



Making a Killing: How Prison Corporations Are Profiting From Campaign Contributions and Putting Taxpayers at Risk

An in-depth look at the private prison industry: violence, escapes, cash flow and some politicians' plans to make our communities less safe and more prone to violent crime

Every year, America's largest private prison companies – **The GEO Group, Inc., Corrections Corporation of America (CCA)**, and the **Management & Training Corporation (MTC)**—pour hundreds of thousands of dollars into the campaigns of governors, state legislators, and judges, in the hopes of advancing their political agenda—establishing more private prisons and reducing the number of public ones. Despite significantly higher rates of inmate-on-guard assault, violence, and escapes in broad daylight in private prisons than in public,¹ these companies' strategy of pay-to-play has proven successful. A state think tank in Ohio recently documented a 48 percent increase in private prison inmates between the year 2000 and 2009—leading almost 8 percent of incarcerated Americans to be housed in private prisons by the end of the decade.²

However, in February 2010, the Florida-based Private Corrections Working Group issued a press release stating that CCA had lost contracts for 7,594 prison beds in the previous 16 months, and could lose 3,696 by the end of the year.³ As it became clear that some states were canceling prison contracts out of budget and safety concerns, the private prison industry became more aggressive in seeking ways to fill beds (the measure by which private prisons companies gauge their profitability). A prime example of this surfaced in late 2010 when National Public Radio exposed the role of the private prison industry in crafting and passing SB1070—Arizona's controversial immigration-enforcement law.⁴

The Republican sweep of the mid-term elections in 2010 provided the private prison industry with new friends on the state level and in Washington. The upshot is a **broad network of powerful private prison companies and pro-privatization legislation and budget initiatives linked by thousands of dollars in political donations to the party in power.** This year, the industry is betting on these newly-elected allies to deliver the contracts they were losing under former state leadership.

¹ http://www.acluohio.org/issues/CriminalJustice/PrisonsForProfit2011_04.pdf

² <http://www.policymattersohio.org/pdf/CellsForSale2011.pdf>

³ [https://www.prisonlegalnews.org/\(S\(x2k5d5534w1stvdpenqhwf\)\)/5098_displayListServ.aspx](https://www.prisonlegalnews.org/(S(x2k5d5534w1stvdpenqhwf))/5098_displayListServ.aspx)

⁴ <http://www.npr.org/templates/story/story.php?storyId=130833741>

In the following pages, we review recent media coverage, national and state research, campaign donation data and prison policy briefs to reveal the national network of corporate influence chipping away at the American incarceration system.

Follow the money: Private prison companies, encouraged by friendly politicians and special-interest-backed state legislation, have donated hundreds of thousands of dollars to candidates for state office over the last ten years. Standard examples of these corporations' state activity are list below:

Florida: The Miami Herald reports that since 2001, the **Florida GOP has received more than \$1.5 million from the two largest prison contractors and their affiliates.**⁵ Over two thirds of that total can be traced to the GEO Group of Boca Raton, which manages two of the state's private prisons. The Florida Senate is now pushing to outsource corrections facilities to private companies in 18 additional counties.

Texas: In Texas, **private prison companies and their PACs have given over \$130,000 to candidates for public office since 2006.**⁶ Texas has more privately operated correction facilities than any other state in the country. Harris County—the most populous county in the state—is now deliberating a plan to privatize the state's largest jail.⁷

Arizona: In Arizona, campaign finance reports show that **executives at CCA contributed \$1,080 of the \$51,193 in seed money for Governor Jan Brewer's 2010 gubernatorial campaign, in addition to a \$10,000 donation to the "Yes on100" campaign** – a state sales tax initiative heavily promoted by the Governor.⁸ The state recently reopened the contract process for 5,000 private prison beds, despite a 2010 state audit that found that private prisons cost taxpayers more money per inmate.

New Mexico: In the last five years, **the GEO Group and CCA have contributed over \$38,000 to the campaigns of New Mexico Republicans**, including one donation of \$25,000 to the state's current Republican governor, Susana Martinez.⁹ The state is home to four privately run prisons, nearly all facing high staff vacancy rates (state legislators are currently investigating this issue).¹⁰

Tennessee: The state that CCA calls home is no stranger to the deep pockets of private prison companies.¹¹ **In the 2010 cycle alone, CCA gave nearly \$60,000 to local campaigns and state**

⁵ <http://www.tampabay.com/news/politics/stateroundup/effort-to-privatize-florida-prisons-raises-questions-of-cost/1165807>

⁶ <http://www.ethics.state.tx.us/php/cesearchAdvanced.html>

⁷ <http://www.chron.com/disp/story.mpl/metropolitan/7527480.html>

⁸ <http://www.azcentral.com/news/articles/2010/08/22/20100822arizona-private-prisons.html>

⁹ <http://www.sos.state.nm.us/sos-CFinance.html>

¹⁰ <http://www.santafenewmexican.com/local%20news/Private-prison-staffing-could-trigger-fines>

¹¹ <http://www.followthemoney.org/press/Reports/200605021.pdf>

parties. Trace donations back to 2006 and you'll find over \$179,000 in campaign contributions from the company that operates all three of the state's private prisons.¹²¹³

Dispelling the myth: What do states get when they embrace incarceration for profit, besides thousands of dollars in contributions to local campaigns and elected officials? The answer is far from what companies like The GEO Group, CCA, and MTC would have the public believe.

“Workforce instability at private prisons has resulted in riots, rapes, assaults and escapes.”

—report, **American Civil Liberties Union**¹⁴

In order to maintain a profitable industry, private prisons cut corners with indisputably devastating results. Private prisons routinely experience **more inmate escapes and higher rates of violence** due to chronically lax security and poorly trained, minimally paid staff. “The Bureau of Justice Assistance reported that private prisons experienced 49% more assaults on staff and 65% more inmate-to-inmate assaults than public prisons.”¹⁵ The most egregious incidences of violence and disruption at private prisons demonstrate what happens when America's prisons are run to make a profit. A review of some of the most notable headlines in 2010 demonstrates that after more than 25 years, the private prison model remains a recipe for disaster. While the types of problems in the following news stories are recognizable and preventable, the profit motive of the companies discourages them from changing the way they manage public safety and the lives of the inmates that they lobby to house.

- In 2010, two convicted murderers and one inmate convicted of attempted murder escaped from a MTC-operated prison in **Arizona**. Reviews of the incident painted the picture of a prison with high staff turn-over and poorly trained detention officers, and where false alarms were so common that they were frequently ignored.¹⁶ Before being captured, the escapees managed to murder a couple in **New Mexico**. Family members of the slain couple have filed a multimillion lawsuit against the State of Arizona and MTC.¹⁷
- In 2010, a nationally released video of a vicious beating of Hanni Elabed by a fellow prisoner at the **Idaho** Correctional Center (ICC) showed Elabed being thrown to the ground and brutally beaten and kicked while prison guards did not make any attempts to intervene. Three former staffers at the prison told the media that both wardens and guards, “routinely failed to protect inmates,” and

¹² <https://apps.tn.gov/tncamp-app/public/cesearch.htm>

¹³ <http://www.followthemoney.org/press/Reports/200605021.pdf>

¹⁴ http://www.acluohio.org/issues/CriminalJustice/PrisonsForProfit2011_04.pdf

¹⁵ <http://www.grassrootsleadership.org/Texas%20resources/CPJ%20Second%20Edition.pdf>

¹⁶ http://www.usatoday.com/news/nation/2010-08-20-arizona-prison-report_N.htm

¹⁷ <http://www.azcentral.com/news/articles/2011/03/17/20110317arizona-escaped-inmates-lawsuit0317-ON.html>

deliberately put prisoners in situations “knowing they'd be victims of the prison's gangs and violent culture.”¹⁸

- In 2010, **Kentucky** pulled its female inmates out of the CCA-run Otter Creek Correctional Complex after a sex scandal involving prisoners and guards. Several hundred women were relocated 377 miles away to the state-run prison. The state of Hawaii also moved its nearly 200 women prisoners out of Otter Creek, in part because of the incidents.
- In 2010, The GEO Group reached a \$2.9 million settlement providing up to \$400 each to about 10,000 inmates at six GEO facilities. The settlement covers GEO-run prisons in **Texas, Illinois, Pennsylvania** and **New Mexico**. The original lawsuit, filed in 2006, was filed against The GEO Group over strip searches that were allegedly conducted regardless of whether there was reasonable suspicion or probable cause to believe the person was armed or in possession of contraband.¹⁹

“As prison quality greatly suffers, there is little evidence that these private prisons save governments money.”

—report, **In the Public Interest**²⁰

Privatization’s champions—specifically the governors currently waging privatization wars in their state—argue that hiring private companies to house inmates saves the state money and frees up spending for other parts of the budget.

Yet as the quote above indicates, there is no conclusive evidence showing that private prisons save states money. Policy Matters Ohio, a state think-tank whose report on prison privatization was released earlier this year, stated: “While debate over prison privatization has been heated and divisive, there is little or no consensus on whether it actually saves money...”²¹ In fact, in some cases, the opposite is true. An official Arizona audit of the state’s prison system found that in 2009, a medium-security inmate costs \$55.89 per day in a private prison and \$48.13 per day in a public one.²² The audit also found the state paying slightly more for minimum security prisoners as well.

Conclusion: After 25 years in business, the private prison model remains a hazard for local communities. Private prisons see higher levels of violence, rape, escapes, recidivism and inmate and staff deaths than public prisons do, yet the for-profit industry continues to thrive in almost every region of the country. In the interest of public safety and crime-reduction, it is imperative that states abandon for-profit prison companies and rely on public prisons to house the country’s inmates.

¹⁸ <http://politicsreport.com/news/something-rotten-and-foul-idaho>

¹⁹ http://www.abqjournal.com/cgi-bin/print_it.pl?page=/news/state/202344144646newsstate07-20-10.htm

²⁰ http://inthepublicinterest.org/sites/default/files/Private%20Prisons%20Backgrounder_0.pdf

²¹ <http://www.policymattersohio.org/pdf/CellsForSale2011.pdf>

²² http://www.azauditor.gov/Reports/State_Agencies/Agencies/Corrections_Department_of/Performance/10-08/10-08Highlight.pdf