



## ***A Conversation With...***

### ***Michael Penders, President of Environmental Security International***



**SecurityStockWatch.com : You have been engaged by EPA, DOD, NATO, the United Nations, and various critical infrastructure facilities. Please give our audience a brief overview of your background and the company's history.**

Michael Penders : I was a Prosecutor who came to direct international investigations into environmental crimes, organized crime, and forms of terrorism in the 1990s as Director of Legal Counsel for EPA's Office of Criminal Enforcement. As Chairman of the G8 Nations' Law Enforcement Project from 1998-2000, we developed systems approaches among nations and private sector actors to detect illegal traffic in chemicals, hazardous materials and wastes, or other shipments in international trade that violated laws or might be pre-cursor to acts of terrorism.

By 2000, we had more requests from nations around the world for training, law and policy development, and collaboration in the use of advanced technologies than the government agencies I represented could respond to. ESI was formed in part to address that growing international need, using experts with substantial experience in investigations, management, security, and the application of new technologies to detect trans-boundary crime.

Our principals' work in these areas for decades while in government led to an unusual network of experts in environmental management and security, international law enforcement, and systems engineering. We now work with this network of more than 100 individuals and firms around the world on projects for private and public sector clients alike.

While at EPA, we also developed management system policy and standards designed to detect and deter criminal acts (I served as a co-author of EPA's Audit Policy and Chairman of its Voluntary Disclosure Board). This experience has been invaluable to our investigations and security audits, systems design, and recent work in developing a new international standard for Security Management Systems with a team of Israeli and US experts brought together by the US/Israeli Science and Technology Foundation (USISTF).

Frankly, before September 11th, this security focused approach to management

systems and investigations led to more work abroad than in the US, particularly regions with recent experience with environmental terrorism, such as Africa and Italy. ESI was formed in the US in 2002 after new markets emerged for vulnerability assessments, security focused management systems and related technologies across North America, supported by federal grants. ESI's investigations, vulnerability assessments, and policy work in related areas for DOD, NATO, Congress and other organizations inform the design of our systems in ways that reduce risks, prevent liabilities, while saving resources and costs.

**SecurityStockWatch.com : Security of our water supplies is a major concern today. What are the services ESI provides in that market?**

Michael Penders: ESI has conducted vulnerability assessments and designed security management systems at water systems of all sizes. Often working with former Secret Service, FBI, or EPA agents, as well as water and information systems engineers, we specialize in designing management systems that focus on detecting, preventing, and mitigating the consequences of deliberate acts from within or outside a facility.

Using an integrated team approach allows us to make recommendations across a full range of operations, including physical and information security, as well as hazardous materials, environmental, health, safety, waste, supply chain management, and emergency response. Often, there is low hanging fruit in one or more of these areas that can be addressed with little or no cost to reduce even high risk vulnerabilities. Also, efficiencies realized by moving towards an integrated security management system have saved hundreds of thousands of gallons of water a day at some facilities, eliminated the need for permits at others, and reduced energy consumption at many facilities by up to one-third.

**SecurityStockWatch.com : ESI has a number of strategic partnerships such as with Electronic Warfare Associates (EWA) and Talon Executive Services, Inc. ESI has recently announced agreements with Chemetica, Inc. and the Israeli security firm Rotem. What services are provided with them?**

Michael Penders: ESI has strategic relationships with firms whose core expertise best compliments ours and provide the best services or technologies in their respective fields. This allows ESI to keep its full time staff and overhead small while enhancing our capacity to bring together the best experts for a given project, focused on the industrial sector and greatest vulnerabilities at a particular critical infrastructure facility, such as a port or military base. Recently, we have teamed with Chemetica, Inc., experts in process safety engineering, and the Israeli government owned security firm Rotem, to conduct a series of pilot projects implementing Security Management Systems at critical infrastructure facilities in the US and Israel. In an exciting development for our firms, and I think for the industry generally, we have been awarded a series of grants from the US/Israeli Science and Technology Foundation (USISTF) to test this concept in

the field and further develop an international standard for security management systems at petro-chemical facilities, waste water treatment plants, and hospitals in Israel and the U.S.

**SecurityStockWatch.com : Are there any success stories you would like to talk about?**

Michael Penders: Well, as usual in this industry, success stories are under-reported and often cannot be reported at all. Failures, of course, will always be front page news; so one measure for us is to keep our clients out of the news, and quietly in compliance, if that is their goal.

Where recognition for security enhancements may be important for public or government relations, regulatory considerations, or deterrence, we can assist with communication strategies, and interface with the government in a considered fashion. Because our principals have experience as lawyers for government enforcement agencies on the state and federal level, we offer structured communication to the government, public, and emergency response and law enforcement communities as part of our services.

ESI has led investigations that resulted in the identification and apprehension of terrorists that attacked drinking water supplies in Africa and threatened those in Europe. Information about modes of attack inform the design of our systems, where appropriate. Also, we have conducted investigations into acts of industrial sabotage and designed systems that have saved costs in the form of reduced consumption of natural resources and labor, while enhancing security by minimizing the amounts and time that hazardous materials and wastes are on site. Adoption of these security management techniques by certain Fortune 50 corporation facilities has also resulted in eliminating permit and other regulatory requirements, and the costs associated with those processes. Clients have also received insurance and financial consideration for adopting these systems, as well as national and international recognition, increasingly important as a condition of international trade.

**SecurityStockWatch.com : Thank you for your time today, Michael, are there any other topics you would like to cover?**

Michael Penders: Just that over the last two years it has been a great privilege to bring together leading experts from around the world to enhance the security of critical infrastructure in both the private and public sectors. Working in the field with true experts informs our approach in training, systems design, policy and standards, while helping governments and business move towards a model of "Strategic Sustainability."