



# G4S

## securing profits, globalising injustice

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War on Want fights against the root causes  
of poverty and human rights violation, as part  
of the worldwide movement for global justice.

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# G4S: Globalising injustice

G4S, the world's largest private security company, represents the new ideology of security in a neoliberal world. The company's rapid growth is driven by the privatisation of security, warfare, prisons and a range of public services.

This briefing reveals that G4S's role in the privatisation of government services in the UK has led to a trail of financial and human rights abuses. G4S services provided to the Israeli security apparatus make the company directly complicit in the illegal occupation of Palestine and the unlawful imprisonment of Palestinians, including children. In the world's conflict zones, G4S seeks out new profit opportunities, escalating militarisation and increasing instability. And while directors and shareholders reap rich rewards from these operations, G4S workers suffer deteriorating working conditions and violations of their rights.



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# 1. What is G4S?

British multinational G4S operates in 125 countries and employs 618,000 people across the world. The company's total turnover reached £7.4 billion in 2013. Europe and North America are its key markets, accounting for 44% and 22% of its income, respectively.

Around 16% of G4S income comes from what the company calls 'cash solutions', that is handling cash for central banks, financial institutions and retailers. The rest of its income comes from activities it labels 'secure solutions', including risk consulting, monitoring, and security systems for governmental and commercial organisations.

While the private sector is G4S's biggest customer, generating 76% of income, the public sector is an increasingly significant income source. Services provided to governments include guarding and maintaining buildings, running juvenile and adult prisons, escorting prisoners and asylum applicants, electronic tagging and monitoring of prisoners, 'welfare to work' programmes and policing. G4S has taken over numerous public services previously delivered by government departments of justice, defence and homeland security, police, foreign affairs, border control, health and education.

G4S's meteoric rise to become the world's largest private military and security company (PMSC) began with the merger between Group 4 and Falck to create Group 4 Falck in 2000. Group 4 had emerged in 1968 from a Swedish security firm Securitas International, established in 1950. Falck was established in Denmark in 1906.

Group 4 Falck adopted a strategy of aggressively acquiring and merging with PMSCs with different specialities. In 2002 Group 4 Falck acquired the Wackenhut Corporation of the US, established by former FBI agent George R. Wackenhut in 1954 in the middle of the McCarthy witch hunts against those accused of 'un-American activities'. Wackenhut compiled and sold dossiers on suspected communists.<sup>1</sup> In 2004, Group 4 Falck was merged with the UK security giant **Securicor**, forming Group 4 Securicor, or G4S.

In 2008, G4S acquired the British PMSC ArmorGroup, itself formed from the merger of Defence Systems Limited (DSL) and Armor Holdings. DSL specialised in providing security training and consultancy to corporations and governments operating in conflict areas such as Angola, Indonesia, Mozambique, the Philippines, Colombia and Uganda.<sup>2</sup> ArmorGroup was heavily involved in the war on Iraq, during which the former UK Foreign Secretary and Minister of Defence Sir Malcolm Rifkind served as Chairman of the company. Over a thousand ArmorGroup employees were resident in Iraq during the war. ArmorGroup provided armed guard service to the British Embassy, and employed 500 Gurkhas to guard the Baghdad headquarters and transport depots of American defence contractors Bechtel and Kellogg Brown and Root. ArmorGroup Land Mines also acted as a sub-contractor for Bechtel in Iraq.<sup>3</sup>

Major financial institutions are the biggest investors in G4S, including the New York-based private equity and investments giant BlackRock Inc (6.36%), the British multinational insurance firm Prudential Plc (5.06%) and M&G Investments of Prudential (5%).<sup>4</sup> In June 2013, the Bill and Melinda Gates Foundation, the largest private foundation in the world, purchased shares in G4S worth over £100m, making it one of the company's biggest shareholders. Campaigners continue to pressure the Gates Foundation and other investors to divest from G4S. In response to these campaigns, universities, banks, charities and trade unions across the world have cancelled contracts with G4S, costing the company millions of pounds.<sup>5</sup>



## 2. Privatising government services

G4S has been an important 'outsourcing partner' for the UK government, covering a wide range of services including military, justice, police and welfare. The most controversial part of the company's business with the government includes prison and immigration services. G4S has been running four privatised prisons in the UK, since the wave of prison privatisations in the 1980s, including Altcourse (Liverpool), Parc (Bridgend), Rye Hill (Rugby) and Wolds (Hull). G4S was accused of improper management of a number of prisons, including health care provision, suicide prevention and human rights protection at Wolds prison.<sup>6</sup> Although the company lost its contract for Wolds in 2012, G4S Care and Justice Services (UK) Limited signed a new contract for running HMP Birmingham from 2011 and another contract for operating HMP Oakwood in Wolverhampton from 2012. Both contracts, worth £750 million, will last for 15 years.

The problems of connecting prison services to corporate profit have quickly revealed themselves. G4S faced a fraud investigation into overcharging the government between 2005 and 2013 for electronic tagging of prisoners. G4S agreed to repay £109 million plus tax for overcharging on contracts after it became apparent that G4S (and its main competitor Serco) were defrauding the government and charging for dead prisoners and in some cases prisoners outside the country.

G4S prison services are also expanding in other countries. The company secured a 25-year contract to operate the Mangaung Correctional Centre which accommodates 3,000 inmates on behalf of the South African Department of Correctional Services. G4S dismissed hundreds of staff after unofficial strikes by the Police and Prisons Civil Rights Union. After a revolt and hostage taking by inmates in August 2013, the Department of Correctional Services declared that G4S had lost control of the facility, noting "with concern" that G4S used uncertified security staff to perform custodial duties. A year-long investigation uncovered evidence of G4S security teams using electric shocks and medical staff forcibly administering injections of anti-psychotic drugs.<sup>7</sup>



© Van Leon

Campaigners protest G4S prisoner abuse

G4S has been a leading figure in the 'asylum market'.<sup>8</sup> The company runs two immigration removal centres near Gatwick airport, including Brook House Immigration Removal Centre, which opened in 2009 and accommodates 426 people, and Tinsley House Immigration Removal Centre, which opened in 1996 and accommodates 153 people.<sup>9</sup> From 2012, G4S has also been managing accommodation for asylum seekers in the Midlands and the east of England, Yorkshire and the Humber under a contract with the UK Border Agency. G4S-run facilities have been criticised by whistleblowers over human rights violations, incompetence and negligence.<sup>10</sup>

The G4S record for 'services' provided for non-UK citizens has been even worse. Between 2008 and 2011, there were 1,497 complaints filed against G4S from immigration detainees in the UK. In 2010 alone, 773 complaints were received, out of which 48 concerned assaults of different kinds.<sup>11</sup> Angolan national Jimmy Mubenga was suffocated to death by three G4S guards during his deportation on 12 October 2010. In July 2013, an inquest jury concluded that Mubenga was "unlawfully killed", saying that the G4S guards had used unreasonable force and acted in an unlawful manner.<sup>12</sup>



© Ken Fero

Mubenga's wife, Adrienne Makenda Kambana at support rally



# 3. Supporting Israel's occupation

G4S is complicit in Israel's prison system and illegal occupation of Palestinian territories. By outsourcing occupation-related work to G4S, the Israeli state frees itself from accountability for human rights violations and breaches of international laws. Group 4 Falck acquired the Israeli PMSC Hashmira in 2002, which became the backbone of the technology division of today's G4S Israel.

G4S provides various security services and systems to Ketziot, Meggido, Damon and Rimonim prisons in Israel. Ketziot, Meggido and Damon prisons are known to hold Palestinian 'administrative detainees', who can be imprisoned months or years on secret evidence without being charged or tried. Meggido prison holds a number of Palestinian child prisoners between the ages of 12 and 17. G4S also provides security systems to the Abu Kabir, Moskobiyyeh and Kishon detention and interrogation centres, known for torturing prisoners, including children.<sup>13</sup>

The detention of Palestinians in prisons in Israel contravenes the Fourth Geneva Convention prohibiting the relocation of prisoners from occupied territory to the occupying country.<sup>14</sup>

In the occupied West Bank, G4S provides services to Ofer prison, where prisoners are tried by military court. G4S installed the defence system on the external walls of Ofer and operates the central control room.

Beyond Israel's prison system, G4S also provides equipment and services to Israeli checkpoints in the West Bank that form part of the route of Israel's illegal Apartheid Wall, and to the terminals isolating the occupied territory of Gaza. G4S also holds contracts with shops, supermarkets and businesses operating inside the illegal settlements of Modi'in Illit, Ma'ale Adumim and Har Adar in the West Bank and in settlement neighbourhoods of occupied East Jerusalem.<sup>15</sup>

**“Addameer condemns the practices of G4S, which should uphold its legal and ethical responsibilities and ensure that it is not complicit in human rights violations.”**

War on Want partner, Addameer Palestinian Prisoner Support and Human Rights Association

G4S supplied and maintains luggage scanning equipment and full body scanners at the Qalandia, Bethlehem and Irtah checkpoints in the West Bank.<sup>16</sup> In Gaza, G4S has provided full body scanners to the Erez checkpoint. The company also provided security equipment to the West Bank Israeli police headquarters.



© Rich Wiles

Palestinian workers queuing at Qalandia checkpoint, equipped and serviced by G4S



In response to mounting international criticism of G4S for profiting from the occupation, G4S promised to exit a number of contracts in the West Bank.<sup>17</sup> Yet G4S has refused to withdraw from prisons in Israeli territory such as Meggido and Kishon.<sup>18</sup> Indeed, G4S has not indicated any intention to exit other controversial projects with the Israeli authorities, such as the £307 million contract for building and operating the Israeli police academy in Beit Shemesh.



Campaigners subvert G4S advertising

## G4S support for child imprisonment

Sixteen year-old Karam, from Beita in Nablus in the occupied West Bank, was arrested on suspicion of throwing stones and Molotov cocktails. At 3am on 1 November 2013, Karam woke to the sound of his front door being broken down. Soldiers rushed into the house and seized Karam, dragging him outside where they handcuffed and blindfolded him. He was then marched to a waiting jeep. Karam was driven to Huwwara Interrogation and Detention Centre (IDC), and verbally abused by soldiers during the journey. Upon arrival at the IDC he was strip searched and detained alone in a small cell until morning.

The next day he was transferred to Megiddo prison, where he was strip searched again. **G4S provides security systems and the central control room at Megiddo prison.** After one day there, Karam was moved to Petah Tikva IDC, where he was detained alone in a foul smelling, dirty cell.

On 4, 5 and 6 November Karam was interrogated each day for three hours, without the presence of a parent or lawyer and without his rights being explained to him. He was tied to a chair and the interrogator shouted at him, threatened him with 40 days solitary confinement, pulled his hair and squeezed his jaw. "He said he would keep me locked in the cell for 40 days and would forget me there," says Karam.

Karam did not confess to the accusations of throwing stones and Molotov cocktails, despite hearing that his friends had made statements against him. On the third day Karam confessed to the charges and signed a statement. On 14 November Karam was transferred back to Megiddo prison. A list of charges was filed against him in military court on 24 November.<sup>20</sup>



# 4. Profiting from conflict

G4S exploits state crises caused by wars, regime change and state failure. G4S's expansion in the booming maritime security industry is an example. The boom began with the crisis of the Somali state from 1991, which led to an increase in illegal fishing by foreign vessels and piracy expanding from Somali waters into the Gulf of Aden and then into the North Indian Ocean. It was this new challenge that encouraged governments across the world to invite PMSCs such as G4S to secure maritime business. A conservative figure estimates that, as of 2011, between 15% and 25% of vessels passing through the region had armed security guards on board "sometimes in violation of the flag states' policies".<sup>21</sup> Britain is leading this increasingly lucrative business, with over 50% of the armed security provided by UK nationals or foreign companies run by UK nationals.<sup>22</sup>

Providing its 'maritime security solutions' to the shipping industry from 2004, G4S has operated hundreds of on-board guarding missions in high-risk areas. These teams are armed with "the highest level of protective equipment and weapons," according to G4S.<sup>23</sup> G4S holds licences to transport armaments into and out of major hotspots of maritime security including Djibouti, Oman, Sri Lanka, Kenya, Tanzania, South Africa, Mozambique, Maldives and Mauritius. Allowing armed security guards on board risks creating "another armed group to be regulated".<sup>24</sup>

G4S has already benefited from the unrest in North Africa and the Middle East, with particularly strong growth in Egypt, Yemen and Bahrain, according to the former G4S director Nick Buckles.<sup>25</sup> G4S was heavily involved in the evacuation of high-ranking government officials, multinational employees and embassy staff during the crisis in Egypt.<sup>26</sup> G4S revenue in Egypt doubled to £8 million between 2007 and 2011.<sup>27</sup>

To take advantage of the toppling of the Gaddafi regime, G4S employed Richard Northern, the former British Ambassador to Libya, as a senior adviser to G4S Risk Management in January 2012.<sup>28</sup> The company's rush into Libya has created more controversies than profit. In 2012, G4S won an £8 million four-year contract to guard EU embassies in Benghazi and Tripoli and to provide

bodyguarding services for the EU delegation. However, this decision was made without obtaining permission for G4S to operate in Libya from Libya's National Transitional Council (NTC).<sup>29</sup> In the face of strong protest from the NTC, the contract was cancelled.<sup>30</sup>

**"The nature of our business is such that in high-risk environments the need for our services increases."**

Andy Baker, G4S regional president for Africa

G4S also looked for opportunities in the wake of unrest in Mali and Algeria. "The nature of our business is such that in high-risk environments the need for our services increases," said Andy Baker, the G4S regional president for Africa in an interview.<sup>31</sup>



# 5. Violating workers' rights

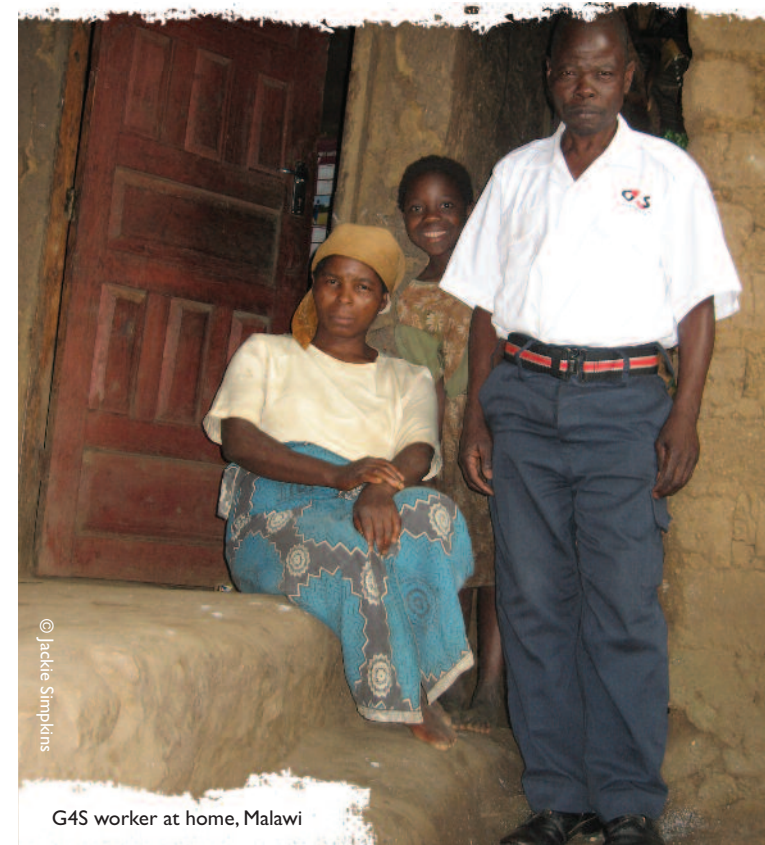
The handsome profit G4S earns from contributing to global injustice goes to its top managers, shareholders, investors and advisers, who connect the global giant to government contracts. Employees of G4S, on the other hand, have faced precarious labour contracts and poor working conditions, leading to disputes in over a dozen countries.

A series of labour rights violations in a number of countries led to a complaint in 2006 from Union Network International (UNI) to the OECD office in the UK. The OECD appointed, "for the first time in the history of the office", a mediator who could facilitate a settlement between UNI and G4S.<sup>32</sup> War on Want participated, at the time, in a fact-finding mission convened by UNI Property Services to investigate G4S labour practices at G4S in Malawi, Mozambique, and South Africa.<sup>33</sup>

An agreement reached between UNI and G4S in 2008 covers, in theory at least, all the workers G4S employs globally. According to the agreement, G4S will respect rights defined by ILO Conventions covering freedom of association, the use of forced labour and child labour, and discrimination at work. The company also pledged that terms of G4S employment will be "at least as favourable as the legal minimum standards set out in each country for working hours, pay, health and safety and holidays" and "provide a living wage".<sup>34</sup>

**Out of 800 guards in Seoul, 750 refused to sign the new contract with G4S, which increased the monthly maximum working hours from 176 to 243 hours with a 30% wage cut.**

However, the framework agreement has been unable to force the company to comply with international labour standards or local labour laws. Just one year after signing the agreement, 200 G4S workers guarding American facilities in Uganda, frustrated by deteriorating working conditions, submitted a petition to the American embassy to form a union after the company had dismissed the workers' spokesperson due to organising activities.<sup>35</sup> In South Korea, workers guarding the US army base in Seoul were forced to sign a new contract with worse terms and conditions of employment when G4S took over the security service for US army bases after winning the contract in 2011. Out of 800 guards in Seoul, 750 refused to sign the new contract, which increased the monthly maximum working hours from 176 to 243 hours with a 30% wage cut.<sup>36</sup> The dispute ended with the dismissal of 600 workers in 2011.



G4S worker at home, Malawi



# Act now: Stop G4S

War on Want is campaigning to hold G4S to account as the emblematic business of the British Private Military and Security industry. We need your support to pressure G4S to end its complicity in human rights violations across the world. Only through public pressure can we ensure that the UK government will impose binding regulation on PMSCs and end the privatisation of public services.

## 1. Email your MP asking them to:

- stop G4S receiving more UK government contracts and privatising more public services
- call for binding regulations on Private Military and Security Companies. Take our online action at [www.waronwant.org/stopprivatearmies](http://www.waronwant.org/stopprivatearmies)

## 2. Find out if G4S provides local services in your area and campaign to end their contracts.

## 3. Order Stop G4S campaign materials for your events, including copies of this briefing from [waronwant.org/materials](http://waronwant.org/materials)

## 4. Join us for one of our regular Stop G4S actions. Updates will be posted at [waronwant.org/StopG4S](http://waronwant.org/StopG4S)



Campaigners protest outside G4S shareholders meeting, 2013

## Notes

- <sup>1</sup> Source Watch 2012, 'Wackenhut'.
- <sup>2</sup> War on Want 2006, *Corporate mercenaries: the threat of private military and security companies*, pp. 4-7.
- <sup>3</sup> Source Watch 2008, 'ArmorGroup International PLC'.
- <sup>4</sup> Corporate Watch 2012, *G4S a Company Profile*, pp. 7-9.
- <sup>5</sup> Boycott, Divestment Sanction movement 2013, *G4S campaign timeline*.
- <sup>6</sup> Corporate Watch 2012, *G4S a Company Profile*, p. 19.
- <sup>7</sup> R Hopkins 2013, 'Mangaung prison is a private hell', *Mail and Guardian*.
- <sup>8</sup> J Grayson 2012, 'G4S turns a profit in "asylum markets": who's speaking out and whose lips are sealed?', *Open Democracy*.
- <sup>9</sup> G4S official website, 'Accommodation Services'.
- <sup>10</sup> For numerous cases of abuse, see C Sambrook 2010, 'Meet G4S, Government's Untouchable Friend', *Open Democracy*.
- <sup>11</sup> D Casciani 17 June 2011, 'G4S immigration removal centre complaints revealed', BBC news.
- <sup>12</sup> See *INQUEST briefing on the death of Jimmy Mubenga* 2 May 2013.
- <sup>13</sup> Who profits from the Occupation March 2011, *The Case of G4S: Private Security Companies and the Israeli Occupation*, pp. 13-15.
- <sup>14</sup> Who profits from Occupation 2012, G4S Israel (Hashmira).
- <sup>15</sup> Who profits from the Occupation March 2011, *The Case of G4S: Private Security Companies and the Israeli Occupation*, pp. 17-19.
- <sup>16</sup> *Ibid*, pp. 17-19.
- <sup>17</sup> G Plimmer 21 April 2013, 'G4S to quit key contracts in Israel', *Financial Times*.
- <sup>18</sup> Boycott, Divestment Sanction movement 2013, *Stop G4S campaign update*.
- <sup>19</sup> Consortium Polisiti which consists of G4S Israel (50%) and Housing and Construction of the Arison Group (50%) has won the bid to BOT (Build, Operate and Transfer) the police academy in Beit Shemesh. It also includes provision of training services and financing of training.
- <sup>20</sup> Original case study commissioned from Defence for Children International, Palestine section legal team, 2014.
- <sup>21</sup> UK Parliament Foreign Affairs Committee 2011, *Tenth Report: Piracy off the Coast of Somalia*.
- <sup>22</sup> *Ibid*.
- <sup>23</sup> G4S website, 'Protective services'.
- <sup>24</sup> D Isenberg 29 May 2012, 'The rise of Private Maritime Security Companies', *Huffington Post*.
- <sup>25</sup> R Neate 23 August 2011, 'G4S spots great opportunities for security work in the new Libya', *The Guardian*.



<sup>26</sup> A.T Meuse July 2011, 'Revolution opens doors for security companies', *American Chamber of Commerce in Egypt*.

<sup>27</sup> Ibid.

<sup>28</sup> Corporate Watch 2012, *G4S a Company Profile*, p. 14.

<sup>29</sup> *Libya Herald*, 27 May 2012, 'Foreign ministry refuses licence to private security firm G4S'.

<sup>30</sup> *EU Observer* 29 May 2012, 'EU bins security contract, annoys Libya'.

<sup>31</sup> N Maidment 25 January 2013, 'G4S says Algeria, Mali unrest raising security demand', *Reuters*.

<sup>32</sup> International Centre for Trade Union Rights submission to the Human Rights Joint Committee on Human Rights and the UK Private Sector, session 2009-10.

<sup>33</sup> UNI Property Services, Alliance for Justice at G4S, War on Want, May 2007 report, *Who protects the guards?*

<sup>34</sup> International Centre for Trade Union Rights submission to the Human Rights Joint Committee on Human Rights and the UK Private Sector, session 2009-10.

<sup>35</sup> A Ssenkibirwa 25 August 2009, 'Uganda: Guards Petition American Embassy over Mistreatment', *The Monitor*.

<sup>36</sup> H Eun Seon 21 May 2012, '6-month labour dispute, the American base in dilemma', *Sisain* researcher's translation.

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