

# Hewlett-Packard Co.

Canada Pension Plan  
2011 Investment

\$64 million

With assets of US\$120 billion, this US multinational is one of the world's largest companies. Although HP's annual military revenues in 2010 totalled US\$972 million, this was a trifling 0.8% of its total revenues. Nevertheless, HP's military sales were large enough to put this information technology (IT) giant into 65th place among the world's top war industries. In 2008, HP ranked even higher, reaching 45th place.

Between 2000 and 2009, HP had about US\$18.35 billion worth of contracts with the US federal government. About 70% of these (US\$12.7 billion) were with departments and agencies of the US military, primarily the Navy (US\$8.84 billion). The company was among the Pentagon's top contractors in 2008 and 2009, when it ranked 32nd and 25th, respectively.

Tom Hogan, HP's senior Vice President of Software, has said that "Israel is the company's winning ticket." In the early-2000s alone, HP invested US\$5.5 billion in Israel's high-technology sector. This, said Israel's online *ynetnews* in 2006, was "the largest investment by any firm in Israeli hi-tech."

With 900 employees, HP Israel has an impressive client list which includes Israel's Police and the Ministries of Defence, Justice and the Interior. Among HP Israel's corporate customers are several providing key services to Israel's military, such as Cellcom (pp.17-18), Bank Leumi, Bank Hapoalim, the Israel Discount Bank and the Mizrahi Tefahot Bank. (See table, "CPP Investments," p.53.) Another customer of HP Israel is Comverse Technologies, the parent company of Verint. (See "Israeli Spy Companies," pp.43-47.)

HP also supplies state-owned arms makers: Israel Military Industries (IMI) and Israel Aerospace Industries



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**Palestinians with biometric pass cards issued by Israel, must go through warrens of narrow, barred cages and use EDS palm scanners to travel from the Qalandria refugee camp to jobs, hospitals, relatives and Muslim holy sites in Jerusalem.**

(IAI). HP lists IMI as a client, and IAI's Elta Systems uses HP hardware and software in its L-8356 Electronic Warfare Analysis Station. (See "State-owned Israeli War Industries," pp.48-49.)

In January 2011, HP began providing the secret IT unit of Israel's Army with a Configuration Management Database. Then, in May, HP began providing an Enterprise Resource Planning System to Israel's Army "estimated in the hundreds of millions" of Israeli shekels. (Note: A hundred million shekels is worth US\$26 million.)

Israel's business paper, *Globes*, reported in 2009 that HP won a US\$15 million, three-year contract (with a two-year option) to install visualisation systems on Israeli military computers. These programs, which allow "a single computer ...[to] obtain all network resources," are made by VMWare. (See table, "CPP Investments," p.53.)

HP owns Electronic Data Systems (EDS) Israel. It led the consortium that won a US\$8-10 million contract in 1999 to develop, install and main-

EDS Israel, an HP subsidiary, created, installed and maintains the "Basel System" used at Israeli checkpoints like Qalandria in the West Bank.



Tara Todras-Whitehill/AP



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tain the "Basel System" for Israel's Ministry of Defense and the Israeli police. Financed by the US government, this automated biometric access-control system uses facial dimensions and hand geometry. This biometric information, and other personal data, is stored on magnetic ID cards that Palestinians must use to get through major checkpoints into Israel and to move about within the occupied territories.

Israel's Coalition of Women for Peace (CWP) says Israeli checkpoints are "isolating Palestinians from each other, separating communities." The checkpoints make many Palestinian towns and cities "almost inaccessible" from each other. The UN Office for the Coordination of Humanitarian Affairs reported in 2007, that 2.4 million West Bank residents "are affected by physical impediments to movement." Chief among these are 100 checkpoints.

The "Basel System" is part of a discriminatory system applied only to Palestinians, and not to Israelis. As the Coalition of Women for Peace point out

“The quarter of a million Israeli settlers in the West Bank do not have to pass through the checkpoints. They travel using bypass roads, available only to them, which connect West Bank settlements to each other and to Israel.”

HP’s “Basel System” is also used at checkpoints controlling the access of 25,000-30,000 Palestinians with “work permits” who enter Israel from Gaza and the West Bank. Checkpoints between the West Bank and occupied East Jerusalem also use the “Basel System.”

HP is also involved in another mechanised system of control within Israel, namely the country’s ID card system. In 2008, HP landed a US\$70 million contract to make five million biometric ID cards for Israel’s Ministry of the Interior. HP also won a related US\$2 million tender, through its subsidiary EDS Israel, to collect and systematise fingerprints and photographs of Israeli citizens.

When it purchased Compaq Computer Corp. in 2002, HP began providing and operating the “Aviv System” for Israel’s Ministry of Interior. This population registration system includes the “databases for the population registry.” HP’s contract to administer this system was renewed in 2010 for three more years, bringing in another US\$6 million for HP which had already received about US\$26 million for this work prior to 2009.

Israel’s ID card system, says the CWP, “reflects and reinforces ... [Israel’s] political and economic asymmetries, tiered citizenship structure and restrictions on movement and access.” As the CWP further explains:

“The Israeli ID system, which is used to privilege Jews and differentiate among all others, stems from a strategy of stratified citizenship....

“The Israeli ID cards can be grossly categorized by the color of their plastic casing: blue for Israeli citizens and permanent residents, orange/green for Palestinian in the oPt [occupied Palestinian territories]....

“Until 2003, the blue IDs included the label of ‘nationality,’ under which Israeli citizens were listed



as Jewish, Arab, Druze, Bedouin, etc. In 2003, the nationality label was replaced with asterisks. However, the ethnicity is still listed in the population registry and additional notations enable distinguishing between Jewish and non-Jewish Israeli identification card holders.”

Israel’s *Globes* business paper reported in 2006 that “HP Israel will assume full responsibility for the management and operation of the Navy’s IT infrastructure.” This included “computer and communications centers, information security and full end user support.” This HP program, “implemented at a number of naval bases,” was “the first of [its] kind” in the Israel Defense Forces (IDF). Israel’s Navy has shelled civilian areas in Gaza, and attacked Gazan fishermen as well as ships carrying aid to Gaza.

Another 2006 contract, to supply 500 laptops “to various [Israeli] government offices” was won by HP.

In 2004, HP finished a three-year contract, financed by US military aid, to supply computer servers to Israel’s Defense Ministry. This contract, said the *Globes* newspaper, was “one of the most prestigious in Israel.”

In 2002, HP Israel won “a tender valued at [US]\$3 million to become the exclusive provider of laser printers to the IDF and Ministry of Defense.”

HP’s military exports to Israel were mentioned by Israel’s *Haaretz* newspaper in 2009 when a scandal broke regarding senior Israeli Defense Ministry officials who were investigated for passing insider information to help specific US companies win more than US\$100 million in contracts. *Haaretz* said the “equipment was procured for Military Intelligence units in-

involved in signals intelligence and encryption, as well as for the air force and other units.” It said Israeli officials “leaked sensitive information from the closed bids made by companies participating in the tenders to companies they favored, helping them win contracts.” Other companies involved included Cisco and EMC. (See Cisco, p.19 and EMC, pp.30-31.)

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