

A special edition of  
**MARKETMonitor**

# TOP 25

homeland security companies

By **PHILIP FINNEGAN**

THE FLOOD OF CONTRACTS NEEDED FOR HURRICANE KATRINA DISASTER RELIEF CATAPULTED ENGINEERING AND CONSTRUCTION CONTRACTORS TO THE TOP OF *HSTODAY'S* RANKING OF THE TOP 25 HOMELAND SECURITY CONTRACTORS IN 2006.

Federal Emergency Management Agency (FEMA) contracts of \$6.95 billion represented 32 percent of the total \$15.15 billion of procurement contracts let by the Department of Homeland Security (DHS) in the calendar year. That propelled companies leading the disaster relief effort to the top of the list.

Of the five largest DHS contractors in 2006, four were FEMA contractors. Indeed eight of the Top 25 were FEMA contractors, according to the ranking prepared for *HSToday* by EagleEye Publishers Inc., Fairfax, Va.

The next largest contracting agency after FEMA was Customs and Border Protection (CBP) with 12 percent of the contracts, or \$1.78 billion, which slightly edged out the US Coast Guard, which received \$1.77 billion, or 12 percent. The Transportation Security Administration (TSA) let contracts worth \$1.5 billion, or 10 percent of the total. The Bureau of Immigration and Customs Enforcement (ICE) followed with \$1.25 billion, or 8 percent. The Office of the DHS Secretary accounted for another \$1 billion, or 7 percent.

### THE MAJOR PLAYERS

Fluor Corp., an engineering and construction company based in Aliso Viejo, Calif., was the largest contractor with \$1.5 billion in DHS contracts. In the Katrina relief effort, Fluor installed temporary housing and provided equipment for the relief operations, including vehicles, satellite phones, global positioning satellite locators and laptop computers. Disaster relief is not-

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	PARENT COMPANY	FY2006 AMOUNT
1	FLUOR CORP.	\$1,506,644,648.88
2	SHAW GROUP INC.	\$852,212,837.50
3	BECHTEL GROUP INC.	\$471,268,360.50
4	IBM CORP.	\$463,390,255.84
5	CH2M HILL COMPANIES LTD.	\$437,752,321.59
6	UNISYS	\$369,110,902.90
7	INTEGRATED COAST GUARD SYSTEMS	\$326,845,308.00
8	L-3 COMMUNICATIONS HOLDINGS	\$299,854,154.75
9	AMERICAN RED CROSS	\$285,169,446.50
10	NISTAC	\$277,804,485.98
11	NORTHROP GRUMMAN CORP.	\$225,929,238.92
12	SCIENCE APPLICATIONS INTL CORP.	\$173,352,098.63
13	J.H.M. RESEARCH & DEVELOPMENT	\$149,805,678.00
14	ACCENTURE	\$142,794,820.24
15	DEWBERRY & DAVIS	\$141,896,739.05
16	URS CORP.	\$140,208,301.53
17	PARSONS BRINCKERHOFF INC.	\$133,012,085.16
18	BOOZ ALLEN HAMILTON INC.	\$129,884,294.65
19	COOPERATIVE PERSONNEL SERVICES	\$124,788,788.00
20	GENERAL DYNAMICS CORP.	\$120,942,140.71
21	LOCKHEED MARTIN CORP.	\$114,816,001.06
22	APOGEN TECHNOLOGIES	\$110,363,407.74
23	GILBANE INC.	\$108,539,630.91
24	SIEMENS AG	\$106,058,020.22
25	MOTOROLA INC.	\$100,177,767.38

BUREAU/OFFICE/DIVISION	AMOUNT
Federal Emergency Mgt Agency	\$6,951,175,426.67
Customs and Border Protection	\$1,784,729,708.27
US Coast Guard	\$1,778,736,944.45
Transportation Security Admin	\$1,498,400,313.16
Immigration & Customs Enforcement	\$1,245,914,654.59
Department of Homeland Security	\$1,005,861,652.68
Citizenship and Immigration Services	\$447,659,374.76
Federal Law Enforcement Training Ctr	\$332,925,894.20
US Secret Service	\$107,165,903.52
Indian Health Service	\$201,314.40
<b>Grand Total</b>	<b>\$15,152,771,186.70</b>

ing new to Fluor, which has executed more than 125 task orders for more than 80 domestic disasters.

Other engineering and construction companies, including second-ranked Shaw Group Inc., Baton Rouge, La., third-ranked Bechtel Group Inc., San Francisco, Calif., and fifth-ranked CH2M Hill Companies Ltd., Englewood, Colo., also provided Katrina relief services. Bechtel provided temporary housing for 100,000 people.

CH2M Hill, which originally got involved early in helping to stop water pouring into New Orleans from breached levees, alone installed more than 24,000 temporary homes and temporary classrooms for more than 8,000 students.

IBM, Armonk, NY, which ranked fourth overall, stood out as the largest contractor not involved in engineering and construction. IBM derived its \$463 million in contracts mainly from CBP.

IBM Global Services established a strong position inside CBP with the 2001 award of a \$1.3 billion contract to develop an Automated Commercial Environment system to streamline CBP's commercial processing systems. The e-customs effort was designed to replace paperwork with electronic ways of carrying out CBP's mission.

Unisys, Blue Bell, Pa., the sixth ranked company, was the largest non-FEMA contractor in last year's listing of the Top 25 DHS contractors. Unisys' strength comes from its work developing and managing the information infrastructure for TSA. It received a three-year, \$750 million extension of its original contract in January 2006. Ultimately, Unisys is likely to be under pressure, as much of the work it now does becomes part of work for contractors of the EAGLE (Enterprise Acquisition Gateway for Leading Edge Solutions) program.

Still, Unisys' position in homeland security was strengthened last year with its victory as a major subcontractor to Boeing Co., Chicago, Ill., on the \$2 billion Secure Border Initiative. Unisys will be responsible for real time information sharing among border agents. It will also integrate biometric authentication to enable rapid comparison of fingerprints of apprehended persons using government databases.

Integrated Coast Guard Systems, Arlington, Va., prime contractor for the Deepwater program, remained prominent on the list this year with its seventh-place ranking. Contracts awarded totaled \$326.8 million, down from \$391.7 million the previous year. The \$20 billion Deepwater has been suffering from difficulties facing the Coast Guard in administering such a large program.

If the sales of Integrated Coast Guard Systems, a 50-50 joint

<b>Federal Emergency Mgt Agency</b>	<b>\$4,897,132,626.94</b>
Fluor Corp.	\$1,506,644,648.88
Shaw Group Inc.	\$812,731,262.50
Bechtel Group Inc.	\$471,243,360.50
CH2M Hill Companies Ltd.	\$437,752,321.59
American Red Cross	\$285,000,000.00
Nistac	\$277,804,485.98
Dewberry & Davis	\$141,896,739.05
Parsons Brinckerhoff Inc.	\$132,674,291.08
Michael Baker Corp.	\$96,283,158.92
URS Corp.	\$82,984,898.03
Corporate Lodging Consultants Inc.	\$80,490,190.00
PRI/DJI A Reconstruction JV	\$54,833,728.68
Project Resources Inc.	\$54,776,795.00
Verizon Communications	\$52,608,233.05
Clearbrook Limited Liability Company	\$46,925,130.64
Dixie Motors Inc.	\$43,823,868.83
Emergency Response Program Management Consultants	\$41,986,669.00
C S & M Associates	\$37,952,350.00
Stratix Corp.	\$36,025,922.80
Martin C Company Inc.	\$34,767,948.00
Afognak Native Corp.	\$34,710,065.41
AME Services Inc.	\$33,650,051.00
Crown Roofing Services Inc.	\$33,441,836.00
B&I Services A Louisiana Joint Venture	\$33,374,174.00
American Radiation Services Inc.	\$32,750,498.00
Customs and Border Protection	\$1,366,610,659.39
IBM Corp.	\$433,241,050.85
L-3 Communications Holdings	\$150,055,042.85
Apogen Technologies	\$110,231,759.32
Chenega Corp.	\$56,267,266.88
Unisys	\$55,488,228.80
URS Corp.	\$55,262,955.51
Group 4 Securicor Plc.	\$50,047,306.69
Motorola Inc.	\$42,758,027.07
Apptis	\$39,963,882.36
Boeing Co.	\$36,531,096.00
VF Imagewear Inc.	\$34,813,072.40
Robbins-Gioia Inc.	\$33,490,981.29
Bart & Associates Inc.	\$32,065,407.71
Centech Group, Inc. (The)	\$26,707,629.68
Presidio Corp.	\$26,638,530.25
Government Acquisitions	\$26,354,894.37
American Eurocopter Corp.	\$26,061,356.74
Computer Sciences Corp.	\$24,249,959.69
Science Applications International Corp.	\$21,723,576.90
Organizational Strategies Inc.	\$19,218,278.86
GTSI	\$15,075,596.56
Omniplex World Services Corp.	\$12,945,185.11
Kroll Government Services	\$12,779,119.00
General Atomics Tech Corp.	\$12,525,954.50
Comprehensive Health Services	\$12,114,500.00
<b>Transportation Security Admin</b>	<b>\$1,208,802,679.24</b>
Unisys	\$247,422,935.72
Cooperative Personnel Services	\$124,788,788.00

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## TOP 25 HOMELAND SECURITY COMPANIES

venture between Lockheed Martin Corp. Bethesda, Md., and Northrop Grumman Corp., Los Angeles, Calif., are split equally between the two companies, their rankings soar. Northrop Grumman, currently 11th, would rise to sixth place, while Lockheed Martin would move from 21st place to 9th place. Both Northrop Grumman and Lockheed Martin are important providers of information technology to DHS.

L-3 Communications, New York, ranked eighth, thanks to a

broad array of customers within DHS. While half of the company's \$300 million in contracts came from CBP, the company also received \$74 million in contracts from TSA, another \$25 million from the Coast Guard, \$38 million from the Office of the Secretary and \$2 million from the Federal Law Enforcement Training Center. L-3 has been moving beyond its position as a leading supplier of detection equipment into other areas of homeland security, such as thermal infrared detectors, imag-

<b>TSA (continued)</b>			
Siemens AG	\$105,840,621.64	Paragon Systems Inc.	\$14,558,346.00
Invision Technologies Inc.	\$95,286,927.42	Motorola Inc.	\$14,299,351.59
Lockheed Martin Corp.	\$74,620,135.00	Systems Training and Resource	\$13,600,992.09
Covenant Aviation Security	\$74,269,475.00		
L-3 Communications Holdings	\$73,919,697.14	<b>US Coast Guard</b>	<b>\$791,043,086.34</b>
Accenture	\$60,091,066.00	Integrated Coast Guard Systems	\$326,845,308.00
Deloitte & Touche LLP	\$58,618,077.14	General Dynamics Corp.	\$96,573,703.16
General Electric Company	\$28,784,091.24	Shaw Group Inc.	\$39,275,575.00
Reveal Imaging Technologies Inc.	\$25,987,091.22	American Eurocopter Corp.	\$25,261,479.97
Firstline Transportation	\$22,582,264.00	Honeywell Inc.	\$25,178,442.94
Northrop Grumman Corp.	\$20,915,506.75	L-3 Communications Holdings	\$25,051,605.00
Commercial Net Lease Realty Inc.	\$20,244,863.00	Global Computer Enterprise Inc.	\$18,087,650.78
McNeil Security Inc.	\$20,074,491.70	Nana Regional Corp. Inc.	\$18,069,453.37
American Operations Corp.	\$19,289,054.75	Clean Harbors	\$17,615,606.15
Bearingpoint Inc.	\$18,395,998.10	Resolve Towing and Salvage	\$16,021,035.20
Eyak Corp.	\$17,945,156.07	CACI International Inc.	\$15,101,007.40
Smiths Group Plc	\$17,666,488.25	Afognak Native Corp.	\$14,462,413.50
Carter & Burgess Inc.	\$16,405,691.34	U S Environmental Services Inc.	\$14,253,159.38
Rapiscan Security Products	\$14,718,427.05	Nutmeg Mechanical Inc.	\$13,924,992.12
Seta Corp.	\$14,582,396.06	United Technologies Corp.	\$13,789,834.97
Heimann Systems Corp.	\$13,173,284.60	Safe Boats International	\$13,498,322.22
Battelle Memorial Institute	\$11,653,474.96	Marinette Marine Corp.	\$12,682,610.77
IBM Corp.	\$11,526,677.09	Rolls Royce	\$12,456,888.89
		Brechan Enterprises Inc.	\$12,202,588.75
		QSS Group	\$11,511,195.00
<b>Immigration &amp; Customs Enforcement</b>	<b>\$926,781,425.29</b>	Cossette Post Communications	\$10,037,003.94
Coastal International Security	\$81,246,025.57	Timing Solutions Corp.	\$10,031,288.12
Blackwater Lodge and Training	\$73,152,050.00	Alpa Technologies and Services	\$9,940,675.87
Science Applications Intl Corp.	\$68,363,581.03	Gov Connection Inc.	\$9,630,416.25
Northrop Grumman Corp.	\$67,780,287.67	Allied Technology Group Inc.	\$9,540,829.59
A K A L Security Inc.	\$63,029,871.94		
Security Consultants Group Inc.	\$53,643,136.62	<b>Department of Homeland Security</b>	<b>\$713,483,647.61</b>
Group 4 Securicor Plc.	\$48,681,737.22	Booz Allen Hamilton Inc.	\$102,623,777.18
J.H.M. Research & Development	\$45,443,727.07	Accenture	\$81,924,562.49
Esmor Correctional Services	\$42,560,987.84	J.H.M. Research & Development	\$65,015,286.00
Performance Management	\$40,427,020.81	Unisys	\$60,262,848.78
Asset Protection & Security	\$37,814,961.36	Science Applications International Corp.	\$46,004,704.36
Sytel Inc.	\$37,494,358.37	TWD & Associates Inc.	\$44,055,834.22
MVM Inc.	\$37,362,220.33	L-3 Communications Holdings	\$38,354,288.62
Knight Protective Service Inc.	\$32,596,156.72	Mitre Corp.	\$35,357,380.41
Holiday International Security	\$23,800,552.19	Applied Marine Technology Inc.	\$35,258,197.17
HWA Inc.	\$23,729,306.69	SRA International Inc.	\$26,185,503.72
Quest Intelligence Bureau Ltd.	\$22,854,533.23	SRS Technologies Inc.	\$24,977,295.41
Corrections Corporation of America	\$19,621,767.75	Motorola Inc.	\$21,726,131.57
SRA International Inc.	\$17,491,528.28	Centra Technology Inc.	\$12,895,153.81
Alpha Protective Services Inc.	\$16,214,806.03	General Dynamics Corp.	\$12,092,476.27
Tarheel Specialties Inc.	\$16,028,678.34	Mantech International Corp.	\$11,860,602.11
Federal Management Systems Inc.	\$14,985,440.55	iMapData.com Inc.	\$11,449,045.46

ing systems and Coast Guard equipment.

### OVERSEAS ENTRANTS

Although there were no foreign companies in last year's listing of the Top 25 homeland security contractors, this year two companies made the ranking. Apogen Technologies, an information technology company, ranked 22nd. In August 2005, it was purchased by the UK-based QinetiQ, which is aggressively

pursuing the homeland security market.

Germany's Siemens ranked 24th on the list, thanks to its position as the third largest contractor to TSA. After the Sept. 11, 2001, terror attacks, Siemens was involved in installing and maintaining baggage-screening equipment at airports. It has been working to further build up its position in US homeland security, purchasing Atlanta-based VistaScape Security Systems in October 2006. VistaScape Security Systems devel-

Lockheed Martin Corp.	\$10,239,641.33
Dell Computer Corp.	\$10,208,516.46
Cogent Systems Inc.	\$9,872,000.03
Pricewaterhousecoopers LLP	\$9,854,374.01
Defense Group Inc.	\$9,583,595.46
Battelle Memorial Institute	\$9,254,720.00
Performance Management Consultants	\$8,306,885.61
Your Recruiting Company Inc.	\$8,220,706.00
Merlin Software Corp.	\$7,900,121.13

### Citizenship and Immigration Services \$414,517,379.71

Northrop Grumman Corp.	\$124,234,468.89
Datatrak Information Services	\$53,553,535.62
Cleanmetro Inc.	\$50,155,723.98
J.H.M. Research & Development	\$39,346,664.93
SEI Technology Inc.	\$38,571,488.17
Nortel Networks	\$14,159,195.61
Science Applications International Corp.	\$11,630,059.48
Pearson Plc	\$10,280,001.00
Sytel Inc.	\$9,895,434.09
General Dynamics Corp.	\$9,519,998.08
Mantech International Corp.	\$7,016,836.85
United Parcel Service	\$6,831,130.00
Booz Allen Hamilton Inc.	\$6,559,391.96
Afognak Native Corp.	\$6,007,167.48
Information Management Consultants	\$5,863,830.56
Aptis	\$3,255,637.40
Bearingpoint Inc.	\$3,150,724.93
IBA	\$2,705,340.21
Berlitz Globalnet	\$2,371,603.41
Identix Inc.	\$2,069,373.28
Aspen Systems Corp.	\$2,000,000.00
Management Systems Designers	\$1,767,692.95
Tessada & Associates Inc.	\$1,284,526.02
Lockheed Martin Corp.	\$1,206,820.37
Dell Computer Corp.	\$1,080,734.44

### Federal Law Enforcement Training Ctr \$278,768,814.13

Gilbane Inc.	\$108,539,630.91
Skanska AB	\$54,195,327.00
L. C. Gaskins Construction Co.	\$15,680,462.64
Iowa Tribe of Oklahoma	\$12,536,860.00
Arctic Slope Regional Corp.	\$11,074,980.20
Tesoro Petroleum Corp.	\$8,795,377.00
Science Applications International Corp.	\$7,544,593.90
Georgia, State of	\$6,865,655.75
AOC JV	\$6,563,018.00
Perkins & Will	\$5,666,296.00

Omni Hi-Tech Engineering Corp.	\$3,734,592.52
New Mexico, State of	\$3,548,697.30
C2 Multimedia Inc.	\$3,408,388.67
Ramcor Inc.	\$3,196,266.01
Afognak Native Corp.	\$3,159,535.00
Alpha Protective Services Inc.	\$3,145,443.72
International Public Works LLC	\$2,915,562.00
The Clement Group LLC	\$2,540,404.00
Abba Construction Inc.	\$2,472,908.63
L-3 Communications Holdings	\$2,448,601.00
Goodwill Industries	\$2,352,900.91
Warden Construction Corp.	\$2,156,550.99
Pacific Technical Co.	\$2,150,000.00
US Department of Justice	\$2,130,774.80
Alliant Techsystems Inc.	\$1,945,987.18

### US Secret Service \$56,250,523.85

Moloney Coach Builders	\$5,973,428.01
Paradigm Solutions	\$5,191,104.53
Dell Computer Corp.	\$4,486,748.20
Bearingpoint Inc.	\$3,927,628.18
SRA International Inc.	\$2,956,476.07
Global Computer Enterprise Inc.	\$2,915,662.00
Motorola Inc.	\$2,773,029.56
Trident Systems Inc.	\$2,491,160.81
Lockheed Martin Corp.	\$2,107,301.90
Business Plus Corp.	\$2,014,174.41
3rd Ring	\$1,896,283.00
Buccaneer Computer Systems	\$1,850,874.00
Presidio Corp.	\$1,848,909.97
Science Applications International Corp.	\$1,827,372.45
Verizon Communications	\$1,713,402.75
Scheduled Airlines Traffic Office	\$1,529,892.00
1 Source Consulting Inc.	\$1,500,000.00
Nextel Communications Inc.	\$1,432,642.74
Xerox Corp.	\$1,347,945.17
Booz Allen Hamilton Inc.	\$1,148,258.00
Washington Metro Area Transit Authority	\$1,139,451.90
Alliant Techsystems Inc.	\$1,107,353.75
Cellco Partnership	\$1,062,711.90
Govconnection Inc.	\$1,023,270.95
Technica Corp.	\$985,441.60

### Indian Health Service \$201,314.40

General Electric Company	\$196,257.00
Maytex Corp.	\$2,541.00
Infolab Inc.	\$2,516.40

### Grand Total \$10,653,592,156.90

As seen in the March 2007 issue of

**HSToday**  
Insight & Analysis for Homeland Security Decisionmakers

# Rising 100

homeland security companies

By PHILIP FINNEGAN

AS A RELATIVELY YOUNG FIELD, HOMELAND SECURITY HAS A NUMBER OF DYNAMIC COMPANIES THAT ARE NOT INCLUDED IN *HSTODAY'S* LISTINGS OF THE TOP 25 HOMELAND SECURITY CONTRACTORS.

These companies are worthy of note because they reflect the breadth of the field, from major systems integrators to biometrics firms to pharmaceutical companies. The growth of these companies promises to be rapid in coming years, either because of recent contract victories or their positioning in nascent fields of homeland security.

This listing, which is by no means comprehensive, examines 10 of those companies showing promise for rapid growth of their homeland security work in the future. Five generally large companies (The Boeing Co., Raytheon Co., Smiths Detection, QinetiQ and General Atomics Aeronautical Systems) are likely to reach the Top 25 in coming years. General Atomics may not be as large as the other companies in the list, but it has a proven ability to compete with and beat larger competitors.

Five small to mid-size companies on the list may not reach the Top 25 but reflect some of the innovative spirit and technologies now being applied in homeland security. They range across the areas of specialty in the field, including biometrics (L1 Identity Solutions), biotechnology (Hollis Eden Pharmaceuticals), secure communications (TeleCommunication Systems Inc.) information technology (Trusted Computer Solutions) and robotics (iRobot).

**1 The Boeing Co.**, Chicago, Ill., does not appear anywhere in the listings of the Top 25 Homeland Security contractors, but its position is certain to rise considerably in coming years following its victory in the \$2 billion Secure Border Initiative-Network program.

Boeing leads a team that will install 1,800 towers equipped with cameras, motion detectors and other sensors along the northern and southern borders of the United States. Work is planned to be completed in three years.

The work draws on Boeing's experience in dealing with

other major systems integration efforts, such as the US Army's Future Combat systems.

Prior to its SBInet victory, Boeing's major work in homeland security involved installing airport explosives detection systems for the Transportation Security Administration following the Sept. 11, 2001, terror attacks. As prime contractor, Boeing was responsible for installing systems in more than 400 airports in less than six months.

**2 Smiths Group**, London, UK, is set to become a clear leader in detection following the Jan. 15 announcement that Smiths Group would form a majority-owned joint venture with General Electric, Stamford, Conn., combining both of their detection businesses.

Under the agreement, the new joint venture, Smiths GE Protection, will be 64 percent owned by Smiths. It will be chaired by Keith Butler-Wheelhouse, Smith's chief executive officer.

Smiths has made a long string of acquisitions in the United States and Europe to develop its position as the number one or number two competitor in the detection areas in which it competes: conventional X-ray; cargo X-ray for fixed and mobile applications; explosives trace; chemical warfare; and biological warfare.

General Electric's detection business competes with Smiths in explosives trace and will add a new area to Smiths' expertise—computer tomography detection systems.

**3 QinetiQ**, a UK-based company, has been aggressively expanding into the United States, buying homeland security and defense businesses.

In August 2005, QinetiQ purchased Apogen Technologies, which ranked 21st on this year's list of the Top 25 Homeland Security contractors, providing information technology to the Department of Homeland Security (DHS). That acquisition followed the September 2004 purchase of the businesses of Foster-Miller Inc. and Westar Aerospace & Defense Group. Foster-Miller builds robots that were used in the recovery efforts at the

World Trade Center and in Iraq and Afghanistan. The company is also expanding into chemical and biological protection.

QinetiQ has considerable research capabilities to bring to bear in its efforts to expand its homeland security business. Until June 2001, it was part of the UK's defense laboratory establishment before being spun off as an independent company.

**4 Raytheon Co.**, Waltham, Mass., is positioning itself in growth areas of homeland security, including port and border security.

In the US-VISIT program, worth as much as \$10 billion, Raytheon is a major subcontractor to Accenture. It does systems engineering, architecture engineering and biometrics work. Raytheon already developed the Immigration and Naturalization Service's automated biometric fingerprint identification system, which is used to identify illegal aliens.

In March 2006, Raytheon won a Port Authority of New York and New Jersey project to design and build a system to protect four airports, including John F. Kennedy International, Newark Liberty International, LaGuardia and Teterboro.

While Raytheon lost to Boeing on the Secure Border Initiative, it is actively pursuing international opportunities to apply the experience in border surveillance developed in its work on the Brazilian System for Vigilance of the Amazon (SIVAM) program, under which it led a team that created a vast integrated network of sensors for surveillance, air traffic control, satellite and communications.

**5 General Atomics Aeronautical Systems**, San Diego, Calif., promises to benefit from the use of its unmanned aerial vehicles (UAVs) by DHS. Although the first UAV delivered was destroyed in a crash, DHS appears committed to introduction of the new technology to border surveillance.

General Atomics may not be as large as competitors such as Northrop Grumman Corp., but it is a giant in UAVs. Its Predator is competing with Northrop Grumman's more costly Global Hawk and Israeli systems produced by Israel Aircraft Industries and Elbit Systems.

General Atomics' reputation in the war on terror is well established. Predator UAVs mounted with missiles have been used to track and kill terrorists in Afghanistan, Yemen and western Pakistan.

**6 iRobot**, Burlington, Mass., has experienced explosive growth providing robots that are being used in the war on terror and for homeland security needs.

A government requirement that all certified bomb squads use robots for explosives ordnance detection and disposal by the end of the decade should further fuel growth beyond the 700 robots delivered so far to various military and civilian agencies worldwide. iRobot sees strong potential for its robots to be used in hostage situations, explosive detection and destruction and border patrol.

These growth opportunities in homeland security follow impressive growth for the company already. iRobot's sales grew from \$14.8 million in 2002 to \$142 million in 2005, largely due

to the tremendous success of the company's robots in dealing with improvised explosive devices in Iraq and Afghanistan.

**7 L-1 Identity Solutions**, a newly formed company based in Stamford, Conn., is a bold effort to create a leader across the board in the highly fragmented biometrics field.

L-1 Identity Solutions was created in August 2006 as a merger of Identix and Viisage.

Bob LaPenta, the chairman, president and chief executive officer, hopes to replicate a strategy he successfully pursued as a co-founder of L-3 Communications. That strategy of aggressive acquisition made L-3 into one of the 10 largest defense companies in the United States.

L-1's strategy is to make the acquisitions it needs to ensure that customers can come to it for complete biometric solutions, including automatic fingerprint identification systems, non-automatic fingerprint identification systems, facial recognition and eye scan.

**8 Hollis Eden Pharmaceuticals**, San Diego, Calif., a small biotech company, is representative of the promise and the problems with Project Bioshield, the US government plan to purchase billions of dollars of vaccines and drugs to deal with the threat posed by weapons of mass destruction.

The company has been developing treatments against radiation from dirty bombs and nuclear explosions. Although company plans earlier called for the shipment of its Neumune to begin in 2006, at press time the company was still awaiting a long-delayed contract award for a treatment for radiation poisoning.

**9 TeleCommunication Systems Inc. (TCS)**, Annapolis, Md., has established its niche in providing secure communications for first responders and the military.

TCS secure communication systems were used during the Hurricane Katrina disaster response. They provide video, voice and data communications that can be highly encrypted for security and are employed by agencies such as the Coast Guard and the Drug Enforcement Agency.

Three consecutive US secretaries of State have used its systems to enable secure communications with the Department of State while traveling overseas.

In 2006, TCS was awarded one of six contracts for a five-year, indefinite-delivery, indefinite-quantity contract worth up to \$5 billion for the US Army World-Wide Satellite Services contract, which will be used to make homeland security, federal agencies and military purchases to support all federal communication missions, including disaster relief and homeland security initiatives.

TCS's government revenues grew by about a third in 2006 to reach \$49 million out of total company revenues of \$125 million. The company's growth has enabled it to grow from a small 8(a) firm to a NASDAQ-traded high-technology company.

While large companies compete against TCS, its ability to use commercial off-the-shelf technology and move quickly has enabled it to fend off that competition.

TCS also supports secure communications for US troops in Iraq and has supported secure communications for such efforts as the US Marine Corps III Marine Expeditionary Force in its response to the Philippines' mudslide disaster relief effort.

**10** **Trusted Computer Solutions**, Herndon, Va., has established a key position as a provider of software that allows sharing of classified information.

While Trusted Computer Solutions honed its skills in working for the Department of Defense and intelligence agencies, it is increasingly applying those skills to homeland security needs.

Trusted Computer Solutions creates a trusted operating system that enables users with varying classification levels to

gain access to the data for which they have been cleared. It can also quickly scrub data to lower its classification levels so it can be utilized by lower level users. For example, it would enable uncleared law enforcement officials to access data about an unfolding Al Qaeda operation by quickly scrubbing the data of sensitive intelligence information, such as sources.

The company, a small, private firm, does not disclose sales figures, but its compound annual growth over the past three years is 26 percent.

Company officials expect that growth rate to actually accelerate as a result of greater awareness of the ability of software to resolve what had been a much more complex, costly effort in the past. Currently, the company works mostly with the Coast Guard and FEMA, but its presence in DHS continues to grow. **HST**