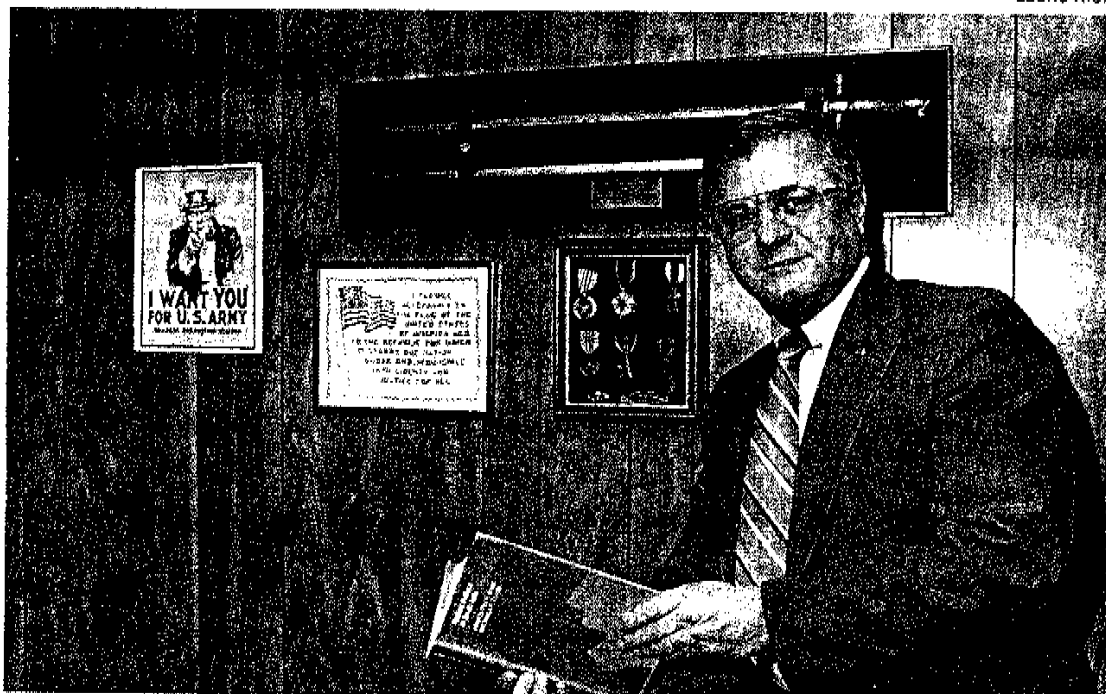


Lee F. Witter & Associates- international security

Laurie Klein



Former Army Intelligence officer Lee Witter provides security for several Fortune 500 companies and multinational firms.

by Carol Recht

Executives working for American companies overseas have increasingly become targets for terrorist groups. White-collar crime and espionage are on the rise. Altogether, losses to American industry from criminal activity are measured in the billions.

In the last decade the need for tightened security has mushroomed, and where it has, it is likely that Lee Witter is involved. Witter, a former Army intelligence officer with 28 years of military experience, heads a consulting firm which designs security systems to protect industry and individuals.

Corporate headquarters, airports, restaurants, hotels, hospitals, college campuses, energy plants, warehouses, shopping malls and multi-tenant buildings have all come under the scrutiny of Lee Witter and Associates as crime awareness and the demand for this service grows.

Five years ago, as international security advisor for Mobil Oil Corporation, Witter was conducting country risk assessments for company facilities all over the world. He formed his own company in 1984 when other corporations began asking him to do the same for them.

"The highest levels of management want to know about the laws and how people think in other countries," says Witter. "If you have a revolution in Angola, or the president of Libya is at odds with the president of the United States, my clients are interested in how to stay there and do business."

If a board of directors decides to hold a conference at a country retreat, it may request security in the form of a portable system and special agents to control access. If an incident occurs, the team is prepared to cooperate with local police to make arrests.

Overseas, the problem gets more sophisticated. "For example, the nationalist organization, FMLN, objects to international

companies in Central America because it feels they steal natural resources," Witter says. "I've spent 30 years following such terrorists groups."

However, even tight security has its negative side. "If a terrorist group wants to embarrass a government and knows that military installations are quite impenetrable, it might decide to blow up a school bus," he says, adding that innocent targets are more likely to be involved overseas than in the United States.

These days, physical risk forms but a small part of Witter's business. His primary concern is providing security and fire-safety management for several Fortune 500 companies and multi-national firms from his comfortable Ridgefield home overlooking several hundred acres of a state park.

"In Fairfield and Westchester counties we have a higher concentration of corporate headquarters than any other part of the country," says Witter. "Embezzlement and white collar crime, if running equal with the rest of the industry, could run \$30 to \$40 billion a year."

In addition, as the courts deal more with negligence cases, corporations are becoming more aware of the need to provide safety and security for people on their premises. Witter or one of his associates has been called upon to testify as an expert witness in such cases.

The tranquil, picturesque setting of his residence belies the seriousness of the activity within. It is definitely not a high visibility spot. The sign over the front door says "Home of the Witter Family." Visitors are greeted by an oversized white and brown spaniel named Freckles, and the spacious, light interior carries the welcoming touches of his wife, Mary Ellen, the firm's vice president/office manager and only other principal.

But downstairs in the basement, the atmosphere changes abruptly. There it is all business, with Witter at his desk, most likely on the telephone, and three or four associates pouring over blueprints on a conference table. "We decided to stay at home from day one," says Witter, a robust man of 53 who walks fast, talks fast and appears accustomed to handling several crises at once.



Witter and his wife, Mary Ellen, the firm's vice president and office manager, run the business from their Ridgefield home.

It is a trim operation. Witter operates out of one file cabinet. "We don't want to be concerned with storing vital records," he says. "There are vital record storage companies which do that."

He employs a "spider-type network" of 28 associates full-time, with eight in Connecticut. He also has about 100 independent contractors who audit 4,800 facilities monthly. "We're setting up pockets throughout the United States," he says. "We can go wherever our client wants us to go."

All work out of their homes. Although associates occasionally get together for meetings and formal bid openings, they most often work independently and communicate by computer and FAX machines. "I don't have room for all of them," says Witter, who has no plans to move to

another facility. "I don't want the overhead," he says.

Occasionally, the Army colonel in him comes out. "I give them a lot of freedom. I send the team out and say, 'do it.'"

Originally, he thought he would be content with the two or three major clients he had when he left Mobil. But the need for experts in the field soon demanded that he provide a "turn key" service which begins with need assessment and design and continues through handling the bid process, installation of equipment, specification writing, training and ongoing evaluation of the guard service and representing the client to insurance writers.

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Witter says that ongoing evaluation of security guards is the bread and butter of his business. The breadth of the audits has provided him with industrial standards, which previously had not been available. "We're the only company in the U.S. that does that."

What makes Witter's job difficult is guard retention and the fact that companies are unwilling to pay guard companies what they need to get quality people. "They pay \$6.50 an hour for one guard to protect a \$10 million building."

Witter says this is not the guard companies' fault. The company may select a low bid because it does not have the expertise to specify the kind of service it wants. Often the guard services themselves will come to him if they are in danger of losing a contract.

"A client was not happy, and the guard company came to us to find out what was wrong," says Witter. "They rated below average. In the first month they responded by getting rid of some people and training others more. It relieves the companies of a lot of responsibility. They don't want to be bothered."

Witter believes it is a mistake for a company to employ its own guards. The company often does not have the expertise to train or supervise them properly, and also bears the extra burden of employee benefits and unemployment insurance.

One company had 17 facilities with 17 different guard companies, with each local manager responsible for hiring his own guards. Following Witter's evaluation, the company cut down the number of guard companies. "Now it has four, probably the best in Connecticut."

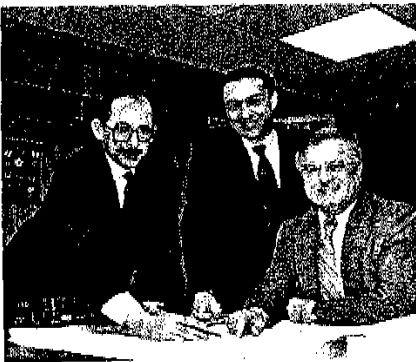
Witter acknowledges that while rating the guards may improve their performance, it may also raise the cost of protection. But he maintains that companies which have consulted him realize substantial savings in

the long run. The government does not regulate safety, and often that responsibility falls on the personnel or purchasing department manager, who may lack experience in security.

One client had several hundred facilities in the U.S. with a single guard company handling all the security. Witter's firm broke the territory up into seven regions, handled the bid process and saved the company \$24 million. "We believe in the competitive process," says Witter. "We're experts at this."

Recently he was asked to compare the security systems of several buildings in Stamford. Although one office complex had a \$1.6 million security system, it was rated inadequate. Witter says that an expensive, albeit inadequate, system is not the fault of the equipment manufacturers. "They are selling them more than they need. They're not necessarily the best design people," he says, adding they could have installed the system for \$500,000.

Witter believes he wields clout when soliciting bids because he does not represent any equipment manufacturer or guard service company and can consolidate pur-



Bob Calabrese (left) and Richard Wechsler are two of Witter's 28 associates.

chases for clients. "We're able to go into a dealership and say, 'We need to buy 20 guard vehicles. What's the best deal?'"

The same holds true for guard services. "I've become a broker for guard services," he says. "Our goal is to reduce turnover and increase the standard of security offered by guard services."

Witter's volume has never grown less than 20 percent a year. "For straight service, that's phenomenal. The need is out there. They really need somebody who can tell them what they're getting for their money."

For the first time Witter is developing a company portfolio to use as a marketing tool. "I have a lot of good people, and I don't want to lose any of them," he says.

Nevertheless, he enjoyed retirement once when he left the Army and plans to do it again. But he does not plan to retire the business. "I hope to go public some day," says Witter.