

Hewlett Packard's Involvement in Israel - Factsheet

Note on Sources

I have used 3 articles from 3 principal websites to source this information on Hewlett Packard's involvement in Israel's occupation:

www.whoprofits.org

www.globalexchange.org

www.corporatewatch.org

Specifically the links used are:

<http://www.whoprofits.org/company/hewlett-packard-hp>

<http://www.globalexchange.org/economicactivism/hp/why>

<http://issuu.com/corporatewatch/docs/imprisonedvoicesweb/1>

As they state respectively on their sites:

Who Profits from the Occupation is a research center dedicated to exposing the commercial involvement of Israeli and international companies in the continued Israeli control over Palestinian and Syrian land. Currently, we focus on three main areas of corporate involvement in the occupation: the settlement industry, economic exploitation and control over population.

Global Exchange is an international human rights organisation dedicated to promoting social, economic and environmental justice since 1988. We are a 501 c3 registered non-profit.

Corporate Watch is an independent research group. We investigate the social and environmental impact of corporations and corporate power.

Who Profits makes frequent references to the sources of their information such as freedom of information requests and direct requests to Israeli government bodies. The page on Hewlett Packard is dated as valid up until 04/02/15. Its not clear whether this is US or UK date format.

Global Exchange makes references to other reports with links to them, such as a Reuters investigation or *Who Profits*.

Corporate Watch has detailed footnotes and references throughout its piece on Hewlett Packard. I will present the information in the texts (which is accessible in its original format on the second set of links above) organised into as Global Exchange puts it "the 4 key components of Israel's occupation: The Israeli Prison Service; the Israeli Military; Checkpoints and border crossings and West Bank settlements" sequentially in the order as it appears in *Who Profits*, *Global Exchange* and *Corporate Watch*, in full in order to communicate the full context in which it appears, with some prefacing notes to help characterise and distinguish the 3 different reports. The report texts are in blue. My prefacing comments are in black.

(1) The Wall, the Checkpoints and Border Crossings

The *Who Profits* account of the Basel System provides details on contract dates, specific checkpoints (West Bank and Gaza), basic operating details, other companies involved in the Basel System.

The Basel System (*Who Profits*)

EDS has provided the Israeli ministry of defense with the development, installation, maintenance and on-going field support of the Basel System. The Basel System is an automated biometric access control system which includes a permit system for Palestinian workers, with hand and facial recognition, installed in checkpoints in the Occupied West Bank and Gaza. The system was financed by the US government following the Wye River Memorandum.

On September 12, 2011, Who Profits from the Occupation received a response from the Israeli Ministry of Defense to an inquiry the project submitted regarding the Basel System. The response confirmed that HP was contracted by the Ministry to operate and maintain the Basel System until December 31, 2012. The Ministry of Defense indicated that the system is installed at the following checkpoints in the occupied West Bank: Jericho, Bethlehem (Ma'avar Rachel), Jenin, Nablus, Tulkarem, Hebron, Abu Dis, Tarkumia and at the Ephraim Gate (Sha'ar Efraim, Irtach).

In a response to a freedom of information inquiry submitted by Who Profits in 2014, the Israeli Ministry of Defense stated that the system is also installed in the following checkpoints: Jalame (Gilboa), Barta'a (Rihan), Tura (Shaked), Eyal, Eliyahu, Yoav, Hashmonaim (Nialin), Macabim (Beit sira), Al-Jib (Givat Ze'ev), Qualandia (Atarot), Ras Abu-Sbitan (Hazietim), Halamed He and Sansana (Meitar).

In April 2013, Who Profits received an answer from the Israeli civil administration stating that the Israeli ministry of defense prolonged its contract with Hewlett Packard (HP) for the maintenance of the Basel system in checkpoints until June 30 2013. The response further states that the contract will be extended until the end of 2013, after the Israeli state budget will be approved by the Israeli parliament - the Knesset.

In 2014, the Israeli Ministry of defense responded to a freedom of information inquiry submitted by Who Profits, and stated that HP is contracted to maintain the Basel biometric system in West Bank and Gaza checkpoints until the end of 2015

Companies involved in the Basel system: * L-1 Identity solutions (part of the Morpho Group) A public American company that provided its Facelt(R), a facial recognition technology to the Basel Project. * Oberthur Technologies A French company traded in the Euronext. The company's division "Smart Cards USA" supplied microprocessor ID cards for the Basel Project. * Polimil and the DataCard Group The DataCard Group, a private American company provided the enrollment and issuing subsystem for the Basel Project, through its exclusive Israeli distributor, Polimil.* Recognition Systems (part of the Irish Allegion group)A public American company that provided hand geometry readers for the Basel Project.

Global Exchange's account gives context for the Palestinians of the storage of their information and restrictions on movement and the conflict of Israel's portrayal of the system as a security measure which is used instead to restrict movement.

The Basel System (*Global Exchange*)

Palestinians wishing to enter Israel must apply for a magnetic biometric ID card with the Israeli occupation authorities; each electronic ID card contains biometric, personal, and security information. While only a fraction of Palestinians who apply for permits actually receive them, each applicant's information is kept and stored in a database held by the Israeli authorities. Over the years, Israel has accumulated this information into a population registry that contains information about every Palestinian in the occupied Palestinian territory over the age of 16. The biometric data is also collected as part of the BASEL system (see picture), a biometric access control system, which is installed in major Israeli checkpoints in the occupied West Bank. This system is used to restrict Palestinian movement across checkpoints inside the West Bank and to grant or deny special movement privileges (see for example this UN Report). EDS Israel, now part of HP Enterprise Services, is responsible for developing, integrating and maintaining the BASEL system.

The BASEL system is installed in checkpoints deep inside the occupied territory, and is used as part of the separate road system in the West Bank, restricting all Palestinian movement. Although the checkpoints system is often portrayed by Israel as a "security measure," the main checkpoints are deep inside the occupied territory, restricting movement between Palestinian cities. Palestinians wishing to go into Israel, mostly as day workers, are still able to avoid these and find their way. The checkpoints system, and the BASEL system in it, is a control mechanism used to repress and submit the Palestinian civilian population in the occupied West Bank. See our Separation Wall and Checkpoints page to learn more about how these obstructions deny Palestinian's freedom of movement in their own land, restrict their access to medical care, employment and educational services, and decimate their commerce and economy.

CorporateWatch's account makes the suggestion Basel might be the biggest role for HP in the occupation, splits Basel into 2 stages of development and provides some more detail on how the biometric works.

The Basel System (*CorporateWatch*)

Perhaps HP's biggest role in the occupation is their operation and maintenance of the BASEL system, a biometric matrix of control used at all military checkpoints in the West Bank and the Erez checkpoint in Gaza. The company took on this role with the 2008 acquisition of EDS Israel,^{1 3} which headed a consortium that had won a US \$8-1 0 billion contract to install BASEL in 1 999. The US government provided major financing for the system as part of the Wye River Memorandum signed between Yassir Arafat and Benjamin Netanyahu in 1 998. EDS merged into HP and since 2009 is called HP Enterprise Services.^{1 4}

The BASEL project had two stages. The first was biometric control of Palestinians permitted into Israel from the Occupied Palestinian Territories.

In its second stage EDS developed a similar system for migrant workers at all of Israel's international borders, a contract it won from the Israeli Border Police.^{1 5} Since 2005 biometric magnetic cards have become mandatory for all Palestinians wishing to receive permits to work inside Israel.^{1 6} But rather than just regulate movement into Israel, the army operates the system at a number of checkpoints throughout the West Bank, including those separating the West Bank from occupied East Jerusalem.

These cards hold information that includes biometric templates and personal data which allow BASEL to read facial dimensions and hand geometry. Whilst few Palestinians are successful in their

application for a work permit, the system collects and stores the biometric information of all applicants. Who Profits estimates that the Israeli authorities hold biometric information for almost every adult in the West Bank.¹⁷ Now HP has also won a contract to create a biometric ID-card system for all Israeli citizens following the passing of the 'Identification Card, Travel Papers and Biometrics Database Bill'.¹⁸

Who Profits account of the Biometric Id Cards gives the dates, scope and location of the programme, the use for Palestinian residents of Israel and occupied East Jerusalem and HP's operation and maintenance of the Aviv system which includes the "Yesha" database, containing information on the Israeli citizens in the settlements.

Biometric ID Cards (*Who Profits*)

In 2008, HP signed a contract with the Israeli Ministry of Interior for the production and manufacturing of biometric ID cards for Israel's citizens, including the Palestinian residents of Israel and occupied East Jerusalem.

The company operates and maintains the Aviv system, the computing company of the population, immigration and border passing authority. HP has been operating this system since 1997 without a tender. The authority has a contract with the company until the end of 2013. The Aviv system includes the "Yesha database" which contains information on the Israeli citizens in the settlements.

In 2011 HP was contracted without a tender to install a standpoint of the population registrar, which is connected to the population registrar system. The Arbel unit of the authority of population handles the replacement of passports to biometric ID's. The Arbel project includes the collection and archive of all the information about Israeli citizens. In 2013, state employees of the project were replaced by HP employees. In 2013, HP was contracted without a tender to supply hardware to the issuing machines, other than the software and the machines themselves.

Global Exchange's account of the Biometric Id Cards provides historical context and describes associated rights violations

Biometric ID Cards (*Global Exchange*)

In 2008, the Israeli Ministry of the Interior announced a contract with HP to manufacture five million Israeli biometric ID cards. Through its subsidiary EDS, HP also won a contract to systemize the collection of biometric and photographic data for these ID cards. See more about the way these contracts were obtained by HP in the latest Who Profits report: Technologies of Control: HP's involvement in the Israeli Occupation. The Israeli ID system is stratified by ethnicity and religion, and the new biometric database and ID cards system are a part of the state's systemized and tiered control of ethnic and national minorities.

Under the Israeli ID system, blue IDs designate "Israeli citizens" and orange and green IDs are given to Palestinians in the oPt, provided they have a permit to enter Israel. Blue IDs are not granted to non-Jews in the occupied territory or to non-Jewish descendants of refugees from the area. Granting full citizenship to a small number of Palestinians who were present in the post 1948-war census in their own homes has allowed Israel to deny it to other Palestinians who fled or were forcibly removed during the creation of the state of Israel. As a 2007 UN Report states, over 250,000 Palestinians living in East Jerusalem, which was annexed into the state of Israel, have not been

granted citizenship, and thousands more have been denied citizenship within state borders based on technical restrictions that apply only to non-Jewish residents. In the state's population registry, ethnicity/nationality is recorded and labeled on state IDs in various ways. The Israeli ID system reinforces the political and economic inequalities between Jewish and non-Jewish citizens, Arabs and non-Arabs, Israelis and Palestinians, and restricts the mobility of select groups.

(2) Westbank Settlements

Who Profits' account of the services to settlements provides dates, scope and location of a development centre, technological services to 2 of the largest settlements. Also provides details on the Smart City pilot project in the illegal settlement of Ariel.

Services to settlements (*Who Profits*)

HP operates a development center in Beithar Illit which employs ultra orthodox women. EDS has been operating this center since 2006 and from 2008 it has been operated by HP. Until January 2012, the center was located in a facility of Beithar Illit's municipality. Afterwards HP expended this center by building an additional structure. The structure was constructed using a three years grant that the company received from the Ministry of Industry and Employment in the amount of hundreds of thousands of NIS per year.

HP provides services and technologies to two of the biggest Israeli settlements in the occupied West Bank: Modi'in Illit and Ariel. Matrix and its subsidiary Tact Testware, which provide technological services to HP, are located in the illegal settlement Modi'in Illit. Matrix distributes HP computers, servers and virtualization solutions. Matrix's personnel were trained by HP to provide software and services. Tact Testware provides HP with licenses and services in the field of testing and automatization.

HP also takes part in the "Smart City" project in the illegal West Bank settlement of Ariel, providing a storage system for the settlement's municipality. The illegal settlement of Ariel was chosen by the Israeli government as a pilot city for this program.

Global Exchange's account of services to settlements provides some scope and references the illegal settlement Ariel.

Services to settlements (*Global Exchange*)

HP provided a computerized storage system to the illegal settlement of Ariel. A subsidiary of a main distributor of HP products, Matrix, has an offshore outsourcing project out of an illegal settlement in the West Bank.

CorporateWatch's account provides source information and puts into the context of illegal colonisation. It also details some of the other companies involved.

Services to settlements (*CorporateWatch*)

Not content with merely supporting the oppression of Palestinians, HP are also involved in supporting the illegal colonisation of the West Bank. This includes a program for women, originally operated by EDS, in the settlement of Beitar Illit.¹⁹ In a letter to the Presbyterian Church in the US,

Hewlett-Packard's Zoe McMahon explains that a subsidiary of the company leases office space in Beitar Illit.²⁰ The company also supports the settlement municipality of Ariel by providing an electronic storage system as part of its 'Smart City' project. The company also provides services to the settlement of Modi'in Illit.²¹

Companies distributing HP computers and servers operate in settlements. Matrix and its subsidiary Tact Testware are located in Modi'in Illit²² and Matrix staff were trained by HP to provide software and services. Tact Testware provides HP with licenses and services.²³

(3) The Israeli Prison Service

Who Profits' account of service to the IPS provides dates and scope of the contracts, both with the prison and the prison authority, details on the Kidma and Tzohar systems and an account of the budget overrun.

Services to the Israeli Prison Service (*Who Profits*)

According to a response received on December 2013, from the Israel Prison Service (IPS) to a freedom of information request by *Who Profits*. HP is contracted to provide printers and maintenance of HP systems and central servers until 2016, in the amount of tens of millions of shekels.

HP also provides technological services to the Israeli prison's authority. In August 2012, the Israeli prison authority announced the signature of a contract with HP without a tender for the provision of central servers for the operational system of the IPS, "Tzohar". HP will also provide maintenance services for these servers. In addition, HP executed a project of e-mail storage and archive in the IPS.

According to a report of the state comptroller, in August 2006 the IPS published a tender to establish a new computing system, "Kidma" system, which was supposed to replace the information system of the IPS. In October 2007 the IPS signed a contract with HP to develop the system, which was supposed to include a human resources system, prisoners' management system, prison management system and an intelligence sub system. Initially the budget of the project was 43.2 million NIS. In 2004 it increased to 62.5 million NIS. The budget didn't include the maintenance of the system and until 2012 the budget increased to 144 million NIS, more than three times the initial budget. The project was supposed to be executed in 23 months and was estimated in 43 million NIS, yet, the project took 5 years and cost over 144 million NIS. The IPS commissioner stated that since 2010, the IPS hasn't been paying HP any funds. The IPS froze the money transfer to HP back in 2010 and in 28 February 2013, the IPS signed a termination contract with HP. Eventually, the amount paid to HP was 126 million NIS and the company completed 3 out of four systems that were required.

In a response to a freedom of information inquiry submitted by *Who Profits* in 2014, the Israeli Prison service stated that HP is contracted to provide printers and to maintain HP systems and central servers in the Israeli prisons during 2016.

Nothing on IPS from *Global Exchange*.

CorporateWatch's account provides more details on Kidma and the budget overrun.

Services to Israeli Prisons (*CorporateWatch*)

Complicity in the Israeli Prison System Hewlett-Packard (HP) gained a contract with the Israeli Prison Service (IPS) in 2007, when it signed a NIS 43.2 million deal to establish a new computer system called Kidma.¹ The project aimed to digitise everything from prisoner exercise schedules to guards shifts but caused huge problems for the IPS who eventually paid NIS 144 million, some of which went on companies hired to complete work HP had failed to finish.² A project that was supposed to take just 23 months was still not finished when HP stopped working on Kidma in 2012.³

Yet HP seemingly came out with its reputation unscathed. In response to a 2013 Freedom of Information request by Who Profits, the IPS divulged that HP receives “tens of millions of shekels” to provide printers and maintain HP systems and central servers – a contract that will run until at least 2016.⁴ It is not clear whether this refers to the contract HP secured in 2012, without tender, to provide central servers for IPS operational systems which included maintenance, or a different contract.⁵ In addition, the company also runs a project for e-mail storage and archiving for the IPS.⁶

(4) The Israeli Military

Who Profits' account of the services to the Israeli Army provides details on the contracts, including a pilot virtualisation project and the provision and assimilation of control systems.

Services and technology to the Israeli Army (*Who Profits*)

HP has provided services and technologies to the Israeli army, among which is the administration of the Israeli navy's IT infrastructure. The Israeli navy enforces the naval blockade on the Gaza Strip since 2007. The IT infrastructure provided by HP to the Israeli navy was used by the Israeli military as a pilot for implementing the same system to the entire army, a “virtualization project” contract won by HP in 2009. In the same year, HP Global won another contract to supply all computer equipment to the Israeli military. The contract was signed for three years with an option to prolong it for another two years.

In addition, in May 2011, HP received a four years tender to implement and assimilate ERP SAP systems for the Israeli army in hundreds of thousands NIS. In December 2011 HP won a 500 million NIS tender to provide, implement and maintenance all the servers in the IDF and in the Israeli security forces. The tender is for three years with an option to prolong it for another two years. HP will provide the Israeli army with new servers and will also provide and assimilate accompanying equipment which includes different control systems. The contract was signed in the US and most of it was sponsored by the US Military Aid funds

Global Exchange's account summarises the contracts and puts into the context of some of the military's war crimes.

Services and technology to the Israeli Army (*Global Exchange*)

HP has won a series of major contracts with various sections of the Army in the last two years. Among them are a two-year contract to supply all PCs to the army, a three-year virtualization tender, and a contract for the outsourcing of the Navy's IT infrastructure, including the management and operation of its computer and communications centers, information security, and user support.

The Israeli army and navy are responsible for countless war crimes in Gaza, Lebanon and the West Bank. See the following Amnesty International publications related to: Operation Cast Lead, The Siege of Gaza and the attack on the Gaza Freedom Flotilla.

CorporateWatch's account provides contract details and violations context and presents the conflicting claims of HP that their technology provisions to the Israeli military should not be associated with the Gaza blockade.

Services and technology to the Israeli Army (*CorporateWatch*)

HP's contracts with the Israeli military began with a 2006 tender to supply IT infrastructure for the Israeli Navy, including operational communications.⁷ It was to be the pilot for a larger system for the entire army. The Israeli navy enforces the maritime element of the blockade of Gaza, firing on Palestinian fishermen who dare travel too far in their search for a catch. The company's stance is that it provides IT services to the Israeli Ministry of Defence, including back-office applications and systems to the Israeli Navy, claiming, ironically, that this should not be considered as providing support to the blockade of Gaza.⁸

In July 2009, the company won a contract to install software products for the Israeli army in a three-year virtualisation tender worth an estimated \$1.5 million with an option for a two-year extension.⁹ It beat off other well known bidders including IBM and Dell to install systems made by VMware Inc.¹⁰ Within the same year HP Global won another contract to supply all computer equipment to the Israeli military. This was followed by two more deals in 2011: firstly a four-year programme to implement IT systems for the army;¹¹ and secondly a successful bid to manage the Ministry of Defence and army server farms, worth an estimated NIS 500 million.¹²

Introductory / Concluding Information

Who Profits provided the following introduction to HP's presence in Israel

A global technology, computing and IT services provider. The company owns EDS Israel, which merged into HP and since 2009 it is called: "HP Enterprise Services".

HP itself states: "Israel is one of the few countries where HP has a massive presence, including the following entities: HP Israel; The Indigo Division – Digital Printing Solutions; HP Industrial Printing (formerly Scitex Vision); HP Software (formerly Mercury) and HP Labs. HP is the second largest investor in Israeli IT". The company also states that "From 2001-2011, HP invested over \$6 billion in the acquisition of Israeli companies, including the establishment of production plants".

Since 2011 HP has been supplying the computer systems of the ministry of defense. The tender was worth an estimated NIS 500 million. Under the Ministry of Defense tender, the company was contracted to manage the ministry and IDF's server farms for five years.

Global Exchange makes the following introductory comments on a separate page

<http://www.globalexchange.org/economicactivism/campaigns/hp>

Campaigns targeting HP are calling on this U.S. high-tech multinational company to stop supporting the Israeli occupation of Palestine, as well as Israeli war crimes and human rights violations, and to pull out of its biometric ID projects which facilitate ethnic segregation and discrimination.

HP provides on-going support and maintenance to a biometric ID system installed in Israeli checkpoints in the occupied West Bank which deprive Palestinians of the freedom of movement in their own land and allows the Israeli military occupation to grant or deny special privileges to the civilians under its control. HP is also working with the Israeli government to manufacture and distribute a biometric ID system for all Israeli citizens, which categorizes citizens by their ethnic background and serves to discriminate against Arab citizens. HP manages the IT infrastructure for the Israeli navy and supplies the Israeli army with equipment and services specific to the needs of the military occupation. It is involved in the planning, construction, operation and maintenance of the intricate mechanisms of physical separations and restrictions of movement. HP also supports Israel's occupation of Palestinian land by providing a computerised storage system to an illegal settlement.

CorporateWatch provided the following opening context:

California based Hewlett Packard is involved in the 4 key components of Israel's occupation: The Israeli Prison Service; the Israeli Military; Checkpoints and border crossings and West Bank settlements. The company also operated research and development in Israel supporting the country's high-tech industry, a vital sector of the Israeli economy and an important component in Israel's self-styled image of a progressive democracy in the hostile Middle East

There is also some summarising information at the bottom of *Who Profits* and *CorporateWatch's* pages