal investigation into Wackenhut security officers sleeping or otherwise being inattentive at the station. Videos showed security officers nodding off or sleeping in a "ready room," which is not allowed at any time. A ready room is an assembly room that is sometimes used as a break room. Exelon is cooperating with the Nuclear Regulatory Commission in the matter and has brought in outside experts to participate in the internal investigation underway at all ten of Exelon Nuclear's operating nuclear energy sites.