

Prison Privatization: Bad for Florida, Bad for Taxpayers

Prison privatization has been introduced into the Florida budget debate, with the House, Senate, and Governor's office each proposing some version of prison privatization in the state, with the stated goal of reducing state costs. Yet extensive evidence shows that privatizing prisons does not reduce costs, but instead may create serious accountability and public security problems for the state of Florida and its citizens.

- **Private prisons will not save the state money – they may actually be more costly than state-run institutions on a per-inmate basis.**

Florida law requires that the use of private contractors to operate prisons must, "...result in a cost savings to the state of at least 7% over the public provision of a similar facility."¹

However, according to a 2010 Florida Center for Fiscal and Economic Policy report there is little evidence that Florida's private prisons have resulted in cost savings. The state's effort to comply with the cost-savings mandate involves a complex and problematic process with three state agencies involved; the departments of Management Services and Corrections, and the Auditor General.²

The Florida Office of Program Policy Analysis and Governmental Accountability (OPPAGA) expressed concerns about the feasibility of reaching conclusions regarding the 7% cost savings. In a memorandum the OPPAGA wrote:

"While significant, these cost savings estimates are subject to caveats and should be evaluated cautiously. Cost comparisons between public and private prisons require a number of adjustments because prisons differ on several factors, including size and location; facility design and age; the physical and mental health of the inmates served; inmate custody level; and the educational, vocational, behavioral, and substance abuse programs provided. Adjustments used to 'equalize' Florida's public and private prisons historically have been controversial."³

The Florida Center for Fiscal and Economic Policy report notes that prisoners who are more costly to handle, such as those who are high security risks and those with extensive medical issues, are usually housed in public prisons.⁴

A recent audit conducted by the State of Arizona found that the state paid more per inmate at private facilities than at state-run correctional facilities. At private facilities in the state, the cost to house a medium-custody inmate was \$55.89 per day, but was only \$48.13 at state-run facilities.⁵

- **Private prisons do nothing to reduce recidivism:**

A 2003 Florida Department of Corrections report, *Recidivism of Public and Private State Prison Inmates in Florida*, compared the recidivism rates of inmates from comparable public and private prisons. According to the report, "... no statistically significant

differences in recidivism rates were found between public and private inmate groups...” and there was “...no empirical justification for the policy argument that private prisons reduce recidivism better than public prisons.”⁶

- **Private prison companies have a profit motive to increase the number of inmates behind bars. The situation has created perverse incentives.**

From 1987 to 2007, the national prison population tripled. Also, inmates in private prisons accounted for 9% of the total US prison population in 2010, up from 6% in 2000.⁷

In 2010, the private prison industry conducted a behind-the-scenes effort to help draft and pass Arizona Senate Bill 1070, a stringent law that help fill private prison cells. Corrections Corporation of America (CCA), the largest private prison corporation in the U.S., played a key role in the process. CCA expects immigrant detention will be their next growth market.⁸

- **Private prison companies see immigration detention as a major growth market. A greater use of private prisons in Florida could result in increased targeting of immigrants as criminals, regardless of their citizen status.**

The Geo Group, the second largest private prison corporation, suggested on a call with investors earlier this year that stricter immigration laws is good for business⁹:

In May, The Geo Group had a conference call with investors. When asked about the bill, company executives made light of it, asking, "Did they have some legislation on immigration?"

After company officials laughed, the company's president, Wayne Calabrese, cut in:

"This is Wayne," he said. "I can only believe the opportunities at the federal level are going to continue apace as a result of what's happening. Those people coming across the border and getting caught are going to have to be detained and that for me, at least I think, there's going to be enhanced opportunities for what we do."

- **Private prisons threaten public safety with higher rates of escapes, violence and contraband that publicly run prisons.**

A nationwide study by researchers at the Federal Bureau of Prisons Office of Research and Evaluation cited that private prisons had a much higher rate of escapes compared to public prisons.¹⁰ In August 2010, three convicted murderers escaped from a privately operated prison in Kingman, AZ. The escapees lead authorities on a manhunt and to the discovery of a couple killed in New Mexico.¹¹

The study showed that at private prisons there were 35.1 assaults on inmates per 1,000 prisoners. At public prisons, there were only 25.4 assaults on inmates per 1,000 prisoners. If one removes maximum security prisons from the data since few private prisons are maximum security, the difference between public and private prisons

becomes even larger. While private prisons had 33.5 assaults on inmates per 1,000 prisoners, publicly run prisons had only 20.2 assaults per 1,000 prisoners. In fact, the rate of prisoner-on-prisoner assaults is 65% higher in private prisons¹²

A 2004 article in the Federal Probation Journal similarly found that private prisons had more than twice as many inmate-on-inmate assaults than in public prisons.¹³

Public prisons perform better than private prisons in terms of rates of assaults on staff, excluding maximum security prisons. Public prisons had an assault rate on staff of 8.2 per 1,000 inmates compared with 12.2 per 1,000 inmates for private prisons. Private prison guards were assaulted by prisoners at a rate that is 49% higher than the rate of assaults experienced by their public prison counterparts.¹⁴

The Federal Bureau of Prisons Office of Research and Evaluation study revealed that about 40% of private prisons had positive hit rates for contraband (i.e. drugs and alcohol) of 3% or above, and almost 20% of the private prisons had rates at or above 10%.¹⁵

In comparison, only about 16% of public prisons reported a contraband hit rate greater than or equal to 3%. With only one exception, no public facility had a hit rate for contraband greater than 6%.¹⁶

Public safety and security could be put at risk if correctional institutions are turned over to private contractors. California's Inspector General recently found serious problems at a number of private out-of-state facilities housing California inmates, including missing or damaged inmate identification cards, inmates wearing clothing similar to custody personnel, unsupervised inmates in restricted areas, failure to follow good security procedures during inmate movements and inmate counts, inadequate documentation of cell searches, improper evidence handling, inefficient alarm systems, and improperly focused security cameras.¹⁷

- **Guards at private prisons are often poorly qualified, poorly trained, and poorly paid. With minimal qualification requirements, private prison companies tend to attract individuals who cannot find employment in other fields.**

Since correctional officers working for private prisons are not held to the same high training standards as their counterparts working for public prisons, correctional officers at private prisons may be unprepared to effectively control inmates and maintain a secure facility. An audit of private prisons housing California inmates conducted by California's Inspector General found that there were poor screening protocols for new employees.

Comprehensive criminal background checks were not completed for new hires and at several facilities no attempts were made to determine whether job applicants had family members at the facilities. Armed transportation employees at one facility were only required to complete weapons qualification annually or semi-annually, rather than quarterly, as required of direct employees of the California Department of Corrections

and Rehabilitation. At another facility, officers were not required to carry critical safety equipment such as handcuffs and whistles.¹⁸

- **When employees of public prison systems are transferred to privately-run corporate prisons, they lose their immunity from prosecution, thereby making them personally liable and at financial risk for any criminal or civil lawsuits emanating from their employment. This factor and the low rate of pay lead to high turnover among private guards.**

Lower wages for starting correctional officers have resulted in a 41% turnover rate in private prisons compared to a 15% turnover rate in public prisons.¹⁹

Private prisons also have a history of falling behind in quality compared to public prisons. Cost-cutting measures in private prisons have led to decreased spending on inmate health care and staff training.²⁰

- **Private prisons are not held to the same levels of accountability and transparency as public institutions. Should taxpayer dollars be going to corporations whose first priority is their own shareholders rather than the state of Florida?**

Private prisons have been implicated in serious corruption scandals. For example, a former Pennsylvania judge was convicted of taking a \$1 million bribe while serving on the bench from the builder of a private juvenile jail. The judge sent hundreds of children and teenagers to the private prison for minor crimes after being given the money by the company that ran it.²¹ Without much-needed transparency, there is a danger that these private companies might compromise the integrity of our state's correctional facilities.

Furthermore, private prison corporations are not accountable to the public and do not have the same transparency requirements as public agencies. Because private prison corporations are private entities, they are not covered by the Freedom of Information Act or most state public records laws. In 2008, Corrections Corporation of America's (CCA) general counsel admitted that the corporation did not disclose detailed audit reports to contracting government agencies claiming "[CCA] did not make customers aware of these documents."²² A Corrections Corporation of America whistleblower who worked in the company's quality assurance office accused the corporation of keeping two sets of audit reports, and providing less detailed reports to government agencies.²³

Private contractors like prison corporations can take on significant debt and make business decisions that impact the provision of services without oversight by elected officials. For example, CCA has nearly \$1.2 billion in debt. The company acknowledges that this level of indebtedness could "require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness."²⁴ Taxpayer dollars could go toward making interest payments on ballooning debt instead of on actual operations. Without adequate oversight, financial decisions might easily trump decisions on services to the state.

¹ 957.07(1), Florida Statutes..

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- ³ Research Memorandum, Office of Program Policy Analysis and Government Accountability, April 2009. ; Hall, John and Kelly Walsh.
- ⁴ Hall, John and Kelly Walsh.
- ⁵ Report issued Sept., 2010,
http://www.azauditor.gov/Reports/State_Agencies/Agencies/Corrections_Department_of/Performance/10-08/10-08Highlight.pdf
- ⁶ Bales, William, Bedard, Laura, Quinn, Susan. Florida State University and Ensley, David T. and Holley, Glenn P., Florida Department of Corrections. 2003. Recidivism of Public and Private State Prison Inmates in Florida.
- ⁷ Cook, Nancy, "How The Recession Hurts Private Prisons America's constantly booming prison population has seemed like a good business to be in, but even that is slowing with the economy", *Newsweek*, June 30, 2010.
- ⁸ Sullivan, Laura, "Prison Economics Help Drive Ariz. Immigration Law", NPR, Transcript, October 28, 2010.
- ⁹ Ibid.
- ¹⁰ Camp, Scott. D., & Gaes, Gerald. G. "Growth and Quality of US Private Prisons: Evidence from a National Survey." Washington, DC: Federal Bureau of Prisons Office of Research and Evaluation. 2001.
- ¹¹ Hensley, JJ and Ginger Rough, "Kingman prison still under scrutiny", *The Arizona Republic*, January 30, 2011.
- ¹² Camp, Scott. D., & Gaes, Gerald. G.
- ¹³ Blakely, Curtis R. and Vic W. Bumphus, "Private and Public Sector Prisons—A Comparison of Select Characteristics", *Federal Probation Journal*, Volume 68 Number 1, June 2004.
- ¹⁴ Camp, Scott. D., & Gaes, Gerald. G.
- ¹⁵ Ibid.
- ¹⁶ Ibid.
- ¹⁷ Report issued, Dec. 2010,
<http://www.oig.ca.gov/media/reports/BOA/reports/Inspection%20of%20Out%20of%20State%20Facilities.pdf>
- ¹⁸ <http://www.oig.ca.gov/media/reports/BOA/reports/Inspection%20of%20Out%20of%20State%20Facilities.pdf>
- ¹⁹ Greene, Judy. "Bailing Out Private Jails," *American Prospect*, p. 3, September 2001.
- ²⁰ Greene, Judy. "Bailing Out Private Jails," *American Prospect*, p. 3, September 2001.
- ²¹ Bates, Daniel, "Cash for kids' judge took \$1m kickback from private jail builder to lock children up", *Daily Mail*, February 21, 2011.
- ²² Responses of Gustavus Adolphus Puryear IV, Nominee to the U.S. District Court for Middle District of Tennessee, to Additional Written Questions of Senator Diane Feinstein, at 6 (n.d.) ("Because the intent was to use such documents for internal purposes only, so that auditors would feel free to make candid observations to help protect the health and safety of CCA's employees and inmates, we did not make customers aware of these documents.").
- ²³ Zagorin, Adam, "Scrutiny for a Bush Judicial Nominee", *TIME Magazine*, March 13, 2008,
<http://www.time.com/time/printout/0.8816.1722065.00.html> , Downloaded on March 8, 2011.
- ²⁴ Corrections Corporation of America, Form 10-K, Filed Feb. 25, 2011.