

## Prisons for Profit

Private prison companies claim to provide safe facilities that save taxpayers money. In reality, private prisons are more dangerous for inmates and staff, and often fail to deliver the savings they promise. Yet despite their track record of failure, private prison companies continue to secure contracts, spending millions on lobbyists and campaign donations to influence elected officials.

### **Private prisons cut corners to boost profits, putting inmates, staff and the public at risk**

Private prisons are frequently understaffed, experience high turnover and officers are undertrained and underpaid. The companies also boost profits by providing inmates with substandard medical care and often house inmates in squalid conditions.

- In 2015, 2,000 inmates rioted at the Willacy County Correctional Center in Texas, operated by the Management and Training Corporation (MTC). The uprising — ignited by MTC’s failure to provide basic medical care, excessive use of solitary confinement, and disgusting living conditions — took two days to subdue and rendered the facility uninhabitable, requiring all inmates to be relocated<sup>1</sup>.
- In 2014 the FBI launched an investigation of the Corrections Corporation of America (CCA), America’s largest private prison company, over its operation of the Idaho State Correction Institution. Nicknamed “Gladiator School” by inmates, the prison had four times the number of inmate-on-inmate assaults than the state’s seven other prisons combined.<sup>2</sup> An external audit found that CCA employees falsified reports to conceal 26,000 hours of understaffing in 2012 alone.<sup>3</sup>
- In 2012, the Department of Justice released a report detailing staggering abuses at the Walnut Grove Youth Correctional Facility in Mississippi operated by the Geo Group.<sup>4</sup> According to the report, corrections officers had sex with inmates, provided them with weapons, and even joined their gangs. During one riot, a corrections officer walked through a cell block freeing members of her gang. The beatings and stabbings that ensued sent six inmates to the hospital, one with permanent brain damage.<sup>5</sup>
- A Tennessee study found that over a two-and-a-half year period — from January 2009 through June 2011 — assaults on inmates and employees were much more frequent at the three facilities operated by CCA, compared with the eight facilities operated by the state.<sup>6</sup>
- In Mississippi in 2012, the state’s four privately run prisons had assault rates three times higher than facilities operated by the state.<sup>7</sup> The most recent nationwide Bureau of Justice Assistance report comparing public and private prisons found that nationwide, private prisons had 65.8 percent more inmate assaults and 48.7 percent more assaults on staff than public prisons.<sup>8</sup>

### **Private prisons often fail to deliver on promised savings, costing taxpayers**

Private prisons are operated for one purpose: to maximum profits for their investors. Even though private prison companies are incentivized to slash spending on staff, medical care and rehabilitation programs, they still often fail to deliver on the cost savings promised to taxpayers.

- Between 1996 and 2007, the U.S. Government Accountability Office, the University of Cincinnati, The U.S. Bureau of Justice Assistance and the University of Utah all conducted major reviews of private prison costs, examining data from dozens of studies. Each time, researchers reached the conclusion that private prisons failed to deliver on promised savings.<sup>9</sup>

- Private prison companies also manipulate contract terms to lock in profits. These strategies include bed guarantees that require states to keep a facility full or pay for unused beds and the ability to “cherry-pick” less expensive inmates (such as those without medical or mental health issues).<sup>10</sup>
- In Ohio, CCA purchased the Lake Erie Correctional Institution in 2011, negotiating a 90 percent bed guarantee. The company quickly jammed an additional 300 beds into the facility to lock-in additional profits, leading to crowded conditions that contributed to skyrocketing assault rates<sup>11</sup>. The facility grew so violent that in one year, local law enforcement officers responded to four times as many calls from the prison as the previous five years combined.<sup>12</sup>

### **Private prisons depress local economies, and can devastate communities when they close**

At private prisons, employees earn low wages that contribute to high turnover and limit their ability to contribute to the local economy, while profits are sent out of the community to executives and shareholders. Often, financing is structured in a manner that leaves communities stuck paying off the debt if the private companies decide to pull out.

- A 2013 study from Washington State University found that “the privatization of prisons often has a negative impact on employment prospects in host counties.” Private prisons typically fail to deliver on promised cost savings, even though median wages at private prisons are more than 25 percent lower than those at public facilities.<sup>13</sup> With privatization, the local economy loses the economic benefit that comes with fairly-paid public employees spending their paychecks locally.
- The closure of the Willacy County Correctional Center in Texas in 2015 has left hundreds unemployed and eliminated 25 percent of the county’s budget. The county is now at risk of defaulting on its debt, and its bonds are considered “junk” by ratings agencies.<sup>14</sup> Littlefield, Texas — a community of just over 6,000 residents — has been paying \$1 million per year since 2009 to cover the debt and maintenance costs for its empty prison, after Geo Group pulled out of the facility, eliminating 100 local jobs.<sup>15/16</sup>

### **Profit-driven private prison companies corrupt policy making, foster injustice, and incentivize corruption**

Private prison companies have spent millions on lobbying and campaign contributions to secure contracts and manipulate public policy. The profit motive also incentivizes corruption, exposing the most vulnerable to abusive sentencing.

- Since 1989, private prison companies have funneled more than \$10 million to candidates and spent nearly \$25 million on lobbying. Despite their record of failure, this spending has allowed them to continue securing contracts, and private prisons now house 157,000 inmates, including half of the nation’s immigration detainees.<sup>17</sup>
- An investigation revealed that Arizona’s law making it a misdemeanor for resident immigrants to fail to have proper documentation in their possession and to require police to make a determination of immigration status during stops, detentions and arrests was drafted behind the scenes by private prison companies. After the legislation was introduced, the companies quickly hired a lobbyist to work the capital and funneled donations to legislators to secure passage.<sup>18</sup>

- In Pennsylvania, two judges accepted more than \$2.6 million in bribes and kickbacks to orchestrate the closure of the county’s public detention center, facilitate the construction of private facilities, and sentence thousands of children and teenagers — some as young as eleven — to the facilities. To increase their earnings, the judges routinely ignored requests for leniency from prosecutors and probation officers.<sup>19</sup>

### **Privatization can creep into “public” facilities, endangering staff and inmates**

Even at government-operated facilities with public corrections officers, private companies often try to profit by convincing officials to outsource health care, food services and other positions.

- In June 2013, the Ohio Department of Rehabilitation and Correction turned prison food service over to Aramark. Since then, service has been plagued by violations. Aramark employees have served prisoners maggot-infested food, formed inappropriate sexual relationships with inmates and endangered staff by importing contraband.<sup>20</sup> Prisons have been forced to relocate lieutenants and captains to monitor the undertrained Aramark staff.<sup>21</sup> Aramark’s track-record in other states is similar — in 2014, 30 inmates in Michigan contracted food poisoning after maggots and fly larvae were found in a food serving line.<sup>22</sup>
- Between 2008 and 2013, the country’s largest prison health care provider, Corizon Health, was sued 660 times for malpractice.<sup>23</sup> In Florida, inmate deaths spiked to a 10-year high after Corizon took over care. One inmate’s undiagnosed lung cancer was treated with Tylenol and warm compresses, leading to her death.<sup>24</sup> When another Florida inmate “felt his intestines escaping from his rectum” after Corizon staff ignored his worsening medical condition, a nurse simply obtained some K-Y Jelly and pushed the intestines back in.<sup>25</sup>

### **Abusive private probation companies trap low-income people in a cycle of spiraling debt**

For-profit companies aren’t just targeting prisons. In many cities and towns, they have replaced public probation officers. These private companies extort huge fees from low-income individuals who owe minor court debts, often forcing them to choose between paying exorbitant fees and going to jail where taxpayers foot the bill.

- In 2014, Human Rights Watch released a report documenting how private probation companies in several states are allowed to impose administrative fees on offenders that can total thousands of dollars, even for individuals ticketed for misdemeanor offenses.<sup>26</sup> For example, when an impoverished man in Georgia could not afford to pay a \$200 ticket, a private probation tacked on over \$1,000 in fees, and then had the man thrown in jail for failing to pay.<sup>27</sup>
- In 2015, the Southern Poverty Law Center filed a federal lawsuit against the private probation company Judicial Correction Services. The lawsuit detailed how the company extorted low-income residents in Alabama by threatening them with jail time for falling behind on paying fees.<sup>28</sup> One Alabama judge called that system a “judicially sanctioned extortion racket.”<sup>29</sup>

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