



# **Too Good to be True**

**Private Prisons in America** 

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For further information:

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n 2010, private prisons held 128,195 of the 1.6 million state and federal prisoners in the United States, representing eight percent of the total population. For the period 1999-2010, the number of individuals held in private prisons grew by 80 percent, compared to 18 percent for the overall prison population. While both federal and state governments increasingly relied on privatization, the federal prison system's commitment to privatization grew much more dramatically. The number of federal prisoners held in private prisons rose from 3,828 to 33,830, an increase of 784 percent, while the number of state prisoners incarcerated privately grew by 40 percent, from 67,380 to 94,365. Today, 30 states maintain some level of privatization, with seven states housing more than a quarter of their prison populations privately.<sup>1</sup>

| Prisoners | Held in   | Private | Prisons i | n the   | <b>United State</b> | 2ءد         |
|-----------|-----------|---------|-----------|---------|---------------------|-------------|
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|                         | 1999      | 2010      | Change 1999-2010 |
|-------------------------|-----------|-----------|------------------|
| Total Prison Population | 1,366,721 | 1,612,395 | +18%             |
| Total Private           | 71,208    | 128,195   | +80%             |
| Federal Private         | 3,828     | 33,830    | +784%            |
| State Private           | 67,380    | 94,365    | +40%             |

#### ORIGINS OF PRIVATE PRISONS

While the expansion of prison privatization is relatively recent, the presence of privatized corrections can be traced back to early American history. At that time local governments would reimburse private jailers to hold people who were facing trial.<sup>3</sup> This contracting was a result of criminal justice policies of the time that focused on fines and public humiliation, including the stockades and branding. During this period, jailers charged states high rates to incarcerate prisoners and were known to imprison persons who owed debts until they were paid in full.<sup>4</sup>

This private-public relationship changed with the creation of the first publicly run prison in 1790 and, with the notable exception of convict leasing for forced labor, the next century saw private business involvement in corrections limited to providing contracted services, such as food preparation, medical care, and transportation.<sup>5</sup> Nongovernmental organizations were also heavily involved in maintaining juvenile detention facilities, but this was largely not for profit.<sup>6</sup>

#### REEMERGENCE OF PRIVATE PRISON COMPANIES

Public policies adopted during the 1970s and 1980s facilitated an increase in prison privatization. The War on Drugs and harsher sentencing policies, including mandatory minimum sentences, fueled a rapid expansion in the nation's prison population. The resulting burden on the public sector led private companies to reemerge during the 1970s to operate halfway houses. They extended their reach in the 1980s by contracting with the Immigration and Naturalization Service (INS) to detain undocumented immigrants. These forms of privatization "on the 'soft' end of the correctional continuum" were followed by the reappearance of for-profit prison privatization.

Established in 1983, Corrections Corporation of America (CCA) claimed an ability to build and operate state and federal prisons with the same quality of service provided in publicly operated prisons, but at a lower cost. One year later, CCA was awarded a contract for a facility in Hamilton County, Tennessee, the first instance of the public sector contracting management of a prison to a private company. <sup>10</sup> In 1985, CCA attempted to assume management of the entire Tennessee prison system, but that offer was rejected by the state legislature after facing strong opposition over CCA's growing reputation for cost overruns and inmate escapes. Despite this setback, the company garnered additional contracts in Texas, Tennessee, and Kentucky by the end of 1987. <sup>11</sup> Other startups and more established corporations, such as Wackenhut Corrections Corporation (now the GEO Group, Inc.), also entered into the prison business.

Today, CCA and GEO Group collectively manage over half of the contracts in the United States, which resulted in combined revenues exceeding \$2.9 billion in 2010.<sup>12</sup> CCA, as the largest private prison company, manages more than 75,000 inmates and detainees in 66 facilities.<sup>13</sup> GEO Group, as CCA's closest competitor, operates slightly fewer. Smaller companies, including Management & Training Corporation, LCS Correctional Services, and Emerald Corrections also hold multiple prison contracts throughout the United States.

## **Developments in Privatization**

- Gary Johnson's platform during his initial 1994 run for governor of New Mexico included a pledge to privatize every prison in the state. By the time he left office in 2003 44.2 percent of the state's prisoners were in privately run facilities.<sup>14, 15</sup>
- Ohio opened its first private prison in 2000 with the goal of saving \$1.6 million per year. <sup>16</sup> This raised the number of inmates held privately in Ohio from zero in 1999 to over 3,000 in 2010.
- North Carolina canceled two contracts with CCA due to concerns about the company's failure to meet contract requirements and banned the practice of bringing in prisoners from out of state. California instituted a similar ban and Arkansas ended two contracts with Wackenhut (GEO) in 2001.<sup>17</sup>
- In 2004 Nevada Governor Kenny Guinn ended CCA's contract with the state after the company was alleged to have provided substandard services.<sup>18</sup>
- Vermont agreed to start sending prisoners to CCA facilities in Tennessee and Kentucky in 2004.<sup>19</sup> This helped bring the proportion of inmates held privately from zero in 2003 to over 20 percent in 2004. This trend led to Vermont holding over 34 percent of its population privately in 2008, before declining to 27 percent by 2010.
- In 2011 California ended contracts for several GEO Group facilities as part of its Criminal Justice Realignment Plan to reduce prison populations and spending.<sup>20</sup>
- States such as Florida, Ohio, Arizona, New Hampshire, and Utah have been considering beginning or expanding private prison contracting. <sup>21, 22, 23</sup>

The form by which modern prison privatization occurs varies. Some facilities only manage individuals from a certain region, while others hold inmates from across the country. The latter of these situations complicates the already unwieldy task of applying governmental regulations and oversight due to the variance in state laws and bureaucracy. The transportation of inmates over far distances also negatively affects prisoners' ability to visit with family or consult with attorneys while incarcerated. The scale of services involved in privatization also varies from prison to prison.

Companies may own and operate a facility, fully manage a state-owned institution, or may only be partially responsible for operations.<sup>24</sup>

# Change in Private Prison Populations, 1999-2010<sup>25</sup>

| T . 1            | Number in Private Prisons |        | Percent | Percentage of Population |       | Percent |
|------------------|---------------------------|--------|---------|--------------------------|-------|---------|
| Jurisdiction     | 1999                      | 2010   | Change  | 1999                     | 2010  | Change  |
| Alabama          | 0                         | 1,024  |         | 0                        | 3.2%  |         |
| Alaska           | 1,387                     | 1,873  | 35%     | 35.1%                    | 33.5% | -5%     |
| Arizona          | 1,392                     | 5,356  | 285%    | 5.4%                     | 13.3% | 146%    |
| Arkansas         | 1,224                     | 0      | -100%   | 10.7%                    | 0     | -100%   |
| California       | 4,621                     | 2,170  | -53%    | 2.8%                     | 1.3%  | -54%    |
| Colorado         | *                         | 4,498  |         | *                        | 19.7% |         |
| Connecticut      | 0                         | 883    |         | 0                        | 4.6%  |         |
| Delaware         | 0                         | 0      |         | 0                        | 0     |         |
| Florida          | 3,773                     | 11,796 | 213%    | 5.4%                     | 11.3% | 109%    |
| Georgia          | 3,001                     | 5,233  | 74%     | 7.1%                     | 10.6% | 49%     |
| Hawaii           | 1,168                     | 1,931  | 65%     | 23.8%                    | 32.7% | 37%     |
| Idaho            | 400                       | 2,236  | 459%    | 8.3%                     | 30.1% | 263%    |
| Illinois         | 0                         | 0      |         | 0                        | 0     |         |
| Indiana          | 936                       | 2,817  | 201%    | 4.8%                     | 10.1% | 110%    |
| Iowa             | 0                         | 0      |         | 0                        | 0     |         |
| Kansas           | 0                         | 0      |         | 0                        | 0     |         |
| Kentucky         | 1,700                     | 2,127  | 25%     | 11.1%                    | 10.4% | -6%     |
| Louisiana        | 3,080                     | 2,921  | -5%     | 9%                       | 7.4%  | -18%    |
| Maine            | 22                        | 0      | -100%   | 1.3%                     | 0     | -100%   |
| Maryland         | 131                       | 70     | -47%    | 0.6%                     | 0.3%  | -50%    |
| Massachusetts    | 0                         | 0      |         | 0                        | 0     |         |
| Michigan         | 301                       | 0      | -100%   | 0.6%                     | 0     | -100%   |
| Minnesota        | 80                        | 0      | -100%   | 1.3%                     | 0     | -100%   |
| Mississippi      | 3,429                     | 5,241  | 53%     | 18.8%                    | 24.9% | 32%     |
| Missouri         | 0                         | 0      |         | 0                        | 0     |         |
| Montana          | 726                       | 1,502  | 107%    | 24.6%                    | 40.4% | 64%     |
| Nebraska         | 0                         | 0      |         | 0                        | 0     |         |
| Nevada           | 561                       | 0      | -100%   | 5.9%                     | 0     | -100%   |
| New<br>Hampshire | 0                         | 0      |         | 0                        | 0     |         |
| New Jersey       | 2,517                     | 2,841  | 13%     | 8%                       | 11.4% | 43%     |
| New Mexico       | 1,873                     | 2,905  | 55%     | 38.6%                    | 43.6% | 13%     |
| New York         | 0                         | 0      |         | 0                        | 0     |         |
| North Carolina   | 1,395                     | 208    | -85%    | 4.5%                     | 0.5%  | -89%    |
| North Dakota     | 0                         | 0      |         | 0                        | 0     |         |
| Ohio             | 0                         | 3,038  |         | 0                        | 5.9%  |         |
| Oklahoma         | 6,228                     | 6,019  | -3%     | 27.8%                    | 22.9% | -18%    |
| Oregon           | 0                         | 0      |         | 0                        | 0     |         |
| Pennsylvania     | 0                         | 1,015  |         | 0                        | 2%    |         |

| Rhode Island   | 0      | 0       |       | 0     | 0     |       |
|----------------|--------|---------|-------|-------|-------|-------|
| South Carolina | 0      | 17      |       | 0     | 0.1%  |       |
| South Dakota   | 46     | 5       | -89%  | 1.8%  | 0.1%  | -94%  |
| Tennessee      | 3,476  | 5,120   | 47%   | 15.4% | 18.7% | 21%   |
| Texas          | 11,653 | 19,155  | 64%   | 7.1%  | 11%   | 55%   |
| Utah           | 248    | 0       | -100% | 4.6%  | 0     | -100% |
| Vermont        | 0      | 562     |       | 0     | 27%   |       |
| Virginia       | 1,542  | 1,560   | 1%    | 4.8%  | 4.2%  | -12%  |
| Washington     | 331    | 0       | -100% | 2.3%  | 0     | -100% |
| West Virginia  | 0      | 0       |       | 0     | 0     |       |
| Wisconsin      | 3,421  | 25      | -99%  | 16.8% | 0.1%  | -99%  |
| Wyoming        | 281    | 217     | -23%  | 16.4% | 10.3% | -37%  |
| Federal        | 3,828  | 33,830  | 784%  | 2.8%  | 16.1% | 475%  |
| State          | 67,380 | 94,365  | 40%   | 5.5%  | 6.8%  | 24%   |
| Total          | 71,208 | 128,195 | 80%   | 5.2%  | 8%    | 54%   |

## GROWTH OF PRIVATIZATION, 1999-2010<sup>26</sup>

## **States Contracting for Private Prisons**

In 1999 private prison contracts existed in 31 states. That figure grew to 33 states by 2004, before declining to 30 by 2010. Between 1999 and 2010:

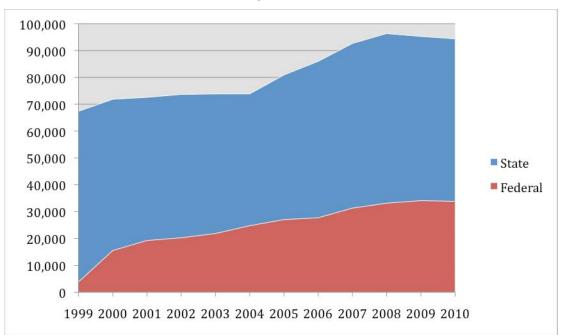
- Six states -- Vermont, Ohio, Connecticut, Alabama, Pennsylvania, and South Carolina began using private prisons.
- Nine states completely eliminated their reliance on prison privatization. They were: Arkansas, Kansas, Maine, Michigan, Minnesota, Nevada, North Dakota, Utah, and Washington.<sup>27</sup> In addition, Wisconsin reduced its number of privately held prisoners from 3,421 to 25.
- Delaware, Illinois, Iowa, Massachusetts, Missouri, Nebraska, New Hampshire, New York, Oregon, Rhode Island, and West Virginia did not utilize private prisons at all.

#### **Changes in Private Prison Populations**

In 2010, the number of inmates held privately in the 30 practicing states ranged from a low of 5 in South Dakota to a high of 19,155 in Texas. Overall:

- Florida had the second largest population with 11,000 inmates. Colorado, Tennessee, Georgia, Mississippi, Arizona, and Oklahoma held between 4,500 to 6,000 inmates privately in 2010.
- Five states more than doubled the number of individuals in private prisons. Idaho had the largest increase, holding 459 percent more inmates in 2010

- than in 1999. Arizona, Florida, and Indiana each increased their population by over 200 percent. Montana more than doubled its population. An additional five states experienced increases of more than 50 percent Georgia, Hawaii, Texas, New Mexico, and Mississippi.
- Wisconsin, South Dakota, North Carolina, California, and Maryland each reduced their population by over 40 percent.



## Private Prison Populations, 1999-2010<sup>28</sup>

#### **Overall Rates of Privatization**

New Mexico had the highest proportion of its population held privately in both 1999 and 2010, with respective rates of 39 and 44 percent. By 2010:

- Five additional states incarcerated more than a quarter of their prison population privately Montana (40 percent), Alaska (33.5 percent), Hawaii (32.7 percent), Idaho (30.1 percent), and Vermont (27 percent).
- Nine states held between 10 to 20 percent of their prison population privately Colorado, Tennessee, Arizona, New Jersey, Florida, Georgia, Kentucky, Wyoming, and Indiana.

#### THE ISSUES OF PRISON PRIVATIZATION

The growth of prison privatization has been sustained by claims that privately operated facilities are more cost efficient at providing services than publicly-run

institutions. A look at the evidence shows that this assertion is not supported. Moreover, there are significant problems when incarceration is turned into a forprofit industry.

#### **Fiscal Savings through Cost Containment**

Private prisons supporters assert that the private sector saves resources through greater efficiencies. These claims are supported by some reports showing that private prisons produce cost savings, largely through lower salaries and benefits by employing mostly nonunion employees. It is also argued that governments can benefit in the short term through the direct sale of correctional facilities to private companies and can save money when constructing new facilities through public-private initiatives, rather than solely through government funding. However, studies have shown these benefits to be mostly illusory.

A 1996 report by the U.S. General Accounting Office (GAO) looked at four state-funded studies and one commissioned by the federal government. The methodologies and results varied across the studies, with two showing no major difference in efficiency between private and public prisons, a third showing that private facilities resulted in savings to the state of seven percent, and the fourth finding the cost of a private facility falling somewhere between that of two similar public prisons. Another study also found significant cost savings associated with private prisons, but the GAO criticized the report for using hypothetical facilities in its comparisons. The authors noted that they could not definitively conclude that privatization would not save money, but also established that, "…these studies do not offer substantial evidence that savings have occurred."<sup>29</sup>

Similar conclusions were reached in a 2009 meta-analysis by researchers at the University of Utah that looked at eight cost comparison studies resulting in vastly different conclusions. Of the eight studies, half of them found private prisons to be more cost-efficient. The other four were evenly split between public facilities being more cost-efficient and finding both types of prisons statistically even. This information led the researchers to conclude that, "...prison privatization provides neither a clear advantage nor disadvantage compared to publicly managed prisons" and that "...cost savings from privatization are not guaranteed." While not directly

resolving the question of whether private or public facilities are economically superior, the report did find the value of moving toward prison privatization to be "questionable." <sup>30</sup>

The GAO's critique of the methodologies used in comparisons is not unique. Former Bureau of Prisons Director of Research Gerry Gaes made similar observations when reviewing two reports that found different levels of savings when comparing the same three public prisons with a private facility. In his 2008 report for the National Institute of Justice he observed that the more favorable study for privatization did not adjust the data on the prisons to scale and failed to take into account the proper amount of overhead costs for the private prison. Gaes noted that these types of cost comparisons are deceivingly complicated and that current research is highly limited.<sup>31</sup>

Additional complications were raised in a 2004 study that found that state-run prisons are generally left to take on a disproportionate number of expensive and high-risk inmates. For example, inmates with minimum or medium levels of security classification made up 90 percent of the private sector's population, compared with only 69 percent in the public sector.<sup>32</sup>

Many of these results have been replicated in individual states. In Ohio, state officials contend that private facilities regularly meet or surpass the legal requirement of containing costs at least five percent below a state-run equivalent.<sup>33</sup> However, a report by the nonpartisan Policy Matters Ohio criticized the state's measurements for comparing privately operated prisons to hypothetical public facilities, exaggerating overhead and staff costs for public prisons, and failing to account for the higher amount of expensive and high security inmates in public prisons. Holding these factors to more realistic standards greatly reduced if not completely diminished the purported advantages of private prisons.<sup>34</sup>

In Arizona, which also has cost-saving requirements for private prisons, research conducted in 2010 by the state's Department of Corrections found that the state had not saved money by contracting out minimum security beds, and that more money is

actually spent on private medium security beds than would be spent in a publicly operated institution.<sup>35</sup>

#### Private Prisons as a Job Creator?

In 2000 the West Texas town of Littlefield used city bonds to build a prison to be managed by Wackenhut Corrections (GEO). There was hope that this would increase revenue and job opportunities, but the prison closed after it was "plagued by mismanagement, riots and an inmate suicide." Wackenhut soon abandoned the facility and the town was forced to raise taxes, cut services, and eliminate jobs in order to manage the resulting \$9 million debt left by the prison. This case is not unique, and recent research has found evidence that even under normal circumstances "prisons have not and are not likely to make a positive contribution to local employment growth." As in Littlefield, prison construction can actually leave communities in a worse situation than they were before.

Despite these findings, privatization continues to be promoted as an effective cost saving measure and job creator throughout the country. For example, in 2011:

- The federal government contracted with the GEO Group for two 650-bed immigration detention facilities in California. This followed a deal with GEO Group for a 600-bed detention center in Texas in 2010. 39
- Ohio sold a prison to CCA and handed over operations of another facility to Management Training Corp. as part of that state's cost-saving privatization plans. 40, 41
- Florida Governor Rick Scott attempted to privatize 29 prisons and prison healthcare services statewide. Florida has encountered oversight and financial issues with private prisons in the past. 42, 43
- Legislators attempted to reintroduce the use of private prisons in Maine. The bill was ultimately killed in January 2012.<sup>44</sup>
- CCA was in negotiations to manage 9,000 beds in Harris County, Texas, despite opposition by the county sheriff. <sup>45</sup> GEO Group's subsidiary, GEO Care, also opened a mental health facility in Texas in 2011. <sup>46</sup>
- Pennsylvania hired an investment bank to assist in the privatization of state functions and assets, which could include prison healthcare.<sup>47</sup>
- The city of Waurika, Oklahoma advanced plans for the construction of a private prison in order to avoid "economic stagnation." 48
- Georgia opened an \$80 million prison that was created in partnership with the GEO Group.<sup>49</sup> CCA also announced plans to begin operating a new 1,150-bed facility in March 2012.<sup>50</sup>

 Arizona attempted to add 5,000 new private prison beds, despite a budget deficit that led to cuts in education and Medicaid spending.<sup>51,52,53</sup>

## **Services and Safety**

Advocates claim that privatization has worked in other industries with equal, if not superior, quality of service and that the same is true for prisons. However, private companies face a challenge in attempting to reduce costs while offering all the services necessary to maintaining safety in prisons. The main reason for this is that personnel and programs, the two most expensive aspects of incarceration, are among the services that receive comparatively less funding in order to contain costs. <sup>54</sup> This is particularly true for labor costs, which normally account for 60 to 70 percent of annual operating budgets. <sup>55</sup>

"You can begin to squeeze money out of the system. Maybe you can squeeze a half a percent out, who knows? But it's not as if these systems are overfunded to begin with. And at some point, you start to lose quality. And because quality is very difficult to measure in prisons, I'm just worried that you're getting in a race to the bottom."

- Former BOP Director of Research Gerry Gaes on the "McDonaldization" of private prisons. 56

Privately managed prisons attempt to control costs by regularly providing lower levels of staff benefits, salary, and salary advancement than publicly-run facilities (equal to about \$5,327 less in annual salary for new recruits and \$14,901 less in maximum annual salaries). On average, private prison employees also receive 58 hours less training than their publicly employed counterparts. <sup>57</sup> Consequently, there are higher employee turnover rates in private prisons than in publicly operated facilities. <sup>58</sup>

These dynamics may contribute to safety problems within prisons. Studies have found that assaults in private prisons can occur at double the rate found in public facilities.<sup>59</sup> Researchers also find that public facilities tend to be safer than their

private counterparts and that "privately operated prisons appear to have systemic problems in maintaining secure facilities." <sup>60, 61</sup>

Specific events that have endangered prisoners include:

- The Walnut Grove Youth Correctional Facility in Mississippi is currently under federal investigation after receiving hundreds of brutality complaints. <sup>62</sup> The facility, which is run by the GEO Group, is also the subject of a federal lawsuit claiming that inmates "live in unconstitutional and inhumane conditions and endure great risks to their safety and security" due to understaffing, violence, corruption, and a lack of proper medical care. <sup>63</sup>
- In May 2011, a CCA prison psychiatrist in Florida was accused of asking female inmates to give him lap dances and to expose themselves. It is also alleged that he was offering to trade medication for sex.<sup>64</sup>
- CCA's Idaho Correctional Center was accused of being run as a "gladiator school" in 2010. Footage from the facility showed guards standing by as one inmate beat another into a coma. It was alleged that staff members used violence and the threat of violence to gain leverage of inmates.<sup>65</sup>
- In 2009, Hawaii Governor Linda Lingle announced plans to bring back all of
  the state's 168 female prisoners being held in the CCA-run Otter Creek
  Correctional Center in Kentucky. The governor made the decision over
  concerns of sexual abuse. The facility had a disproportionate number of male
  workers for a female prison and was found to have four times the level of
  sexual abuse compared to a state-run counterpart in 2007.<sup>66</sup>
- In February 2007 an African man was left dying on the floor from a head injury for 13 hours at the CCA-run Elizabeth Detention Center in New Jersey. At one time officials discussed sending the body back to Guinea in order to deter the man's widow from traveling to the U.S. and drawing attention to the death.<sup>67</sup>

Private prison companies have also been cited for endangering inmates by providing inadequate healthcare services. In 2001 a Florida grand jury found that CCA facility staff, including a nurse, "failed to demonstrate adequate health training," which contributed to the death of an inmate who swallowed several Ecstasy pills. <sup>68</sup> Another complaint against CCA's medical services involved an inmate who died after officials allegedly refused to fill a \$35 prescription for his hereditary angioedema. <sup>69</sup> An independent report to the Mississippi Department of Corrections found that the GEO-run Eastern Mississippi Correctional Facility inappropriately downgraded mental health diagnoses, discontinued medicine, failed to clean feces and blood out of cell units, and rarely provided mental health care, even when requested. <sup>70</sup> One

report surmises that the failure to provide proper medical care is likely contributed to by the maximization of profits at the expense of employee training.<sup>71</sup>

#### Politicization of Privatization

The overarching philosophy driving these developments is that privatization is often, if not always, preferable to public ownership because of the purported efficiency of private markets. The evidence does not support this point view, however, and a key concern in this area relates to the for-profit prison companies' financial motive, which is summed up in Correction Corporation of America's 2010 Annual Report:

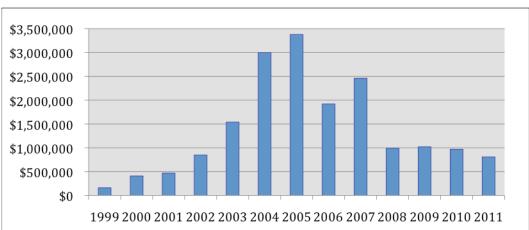
Our growth is generally dependent upon our ability to obtain new contracts to develop and manage new correctional and detention facilities. This possible growth depends on a number of factors we cannot control, including crime rates and sentencing patterns in various jurisdictions and acceptance of privatization. The demand for our facilities and services could be adversely affected by the relaxation of enforcement efforts, leniency in conviction or parole standards and sentencing practices or through the decriminalization of certain activities that are currently proscribed by our criminal laws. 72

In order to overcome these challenges, private prison companies previously joined with lawmakers, corporations, and interest groups to advocate for privatization through the American Legislative Exchange Council (ALEC). This organization is a nonprofit membership association focused on advancing "the Jeffersonian principles of free markets, limited government, federalism, and individual liberty." This is pursued in part by advocating for large-scale privatization of governmental functions. CCA paid between \$7,000 and \$25,000 per year as an association member before leaving the organization in 2010. CCA contributed additional funds to sit on issue task forces and sponsor events hosting legislators. Some media reports have listed GEO Group as a current or recent member of ALEC, but they have not been a member for more than a decade, according to the company's vice president for corporate relations.

While no longer directly involved in ALEC, both CCA and GEO Group were previously involved with the organization at a time when it worked with members to draft model legislation impacting sentencing policy and prison privatization. CCA's involvement in the 1990s went as far as chairing the ALEC Criminal Justice Task Force and having its senior director of business development serve as the private sector task force chair when a series of tough-on-crime proposals were drafted.<sup>77, 78</sup> CCA and Wackenhut (GEO) were acknowledged by ALEC in 1999 for their substantial contributions to the organization.<sup>79</sup>

ALEC's past model policies have included mandatory minimum sentences, three strikes laws, and truth-in-sentencing, all of which contribute to higher prison populations. <sup>80, 81</sup> More recently, ALEC has been assisting with legislation that could increase the number of people held in immigration detention facilities. <sup>82</sup> Although specific information on bills concerning criminal justice is unavailable, ALEC claims that member lawmakers introduce an average of 1,000 bills based at least in part on the group's model legislation every year. About 20 percent of these bills end up being enacted, although the proportion fell closer to 14 percent in 2009. <sup>83, 84</sup>

Private prison companies are also known to spend heavily on independent lobbying, as well as on direct contributions to both state and federal candidates. CCA has spent an average of nearly \$1.4 million per year since 1999 on in-house lobbying, as well as through high-profile lobbying firms such as Akin Gump Strauss Hauer & Feld LLP and McBee Strategic Consulting. <sup>85, 86</sup> In addition, CCA actively lobbies state officials, employing an average of 70 state-based lobbyists per year throughout the United States since 2003. <sup>87</sup> These lobbying efforts have gone toward promoting the use of private prisons, increasing the nation's prison population, such as through strict immigration laws, and have also been used to block unfavorable bills, such as those that would put private prisons under the jurisdiction of the Freedom of Information Act or ban private prisons entirely. <sup>88, 89</sup>



## CCA Funds Spent on Federal Lobbying 90

Since 2004 CCA's political action committee has given an average of over \$130,000 per election cycle to federal candidates and their political action committees (PACs). CCA has traditionally favored giving to Republicans, but Democrats have received about 20 percent of CCA's federal contributions during this period. Private prison companies have also spent heavily on contributions to Republican and Democratic organizations such as the Republican Governors Association, the Republican State Leadership Committee, and the Democratic Governors Association. CCA's contributions to these groups have averaged over \$80,000 per election cycle, with more than 80 percent going to the Republican Party. Company officials have also made individual contributions to federal elected officials. For example, the 14 CCA board members have given nearly \$43,000 each over the past four election cycles.

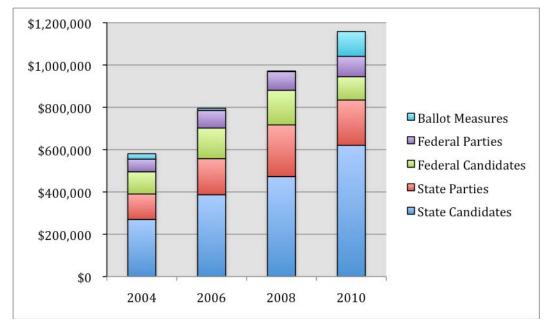
CCA contributed an average of nearly \$190,000 to state party organizations per election cycle since 2004. As with other contributions, the majority has gone toward Republicans (nearly 75 percent) and has been primarily aimed at states such as Florida and California. From 2003 to 2011 the Florida GOP received nearly \$320,000, while the California GOP received over \$140,000. The Democratic counterparts in these states received \$73,500 and \$55,000, respectively. <sup>94</sup> CCA also spent over \$150,000 during this period on efforts to either promote or defeat ballot measures. These referenda mostly focused on increasing state revenue, and spending. However, CCA also supported proposals to implement harsher criminal penalties,

make prosecutions easier, and eliminate bail for illegal immigrants charged with violent or gang-related felonies. 95, 96

## Lobbying in California

States vary in the amount of information they make available on lobbying, making it impossible to know exactly how much groups like CCA are spending and the issues in which they focus. However, California provides complete lobbying reports online, showing that CCA has spent an average of over \$150,000 per year since 2001 lobbying the governor's office, legislature, Department of Corrections and Rehabilitation, Legislative Analyst's Office, Department of Finance, Office of Planning and Research, Youth and Adult Correctional Agency, and Department of General Services. <sup>97</sup> The issues in which CCA is engaged include budgets, prison construction, youth facilities, out-of-state prison bed programs, the limitation of judicial discretion in sentencing, legislation that would require inmate approval before sending them out of state, and another bill that would outlaw private prisons entirely. <sup>98</sup> Although just one piece of the puzzle, California provides some context for CCA's involvement in the 32 states in which it has lobbied between 2001 and 2011. <sup>99</sup>

On the state level CCA has given an average of over \$430,000 per election cycle, with nearly 70 percent going toward Republican candidates. Since 2003, the states receiving the largest amount of these funds have been California (\$502,000), Florida (\$438,000), Georgia (\$241,000), Idaho (\$93,000), Tennessee (\$70,000), New Mexico (\$62,000), and Louisiana (\$50,000). Texas Governor Rick Perry, Idaho Governor C.L. "Butch" Otter, Louisiana Governor Bobby Jindal, and three influential Georgia state lawmakers, of which at least one was involved in crafting harsh immigration legislation, received the most individual contributions from 2003 to 2011. The contributions made to these officials ranged from \$10,800 to \$20,000 each. 100, 101



CCA State and Federal Contributions by Election Cycle 102, 103, 104

The potential for a more sinister relationship between private prison companies and public officials was revealed in 2010 and 2011 when two former juvenile court judges in Pennsylvania were ensnared in the notorious Luzerne County "kids for cash" scandal. The judges were convicted of playing a role in shutting down a public juvenile detention center and steering defendants to new private facilities in exchange for millions of dollars in kickbacks. They are now both serving lengthy prison sentences. This extreme example highlights how the incentives of private prisons can lead to questionable actions taken at the expense of those coming into contact with the justice system.

This commingling of money and influence, while troubling, is not unique in American politics and public policy. However, what makes this particular instance noteworthy is that private prison companies use their influence to increase profits by taking advantage of and continuing the nation's longstanding reliance on incarceration.

#### CONCLUSION

Results vary somewhat, but when inconsistencies and research errors are adjusted the savings associated with investing in private prisons appear dubious. Even minimal savings are far from guaranteed, and many studies claiming otherwise have been criticized for their methodology. The available data belies the oft-claimed economic benefits of private contracting, and points to the practice being an unreliable approach toward financial stability.

Even if private prisons can manage to hold down costs, this success often comes at the detriment of services provided. Nationwide, public funds for prisons are already limited, leaving little excess spending that can be cut. Therefore, private prisons must make cuts in important high-cost areas such as staff, training, and programming to create savings. The pressure that companies feel to maintain low overhead costs combined with less direct oversight are likely what led researchers at the University of Utah to conclude that, "quality of services is not improved" in private prisons. The private prisons.

Finally, private prison companies' dependence on ensuring a large prison population to maintain profits provides inappropriate incentives to lobby government officials for policies that will place more people in prison. This is evidenced by the creation and coordination of model legislation through conservative lobbying groups, as well as in the political contributions and lobbying efforts of individual companies. This effort to increase reliance on incarceration comes at a time where America's rate of imprisonment is the highest in the world and when the prison population is far beyond the point of diminishing returns in terms of public safety.

The available evidence does not point to any substantial benefits to privatizing prisons. Although there are instances where private prisons result in small savings, the structure and demands of for-profit prisons appear to produce a negative overall impact on services. In order to reconcile this information with the continued claims that private prisons are superior, one must assume that these contentions are couched more in ideology than in facts.

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