Dell Inc.

Canada Pension Plan 2011 Investment

$19 million

Dell, the world's third largest computer company, is a US multinational with assets of US$38 billion. A significant amount of that wealth comes from military sales. Between 2000 and 2009 alone, Dell received US$6.2 billion in US military contracts. During each of those ten years, Dell was among the Pentagon's top 100 suppliers and, overall, placed 39th for the whole decade.

In his speech to a US Navy technology conference in 2001, company founder, chairman and CEO, Michael Saul Dell, said he was "very proud" the "Navy is one of Dell's largest customers." At a US Air Force technology conference in 2002, he said "the Air Force has become one of our largest customers." When introducing Dell at a US Army technology event in 2004, General Steven Boutelle said there are

> "soldiers all over the Middle East that are Dell employees functioning in reserve units. They have contractors in the Middle East. They are supporting us throughout Baghdad, Iraq and the rest of the world."

Dell's speech then noted that "[t]his year, the Army is going to be one of our largest customers in the world."

Dell also supplies US allies and has had a subsidiary in Israel since 1999. That year, Michael Dell, accepted an invitation to visit Israel from the director-general of Israel's Industrial Cooperation Authority. The American-Israeli Cooperative Enterprise has noted that Dell was "born…to a wealthy Jewish family in Houston, Texas," and "is one of the richest people in the world...with a net worth of $14.6 billion in 2011."

By 2005, Dell was the third largest supplier of PCs and laptops in Israel. This was thanks, in part, to one of Dell's largest buyers, the Israel Defense Forces (IDF). In 2006, the IDF contracted Dell to supply 50,000 personal computers (PCs). *Globes* reported that this three-year contract was "financed from US military aid to Israel." The paper also noted that the IDF tender was "thought to be the largest of its kind in Israel and is divided into three categories: laptops, PCs and servers."

Another Israeli paper, *Haaretz*, confirmed this as "one of the Israeli army's biggest computer tenders," and said "the army is paying between $600 to $700 per unit" making "the contract worth about $30 million to $35 million to Dell Israel." It noted that Dell had also won a separate contract "to supply portable computers to the Israeli government." *Globes'* also mentioned this other contract saying Dell would also supply 2,500 PCs to various unspecified government offices.

In 2009, Michael Dell accepted another invitation to Israel, this time from the country's President, Shimon Peres. Dell had met Peres earlier that year at the global power elite's "World Economic Forum" in Davos, Switzerland. At that time, Peres suggested to Dell "that he should [start] a business development center in Jerusalem" and Dell did just that.

In early 2010, Dell Inc. paid US$12 million for Exanet, an Israeli data-storage systems firm. This allowed Dell to open its Israeli R&D center in early 2011. Exanet's key executives are closely tied to several large companies that supply Israel's military:

- Cofounder/CEO, Giora Yaron, was on Rafael's advisory board. (See "State-owned Israeli War Industries," pp.48-49.) He is also an Amdocs director. (See pp.5-6.)
- CEO/President, Mark Weiner, was in various executive positions at NetApp. (See table "CPP investments," p.53.)
- President of Exanet Americas, Bruce Chumley, held key posts at EMC and Hitachi Data Systems. (See pp.30-31 and p.38.)
- Chief Financial Officer, Michael Berger, filled "various financial and managerial roles" at Motorola Communications Israel. (See table "CPP investments," p.53.)

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