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A World of Security Solutions

WNS Enhancement Initiatives

WHERE WE ARE TODAY

Wackenhut Expedites Corrective Actions as Investigation Continues

Palm Beach Gardens, Fla., September 26, 2007 – As a result of its ongoing investigation regarding inattentive security personnel at the Peach Bottom nuclear power plant, the Wackenhut Corporation has initiated immediate corrective actions.

"The goal of this investigation is to identify the root causes that allowed the incident to occur," said Eric Wilson, President of Wackenhut Nuclear Services. "At this time, we believe the occurrence of the inattentiveness speaks to the greater need for continuous training designed to create and maintain a strong leadership team and a safety conscious work environment."

Wackenhut is expediting the roll-out of a division-wide enhancement program developed several months ago by Wackenhut leadership. This program was established after a thorough assessment of the nuclear security industry and its culture. Specific enhancement initiatives being expedited include but are not limited to: 1) introduction of a new leadership certification program for all supervisors, 2) in-depth workplace culture assessments, and 3) leadership capacity assessments. "Had it been in place, our enhancement program would have directly addressed the root causes of the inattentiveness. While we recognized the need to act almost a year ago and took action, in hindsight, we would have implemented the solutions earlier," Wilson said.

As the investigation continues, initial indications are that fatigue is not the root cause of the inattentiveness. According to Wilson, the work hours for security personnel at Peach Bottom have averaged approximately 43 hours a week. Moreover, we have numerous procedures and guidelines in place to prevent inattentiveness which include the ability of security personnel to declare the fact that they are fatigued without facing adverse actions.

"As we proceed, we will follow the facts where they lead us, and continue to work with our clients in expediting the roll-out of corrective actions and enhancement initiatives. We will also maintain our standards by holding accountable any security personnel found responsible at the conclusion of the investigation," Wilson said. "That said, we are confident that the people and practices we have in place assure the safety and security at all nuclear power plants that we safeguard."

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HISTORY

Over the course of the previous nine months; the new WNS leadership conducted an in depth cultural analysis identifying opportunities for enhancement regarding security operations and leadership. As a result, WNS has designed, developed and implemented several initiatives intended to enhance the level of service to the industry. These initiatives include measurements with specific thresholds that are designed to trigger corrective actions. Furthermore, these initiatives are captured in site-specific Enhancement Plans that are being managed at each of our division facilities. These Enhancement Plans have shown positive results and <u>remain the appropriate course of action</u>. In fact, these plans have garnered significant support at all levels within the industry.

The recent events at Peach Bottom have reinforced the fact that our enhancement initiatives are the appropriate course of action and reinforced the need to expedite the implementation time-lines.

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Immediate Management Oversight

- Develop and immediately implement a 5-member oversight team (i.e. PM, Ops Supv, Trainers, etc) to conduct backshift / weekend post checks.

- Oversight team will conduct and document post checks. Expectation is to include static posts and ready rooms. Focus is on quality checks.

- Schedule will encompass 5 backshift tours per week, 4 hours per tour, to include weekends (both Saturdays and Sundays)

- Oversight plan & schedules submitted by end of business today (5pm EST 9/26/07)

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WNS Corporate Leadership Development Positions

- WNS has posted and will hire <u>four</u> additional corporate Leadership support positions.

- The purpose of the additional positions will be to provide the resources necessary to expedite the WNS enhancement initiatives.

- The primary focus of these Managers will be Leadership Development to include our Leadership Assessments and Certified Security Specialist (CSS) initiatives.

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VISION *(as previously communicated)*

- Nuclear site enhancement plans
- Employee Satisfaction "High Impact Team" (HIT)
- Total Quality Assurance System
- WNS New-Hire/Recruitment Policy
- Employee Satisfaction Surveys
- SCWE
- Aligned Objectives
- Compensation Programs
- Leadership Assessments
- Certified Security Specialist
- Benchmarking
- Incentive Program
- Ideal Facility Indicators
- WNS Self-Assessments / Audits

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Nuclear Site Enhancement Plans

Enhancement plans were established for each facility that contain initiatives intended to enhance performance. Each initiative has an owner and specific due dates. Additionally, each major category within the plan has four subcategories to ensure continuous quality assurance;

1) Track/Trend, 2) Causal Analysis, 3) Corrective Actions, and 4) Measures. As is appropriate, the Immediate Actions previously listed will be added to the site enhancement plan.

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Employee Satisfaction "High Impact Team" (HIT

We have recently established an Employee Satisfaction HIT. This team will be comprised of; a Security Officer from each of our facilities, a Supervisor, a Shift Supervisor, an Operations Coordinator, a Project Manager, a member of the Project Management Office, and the Sr. Vice President of Operations. This team will conduct monthly conference calls in order to compile feedback and input into improving employee satisfaction.

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Total Quality Assurance System

WNS is currently developing a total security QA system with the intent of merging all of our enhancement initiatives into a single platform. This platform will be designed for real time data entry; background analytics triggered by pre-defined criteria for real time reporting and assigning action items. This system will allow WNS to track & trend data as it is input, assign formal analysis, assign corrective actions and monitor their progress. Additionally, this system will leverage "lessons learned" by requiring the implementation of effective corrective actions division-wide, thus creating a proactive rather than a reactive environment. This system will be a dedicated security solution that we believe will be a "Best in Class" product within the industry.

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WNS New-Hire/Recruitment Policy

A significant revision of this policy was undertaken to improve the quality of our new-hires. Additions to the revised policy include a requirement to take an aptitude exam (RAI) and a Security Officer Profile (SOP) as part of the selection process. The new testing for security officers includes measurements of several skills including ethics and integrity. The results of the SOP are reviewed by a behavioral psychologist. In addition, the WNS Project Managers are directly involved in new-hire decisions. Other requirements include obtaining background investigation results sooner and conducting formal orientations for the job. Better-qualified new-hires will improve our performance at our facilities. Additionally, we are evaluating the use of an outside recruitment firm in order to solicit improved candidate response.

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Employee Satisfaction Surveys

Initially conducted monthly, we are in the process of revising this to a quarterly frequency. These surveys provide our Security Force Members with the opportunity to provide us feedback on how we are doing. A minimum of ten (10) random employees are surveyed at each site. Indications of poor employee satisfaction are reviewed by WNS staff and trigger appropriate actions at that facility as well as the commitment of additional resources to resolve the problem. In addition, the Security Force Members are provided "Employee Satisfaction Scorecards" that can be completed and submitted at any time. Completed scorecards are sent directly to the WNS President.

SCWE

Several enhancements are focused on our Security Force Member's knowledge level regarding the maintenance of a Safety Conscious Work Environment. Initiatives include; a SCWE DVD from the WNS President for review by our Security Force members , PowerPoint training and an examination for leaders, scorecards administered randomly and anonymously at each site, new SCWE procedures, SCWE handbooks for WNS leadership and employees, and a dedicated WNS SCWE position as part of the PMO group. A better understanding of SCWE will assist our Security Force Members in maintaining effective communications and encourage them to raise issues. Additionally, the reinforcement of a SCWE provides our folks with a reminder of the numerous avenues they have to raise issues/concerns. Those avenues include; Supervision, Open-Door Policy, Safe-2-Say Program, our Client's ECP and the NRC. As mentioned in the Immediate Action section, we are in discussions with a 3rd party firm to assist us in this area.

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Aligned Objectives

S.M.A.R.T. (Specific, Measurable, Achievable, Realistic and Time bound) objectives have been administered from the President level down through each Security Force Member via a new WNS procedure. This procedure requires that one-on-one sessions be conducted at specific frequencies between Supervisors and Security Force Members to discuss expectations, goals and objectives. These one-on-one sessions will provide our Supervisors with another opportunity to identify issues and act on them, appropriately.

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Compensation Programs

The compensation packages available to the Project Manager level and above
have been revised in order to link them more closely with their site
performance and employee & customer satisfaction. This provides our
Managers with an incentive to ensure employee relations and site
performance are at an optimum level, and in-line with the WNS vision.

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Leadership Assessments

WNS has engaged the services of an HR consulting firm that will assist us in ensuring we have the right people in our leadership positions. This training will focus on ensuring that our Managers and Supervisors possess and demonstrate the interviewing skills necessary to make accurate assessment & selection decisions. Ensuring that we have the right people in leadership rolls will assist us in optimizing site performance. As mentioned in the Immediate Action section, this initiative is being expedited.

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Certified Security Specialist

The Certified Security Specialist (CSS) program is focused on identifying and training our future leaders and is the hallmark of the organizational changes made by WNS senior management. The CSS program is unlike anything else offered in the nuclear security industry and has been implemented to set WNS apart from other companies to meet the clear and present danger confronting critical infrastructures in the U.S. This program targets four fundamental focus areas; integrity, professionalism, leadership and tactical proficiency. Training is extensive, continual and involves cutting edge programs which will become the new benchmark for the nuclear security industry. Graduation from this program will be a prerequisite for future WNS leaders and provide us a pool of qualified candidates as promotion opportunities arise.

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Benchmarking

WNS has conducted benchmarking trips to both contract and proprietary facilities in order to identify and incorporate "best practices" across the nuclear industry. We will also conduct benchmarking outside of our industry in regard to SCWE and the conduct of self-assessments.

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Incentive Program

WNS has established an incentive program that is based both on individual and site performance. This program is designed to reward individuals and facilities for optimum performance in the areas of; industrial safety, SCWE, human performance, Ideal Facility (see below) and the associated twelve performance indicators, and customer satisfaction. This program is one more tool that will assist in continuously improving performance at our facilities.

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Incentive Program

The areas measured and awards are as follows:

Ideal Facility Award (Site Award) = $40,000

Top Performer of the Year (Individual Award – One Individual Selected Across Division) = 7 Day Caribbean Cruise for Two with Airfare

Recommendation of the Year – Helping to Foster a Questioning Environment (Individual Award – One Individual Selected Across Division) = 7 Day Caribbean Cruise for Two with Airfare

SCWE Leader of the Year – The leader that best maintains a SCWE in all areas through establishing a culture of communication and trust with employees. = (Individual Award – One Individual Selected Across Division) = 7 Day Caribbean Cruise for Two with Airfare

SCWE Survey Participation, Facility of the Year (Site Award) – The site that has the highest participation rating, concerning the monthly anonymous employee SCWE surveys will receive an award of $7,500

"Customer Satisfaction of the Year" Award (Site Award) – On an annual basis, the facility that receives the highest customer satisfaction rating will receive an award of $7,500.

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Ideal Facility Indicators

WNS has established standard performance indicators across our division and created the "Ideal Facility" measurement tool. This will allow us to better leverage "lessons learned" from one site to another as well as institute a continuous quality improvement system as it relates to these indicators. This will be accomplished through a quality assurance process that triggers a formal analysis and corrective actions when a negative trend is identified. In order to achieve Ideal Facility Performance a site will need to meet or exceed specific performance criteria. Performance indicators have been clearly defined and will be measured on a monthly, quarterly, and yearly basis. Those performance indicators and the criteria that must be met to achieve Ideal Facility Performance status are listed below.

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Ideal Facility Indicators

The following areas will be measured on a monthly, quarterly, and year-to-date time table. Additionally, the metric needed to achieve "ideal" status in each area is as follows;

IDEAL FACILITY PERFORMANCE INDICATORS & DEFINITIONS						
Performance Indicators	Metric					General: applies to events attributable to WNS Security Personnel
NRC Reportable Events	0	0	n/a	n/a	≥1	NRC 1hr reportable event
NRC Loggable Events	≤4	0-4	5-6	7-8	≥9	NRC 24hr loggable event
OSHA Recordable Events	0	0	1-2	3	≥4	Work related injury that meets the OSHA criteria as a no lost time event
Industry Safety Accident Rate	0	0-.2	.21-.82	.83-1.4	≥1.41	ISAR = the number of work-related accidents sustained by WNS personnel that result in lost work, restricted work, or fatalities per 200,000 worker hours (# injuries ÷ Total Labor Hours × 200,000 = ISAR)
Attrition	≤8%	0-8%	9-10%	11-12%	≥13%	Total number of WNS personnel who resign or are terminated (excluding unavoidable separations) divided by the total number of authorized WNS personnel staffing. Unavoidable separations include those that occur for reasons over which WNS has no control (e.g. death, hired by utility, retirement, pregnancy, return to school, illness, marriage or spousal relocation) and shall not be calculated into the station attrition rate.
SCWE Surveys/Scorecards	≥85%	85-100%	70-84%	55-69%	<55%	Average results of WNS monthly site SCWE surveys/scorecards
Customer Satisfaction	≥85%	85-100%	70-84%	55-69%	<55%	Average results of WNS monthly site Customer Satisfaction surveys
Employee Satisfaction	≥85%	85-100%	70-84%	55-69%	<55%	Average result of WNS monthly site Employee Satisfaction surveys
Requalification Failures	≤10%	0-10%	11%	12%	≥13%	Total WNS requalification failures that result in decertification and missed scheduled work as a percentage of the total site authorized staffing. Such requalification failures include those that are a result of missed or improperly scheduled requalification evolutions.
Significant Event(s)	0	0	n/a	1	≥2	Defined as: Inattentive Officer Events, Accidental Weapons Discharge Events, Negligent Weapons Discharge Events, and Vehicle Accidents (attributed to WNS personnel) that result in injury and/or damage to the vehicle or company property exceeding $500)
NRC Inspection Violations	0	0	n/a	n/a	≥1	Violations identified during NRC inspections attributed to WNS personnel
NRC FoF Violations	0	0	n/a	n/a	≥1	Violations identified during NRC FOF inspections attributed to WNS personnel

WNS Enhancement Initiatives

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WNS Self-Assessments / Audits

WNS has designed, developed and implemented many new enhancement initiatives and process improvements in the past several months. In order to monitor the implementation of these initiatives and identify opportunities for improvement, we have also initiated an audit process that assesses the following areas:

1. Ideal Facility Data Input
2. Site Enhancement Plans
3. Safety Processes
4. SCWE Processes and Programs
5. Human Performance
6. Training and Compliance
7. Personal Objectives and One-on-Ones

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ACCELERATING THE VISION

As stated in the beginning of the presentation; the recent events at Peach Bottom have reinforced the fact that these initiatives are the right course of action and illuminated the need to significantly expedite the time-lines on implementation within our plans.

The following actions will be taken in order to accelerate the implementation of the initiatives:

- Four Additional WNS Corporate Leadership Development Positions
- Expedite the Certified Security Specialist (CSS) Course
- Accelerate the roll-out of the ASA-100
- Analyze the addition of Leadership and Training Managers across the fleet
- Utilization of 3rd Party Personnel to expedite cultural surveys and leadership assessments

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Four Additional WNS Corporate Leadership Development Positions

WNS has posted and will hire four additional corporate Leadership support positions. The purpose of the additional positions will be to provide the resources necessary to expedite the WNS enhancement initiatives. The primary focus of these Managers will be Leadership Development to include our Leadership Assessments and Certified Security Specialist (CSS) initiatives.

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Expedite Certified Security Specialist (CSS) Course

The CSS program was developed as a program that will identify and train future WNS leaders. Coupled with our Leadership Assessments, this initiative is a critical component of improving our leadership corps. We will make the resources available to assist in the development of the CSS corps. Additional information on the CSS program is available in the existing initiatives section, below.

ASA-100

WNS has currently designed and is building a prototype system with the following capabilities:

- Motion (Enhanced Strategy Capability)
- Proximity (Insider Mitigation and Inventory)
- Work Hours (NRC Work Hour Limits)
- Communications (Alternate System)
- Locator (GPS component assisting in Strategy)

The intent of this electronic device is to provide our customers with another tool to assist them in achieving optimum performance. We will contact our contractor on this project and have them expedite the engineering study and roll-out of this tool. This solution is currently being evaluated by on-site engineers at one of our facilities.