

Date: 28/11/2016

Enterprise Fact Sheet

# Magal S3 Security Systems Ltd.

November 2016

Observatory for Human Rights and Business in North Africa and the Middle East

## ENTERPRISE FACT SHEET

### Abstract

Magal S3 España, S.L. is the Iberian subsidiary of the Israeli company Magal S3 Security Systems Ltd, a world leader in security and cybersecurity solutions for complex environments and critical infrastructures such as borders, prisons, ports, airports, and military and government facilities, among others. Its main services are perimeter security, closed circuit television and FORTIS command and control systems.

The technological development of Magal has been possible thanks to the experience accumulated over more than 50 years in contributing to the occupation and apartheid policies of the government of Israel, affecting the population of Palestine. In 2002, Magal won 80% of tenders to provide a security system for intrusion detection along more than 125 km of the Separation Wall. Magal has also become the leading provider of smart fencing with perimeter security systems, systems that are also installed in at least ten illegal Israeli settlements in Occupied Palestinian Territory<sup>1</sup>.

This report finds that Magal S3 is a key and necessary enterprise for the Israeli occupation and apartheid system and therefore their business activities are illicit and violate international law. Contracting Magal S3 security services and products reveals a serious lack of responsibility of Spanish and Catalan public authorities in not contributing to observance of international law by Israel and other agents that act with Israeli consent or support. This connivance could constitute a violation of the 2014 EU directives on public procurement, recently incorporated into internal law through Catalan Legislative Decree 3/2016 on urgent measures regarding public procurement; and it undermines coherence between policies on Cooperation for Development and promotion of peace in Catalonia.

Name of the enterprise	Magal S3 España, S.L.
------------------------	-----------------------

Parent company	<p>Magal S3 Security Systems Ltd.</p> <p>An Israeli company created in 1965. Initially, as part of Israeli Aerospace Industries (IAI) it was to respond to the security needs of the Israel Defence Forces at borders.</p> <p>Magal S3 is a multinational company with activity in 80 countries and subsidiaries in Germany (Senstar Germany), the United Kingdom (Senstar-Stellar), the United States (Stellar Security Products, Inc., Perimeter Products Inc., Smart Interactive Systems, Inc., Dominion Wireless, Inc.), Canada (Aimetis Corporation, Senstar-Stellar Corp) and Mexico (Senstar-Stellar Latin-America). Magal S3 also owns the Israeli company CyberSeal, which is the current cybersecurity branch of Magal S3<sup>2</sup>.</p> <p>The company is currently run by Saar Koursh (CEO). Koursh worked for 12 years at Elbit Systems Ltd. The main shareholder is the South African Nathan Kirsch (24.2%) through Mira Mag Ltd (registered in Liberia).</p>
Founder	Israel Aerospace Industries (IAI)
Headquarters	Yehud, Israel

Contact	<p>Magal S3</p> <p>17 Altalef Street, PO Box 70</p> <p>Yehud, 5621617, Israel</p> <p>Phone: + 972-3-5391444</p> <p>Fax: + 972-3-5366245</p>
Address in Spain	<p>Magal S3 España, S.L.</p> <p>Calle Chile 4, Edificio II</p> <p>28290 Las Rozas, Madrid, Spain</p> <p>Phone: +34 916 301 555</p> <p>Fax: +34 916 303 153</p> <p>Email: <a href="mailto:comercial@ms3.es">comercial@ms3.es</a></p> <p><a href="mailto:soporte@ms3.es">soporte@ms3.es</a></p>

Business sector	Security industry. Specialising in cybersecurity, remote control and physical surveillance of critical infrastructures (borders, ports, airports, power plants, etc.).
Legal status of the enterprise and subsidiaries	Magal S3 España is the Iberian subsidiary of Magal S3 Security Systems Ltd. It was established in 2009.
Activity in Spain	<p>Magal S3 España is growing in Spain. The enterprise acknowledges an increase in customers and markets in Spain, and an increase of 25% in business volume in 2105 over the previous year. The main projects in Spain are:</p> <ul style="list-style-type: none"> <li>• Ports: Perimeter security system at the Port of Tarragona and Ceuta<sup>3</sup></li> <li>• Airports: Perimeter security system at Malaga Airport and Zaragoza Airport<sup>4</sup></li> <li>• Energy: Smart security fencing for the electricity grid connection between Spain and France<sup>5</sup>. Security at power plants (two nuclear plants) and distribution networks of Gas Natural, Endesa, Repsol, Enagas and Red Eléctrica de España (REE).</li> <li>• Critical infrastructures: Integrated security at the El Arenosillo Experimentation Centre (CEDEA) at Magazón (Huelva). CEDEA is part of the Strategic Unit of the National Institute of Aerospace Technology (INTA) of the Spanish Ministry of Defence<sup>6</sup>. It also provides security services at 7 military bases (unknown locations), at the headquarters of Aeropuertos Españoles y Navegación Aérea (AENA) and at the headquarters of the Spanish National Police, among others.</li> <li>• Prisons: Security services at eight prisons and detention centres, such as the staff transport service of Picassent Prison (Valencia)<sup>7</sup>.</li> <li>• Other clients: According to its client portfolio, Magal S3 also provides services at air force bases and TV3, among others<sup>8</sup>.</li> </ul>
	<ul style="list-style-type: none"> <li>• Borders: Participation in the Spanish Border Control Network<sup>9</sup>.</li> </ul>

Economic activity in Palestine	<p>Israel is the largest supplier of security systems for smart fencing at different types of infrastructure and area<sup>10</sup>:</p> <ul style="list-style-type: none"> <li>• Confiscation Wall : Provision of intrusion detection systems along 150 km of the Wall in the West Bank.</li> <li>• Settlements in Occupied Palestinian Territory: Perimeter security and access control through the FORTIS system<sup>11</sup>.</li> <li>• Gaza Strip: Fence intrusion detection systems.</li> <li>• Prisons: Close relationship with the Israeli Prison Service for the provision of intrusion detection systems, surveillance cameras, digital video recording and the MagNet integral control system.</li> <li>• Checkpoints in the West Bank: Security systems.</li> </ul>
Other relevant enterprise information:	<p>Magal S3 is also one of the main Israeli providers for control of borders with Jordan, Lebanon, Syria and Egypt. In addition, it exports border products and services to India - Pakistan, Bulgaria - Serbia, Slovakia - Ukraine, and Togo - Ghana.</p>

## Magal S3 España S.L.

Magal S3 España S.L. is the Iberian subsidiary of the Israeli company Magal S3 Security Systems Ltd, a world leader in security and cybersecurity solutions for complex environments and critical infrastructures such as borders, prisons, ports, airports, military and government facilities, among others. Its main services are perimeter security, closed circuit television and FORTIS command and control systems.

The technological development of Magal has been possible thanks to the experience accumulated over more than 50 years in contributing to occupation and apartheid policies of the government of Israel, affecting the population of Palestine. Between 13 and 15% of Magal's profits come directly from the Israel Defence Ministry and the Israel Defence Forces<sup>12</sup>. In 2002, Magal won 80% of the tenders to provide a security system for intrusion detection along more than 125 km of the Confiscation Wall in West Bank Occupied Territory. This wall bars access and dispossesses Palestinians of much of their territory in the West Bank. In fact, the Wall was considered illegal on 9 July 2004 by the International Court of Justice at The Hague. The Court considered that the purpose of the Wall is not to ensure the security of the State of Israel, but to confiscate the lands of Palestinians<sup>13</sup>.

Magal has become the leading provider of smart fencing with perimeter security systems, systems that are also installed in the illegal settlements of Ariel, Alfei Menashe, Karnei Shomron, Shilo, Geva Binyamin (Adam), Tzofim, Shaked, Giva'at Ze'ev and Itamar in Occupied Palestinian Territory<sup>14</sup>.

The "Made In Israel " brand has helped Magal S3 become a multinational company operating in over 80 countries, among which Spain stands out. The Iberian subsidiary of Magal S3, based in Las Rozas de Madrid, is expanding throughout Spain and each year increases its profits.

This report finds that Magal S3 is a key and necessary enterprise for the Israeli occupation and apartheid system and therefore their business activities are illicit and violate international law. Contracting Magal S3 security services and products reveals a serious lack of responsibility on the part of Spanish and Catalan public authorities in not contributing to observance of international law by Israel and agents that violate international law and commit war crimes; it could constitute a violation of the 2014 EU directives on public procurement, recently incorporated into internal law through Catalan Legislative Decree 3/2016 on urgent measures regarding public procurement; and it undermines coherence between policies on Cooperation for Development and promotion of peace in Catalonia.

### **Confiscation Wall in Palestine**

Israel has developed a sophisticated system of occupation and control over Occupied Palestinian Territory in Jerusalem, the West Bank and the Gaza Strip for almost 70 years. This process of occupation is based on laws, policies and practices that establish the supremacy of one group of people over another, using racial criteria, similar to the apartheid regime that existed in South Africa between 1948 and 1990.

In the case of Israel, the framework for occupation and separation is composed of the Confiscation Wall, illegal settlements, segregated roads, checkpoints and roadblocks, fencing and security systems in the Gaza Strip, maritime control, etc. This security architecture systematically violates the human rights of Palestinians through selective murder, collective punishment, confiscation of land, exploitation of natural resources, restrictions on freedom of movement, degrading treatment and cases of torture, administrative detention of young people for periods of years, obstacles to human and economic development, among others.

In April 2002, Ariel Sharon, the Israeli Prime Minister at the time, ordered the construction of a separation wall on the border established in 1967. Construction was defended as aiming to improve the security of the State of Israel and preventing the suicide attacks that took place during the Palestinian Intifada that erupted in 2000, mainly in the West Bank and Jerusalem<sup>15</sup>.

Israel acknowledges 320 km of border with the West Bank, but the project provides for construction of a length of 680 km. At least 85% of the Wall confiscates portions of Palestinian territory. The International Court of Justice at The Hague determined, in a consultative report, on 9 July 2004, that the Israeli Wall built in the West Bank, including Jerusalem, was illegal because it violated international law, and that therefore the construction of the wall should be halted, the sections built should be dismantled, and compensation should be paid to Palestinian victims of the damage caused by this annexation. The sentence also added that countries party to the Geneva Convention of 1949 should ensure compliance by Israel with international humanitarian law<sup>16</sup>.

Several judgements, such as that in 2007 by the Supreme Court of Justice in Israel, have confirmed the illegality of the process of confiscation of the Wall, in the case of Bil'in, ordering the dismantlement of a section of 1.7 km in this small Palestinian village<sup>17</sup>.

Since 2002 when construction of the Wall commenced, Magal S3 has won 80% of Israeli Ministry of Defence tenders to install security systems for intrusion detection along 125 km with an offer of \$15 million. Subsequently, in 2005 it won a further tender with a bid of \$4.2 million for a further 40 km of perimeter security along the Confiscation Wall, and again in the same year obtained a further contract of \$6.1 million. The security system used on the wall is the BVS-5000 fence<sup>18</sup>.

The Confiscation Wall and associated regime is illegal and the profit of enterprises that have materially participated from its creation and maintenance renders them directly complicit in this violation of international law. Countries have a duty to protect and safeguard the human rights and comply with international law, but enterprises too have a duty to refrain from violations of international law through their actions and they should immediately halt their involvement and refrain from continuing to do business through such illegal activities<sup>19</sup>.

## **Illegal settlements in the West Bank**

Since 1967 Israel has established hundreds of settlements in Occupied Palestinian Territory of the West Bank and East Jerusalem. 560,000 settlers live in 237 illegal settlements in the West Bank. The settlement expansion strategy is led by the Ministry of Defence and aims to control and confiscate further land for military and economic purposes and, in addition, hinder any type of peace process between Israel and a viable territorially continuous Palestinian state. According to the Ministry of Finance, in 2013 Israel exported over 600 million products manufactured in the settlements, including Jerusalem and the Golan Heights. As an example, Israel operates quarries in the West Bank, producing 10-12 million tonnes of material annually, transferring 94% of this production to Israel and the settlements.

Therefore, the settlements in Occupied Palestinian Territory violate several international regulations. First of all, Article 49 of the Fourth Geneva Convention states that an occupying State cannot deport or transfer parts of the civilian population in the territory it occupies, or transfer the indigenous population to other territories. It should be remembered that the Statute of Rome, which is the foundation for the International Criminal Court, includes as war crimes "the transfer, directly or indirectly, by the occupying forces of parts of its civilian population in the territory that occupy, or deport or transfer all or part of the population of the occupied territory inside or outside the territory". Since 1 April 2015 Palestine has been a member of the International Criminal Court. Secondly, the plunder of natural resources violates the Regulations of The Hague 1907, which prohibit confiscation of resources in occupied territory for the benefit of the occupying force.

The largest settlement in Israel in the West Bank, Ariel, was created in 1978 and occupies 1335 hectares, 4 times more than the built area. Magal S3 provides the settlement of Ariel with the

Fortis system, which integrates command and control of the various security and video surveillance mechanisms in the settlement perimeter zone. Magal S3 provides the same security system in the settlements of Alfei Menashe, Karnei Shomron, Shilo, Geva Binyamin (Adam), Tzofim, Shaked, Giva'at Ze'ev and Itamar in Occupied Palestinian Territory of the West Bank.

## **Magal S3 in Catalonia: the Port of Tarragona**

The Port of Tarragona has commercial, passenger and leisure operations. The Board of Management, its highest executive body, includes representatives of the Government of Catalonia, the Spanish Public Authorities, local government in the region, Chambers of Commerce, and business and trade union organisations. Currently, Mr Josep Andre i Figueras is the president of the Port Authority, responsible for deciding public procurement processes for provision of services and works at the Port of Tarragona.

Since 2013, the Tarragona Port Authority has awarded various contracts to Magal S3:

In 2013, Magal implemented an advanced command and control system (SAMC-APT) at the Port of Tarragona, which provides integrated management of resources for prevention and security, including coordination between the port police and other public security bodies, at a cost of €197,500<sup>20</sup>.

On 27 March 2014, Magal S3 received a further adjudication to install a virtual border in the mouth of the Port of Tarragona through a system of closed circuit television (CCTV) cameras. This work was negotiated directly with the company, without advertising, at a cost of €131,900<sup>21</sup>.

On 21 November 2014, a new peripheral security system at the Port was adjudicated to Magal S3 España, S.L. with a budget of €1,270,726.90<sup>22</sup>. The anti-intrusion security system includes smart fencing with sensors and a closed circuit television system with 150 day and night thermal cameras<sup>23</sup>. The adjudication was supposed to last 6 months, according to the award resolution, but Magal S3 technical staff worked on this project during 2015 and 2016 in order to set up and maintain the perimeter security system at the port<sup>24</sup>.

Magal S3 España, S.L. is the Iberian subsidiary of Magal S3 Security Systems Ltd., an enterprise, which - as we have described above - has played a key role in the occupation of Palestine. Since 2001 it has built the great majority of security fencing on Israel's borders and has been a necessary agent in the process of confiscation of Palestinian land through illegal settlements in the West Bank and the Wall. Therefore, the activities of Magal S3 in Occupied Palestinian Territory are unlawful and violate international law.

## Recommendations

Magal offers itself as the world leader in security solutions for complex environments and critical infrastructure such as borders, military and government facilities, prisons, among others. This "Made in Israel" experience has been possible thanks to its participation in the occupation of Palestine and the apartheid infrastructure built over decades to systematically control and violate the human rights of Palestinians living in the West Bank and the Gaza Strip.

The Spanish government and all Spanish public authorities, as signatories of the Geneva Conventions and the Statute Of Rome, are obliged to protect the civilian population in time of war and ensure that Israel respects international humanitarian law. The advisory opinion of the International Court of Justice on the illegality of the Confiscation Wall underlines the responsibility of the countries that endorsed the Fourth Geneva Convention of 1949, including Spain.

The acquisition of goods and services from a company that violates international law through illicit activities is an act of complicity that contributes to the process of Palestinian occupation and apartheid, and hinders a peaceful and just transformation of the conflict.

To redress these actions, the ODHE recommends the following specific measures:

- Exclusion of Magal S3 from public procurement processes in Spain through the incorporation of social criteria and respect for human rights as required by European Directive 2014/23/EU and 2014/24/EU, and Catalan Legislative Decree 3/2016 on urgent measures regarding public procurement of the Government of Catalonia.
- Immediate rescission of public and private contracts with Magal S3 and its Iberian subsidiary so as not to continue favouring an enterprise that is complicit in violations of international law.
- Establishment by Catalan institutions of effective mechanisms to control enterprises active in Catalonia, including positive or negative impacts on promotion of peace and human rights, and improvement of public procurement processes through incorporation of social clauses as determined by European Union and Catalan regulations.
- Establishment by Catalan institutions of mechanisms for blocking, creating disincentives and sanctions against enterprises and business agents that carry out activities that are complicit with the occupation of Palestinian territory and violations of human rights, including profit and business involving incendiary weapons and their components.
- Support by Catalan institutions for binding regulations that oblige Catalan enterprises to respect human rights in their activities abroad.

- 1 Information extracted from the Who profits page. <<http://whoprofits.org/company/magal-security-systems>> (Retrieved: 20 October 2016)
- 2 <<http://www.cyber-seal.net/aboutus>> (Retrieved: 23 September 2016)
- 3 Spanish Ministry of Finance and Civil Service. Public sector contracts: Record 035/2014. <<https://goo.gl/eePMJW>> (Retrieved: 20 October 2016)
- 4 "Magal protects the airports of Malaga and Zaragoza" (13 July 2016). <<http://www.ms3.es/es/magal-s3-protege-los-aeropuertos-de-malaga-y-zaragoza/>> (Retrieved: 2 September 2016)
- 5 "Magal S3 protects the electrical interconnection between Spain and France" (20 October 2015). Securitecnica.es. <<https://goo.gl/8w2x5v>> (Retrieved: 2 September 2016)
- 6 "Magal takes on integral security of INTA in Huelva" (22 December 2015). <<http://www.ms3.es/es/magal-s3-asume-la-seguridad-integral-del-inta-en-huelva/>> (Retrieved: 26 September 2016)
- 7 Spanish Ministry of Finance and Civil Service. Public sector contracts. Record no. 020120150155. <<https://goo.gl/Ymu4Sp>> (Retrieved 20 October 2016)
- 8 Corporate information about Magal S3 clients. <<https://goo.gl/RoLbH6>>. (Retrieved: 2 September 2016)
- 9 Idem.
- 10 Who profits. <<https://whoprofits.org/company/magal-security-systems>> (Retrieved: 2 September 2016)
- 11 Information from Who profits. <<http://whoprofits.org/company/magal-security-systems>> (Retrieved: 20 October 2016)
- 12 Magal S3: "The Israeli Defense Ministry, or the MOD, and the Israeli Defense Forces, or the IDF, have accounted for a significant amount of our revenues. For the years ended December 31, 2013, 2014 and 2015, they accounted for 15%, 14.8% and 13.3% of our income, respectively." Further information: <<https://goo.gl/qsYy3h>> (Retrieved: 20 October 2016)
- 13 International Court of Justice. Press Release 2004/28. "Legal Consequences Of The Construction Of A Wall In The Occupied Palestinian Territory " (9 July 2004) .<<http://www.icj-cij.org/files/case-related/131/131-20040709-PRE-01-00-EN.pdf>> (Retrieved: 17 August 2017)
- 14 Information from Who profits. <<http://whoprofits.org/company/magal-security-systems>> (Retrieved: 20 October 2016)
- 15 The Intifada began with massive protests of the Palestinian population against the occupation, severely repressed by Israeli security forces, finishing with one of the largest

military operations in the Occupied Territory of the West Bank, Operation Defensive Shield, with over 500 Palestinians killed, mostly civilians, and mass destruction of houses. On the impact of Operation Defensive Shield, see

<<https://www.theguardian.com/world/2002/aug/02/israel>> (Retrieved: 20 October 2016)

16 See the ICJ's full advisory opinion. <<http://www.icj-cij.org/files/case-related/131/131-20040709-ADV-01-00-EN.pdf>> (Retrieved: 18 October 2017)

17 "Court Orders State to Alter West Bank Separation Fence Route at Bilin" (4 September 2007), Haaretz. <<https://goo.gl/JfkAg5>> (Retrieved: 9 February 2016)

18 Stop the Wall, Magal Security Systems. <<https://goo.gl/gPESgP>> (Retrieved: 2 September 2016)

19 First International Session of the Russell Tribunal in Barcelona (3 March 2010). <<https://goo.gl/s9erhV>> (Retrieved: 20 October 2016)

20 Public procurement platform of the Spanish Ministry of Finance and Civil Service, Record 051/2013

21 Public procurement platform of the Spanish Ministry of Finance and Civil Service, Record 012/2014

22 Spanish Ministry of Finance and Civil Service, Public sector contracts. Record 035/2014. <<https://goo.gl/LFYXFF>> (Retrieved: 20 October 2016)

23 "Magal Security Systems Ltd is awarded \$2.1 million contract for an Integrated Security Solution for Port of Tarragona in Spain", Reuters (15 December 2014). <<http://www.reuters.com/finance/stocks/MAGS.O/key-developments/article/3123484>> (Retrieved: 22 September 2016)

24 Further information at <<https://www.linkedin.com/in/david-miramontes-cruz-5751244b>> (Retrieved: 22 September 2016)