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Armor Group North America Reaches Settlement with Dept. of Justice Resolving Former Employee’s Allegations

Today’s settlement with the Justice Department involves conduct by personnel of ArmorGroup North America (“AGNA”) prior to acquisition of ArmorGroup by G4S plc – and marks an end to the Government’s inquiries regarding AGNA’s performance of the US Embassy Kabul (“USEK”) contract.

We sharply dispute all the Justice Department’s assertions that there was a violation of the False Claims Act. When G4S acquired ArmorGroup, it was aware that AGNA had difficulty in successfully performing the USEK contract. Following the acquisition, WSI (a G4S subsidiary) took the necessary steps to improve AGNA’s performance on the USEK contract and to rectify any outstanding issues. At all times, the Embassy was secure. The company conducted an extensive investigation of AGNA’s pre-acquisition conduct – and worked closely with Justice Department lawyers, providing them thousands of pages of documents and the opportunity to interview ArmorGroup personnel. We know that the evidence does not support the Government’s allegations of a False Claims Act violation.

We are adamantly opposed to any form of human trafficking, including use of prostitutes. The Government alleges that, in 2007, AGNA was four months late in implementing the specific anti-human trafficking policy required under federal regulations and claims that some unidentified AGNA personnel frequented prostitutes during this 4-month period. At all times AGNA prohibited any form of human trafficking, and did not tolerate violations. Importantly, the specific policy required by Federal regulations was implemented by AGNA prior to the ArmorGroup’s acquisition by G4S. The sole individual confirmed to have frequented prostitutes was fired by AGNA in normal course when his conduct became known. Further, the Government’s allegations regarding the hiring of third country national guards and AGNA’s compliance to FOCI requirements are not supported by the facts – nothing in AGNA’s conduct violated the False Claims Act.

This case involves allegations made by a former employee. The company’s investigation and the investigation of the Government both confirmed that these
allegations arose largely from a personal animosity of that former employee toward AGNA’s supervisor of the work at the Embassy – another former employee who is named specifically in the Complaint, Mr. Nick Du Plessis. Based on the company’s review conducted as part of this case, Mr. Du Plessis was, in fact, an effective leader who played a key role in keeping the Embassy secure, and has been disparaged unfairly by the allegations. The former employee’s allegations are set forth in a Complaint filed with the Court in 2009 and also in the Settlement Agreement released by the Government today. The company’s investigation confirmed that the former employee’s allegations lacked merit.

The Government declined to intervene generally in the former employee’s allegations. Disappointingly, the Government decided that it would intervene in the case with regard to three specific issues which are narrowly described in the Settlement Agreement. The settlement resolves with finality the three Government issues – and includes a release by the former employee of all of his allegations.

The terms of the Settlement Agreement make clear that it is entered by the parties to avoid costly and disruptive litigation – and that there has been no finding or admission of liability.

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