

125 South Ninth Street, Suite 701 PO. Box 1161 Philadelphia, PA 19105-1161 215-592-1513, ext. 18 215-592-1343 (FAX) 717-233-4208

James D. Crawford PRESIDENT

Deborah Leavy EXECUTIVE DIRECTOR

Susan Frietsche DEPUTY DIRECTOR

2 propo

TESTIMONY OF SUSAN FRIETSCHE

DEPUTY DIRECTOR

AMERICAN CIVIL LIBERTIES UNION OF PENNSYLVANIA

ON PRIVATE PRISONS

BEFORE THE HOUSE JUDICIARY COMMITTEE

MARCH 14, 1991

Thank you for the opportunity to testify today on the question of whether or not Pennsylvania should contract out to private corporations the ownership and operation of its prisons*.

The ACLU's interest in private prisons arose when our legal director litigated the first private prison case in the nation, Medina v. O'Neill, 589 F. Supp. 1028 (S.D. Tx. 1984), modified, 838 F.2d 800 (5th Cir. 1988). Untrained private prison guards at a small, private, for-profit operation in Texas locked 16 stowaways into a single room, and then shot and killed one prisoner and wounded others. On behalf of the stowaways, we sued the private prison out of existence.

The ACLU opposes private prisons because we believe that private corporations cannot and should not assume the state's responsibility for punishing the guilty. Because the first loyalty of private entrepreneurs must be toward their corporation, private prison operators will face an inevitable conflict of interest between the wellbeing of the prisoners and the well-

^{*}I would like to confine my remarks to the private ownership and operation of adult prisons. Public prisons that have been privately financed and built do not raise civil liberties concerns. While the private control of juvenile detention facilities presents some of the same risks and problems as privatizing adult prisons, juvenile facilities are rehabilitative rather than punitive in purpose and involve somewhat different considerations.

being of the business. This conflict will be particularly acute in for-profit corporations, and will be manifested in two ways.

First, the state's responsibility to maintain constitutional conditions of confinement will conflict with the private operator's need to cut costs. Running any prison is an expensive proposition. Running a prison that is safe and humane and that provides a chance at rehabilitation is even costlier. When faced with a choice between cutting corners and heavy financial losses, private prisons are inevitably going to try to cut corners. As we will discuss later, while the state will lose direct control over these cost-cutting decisions, it will retain liability if any prisoners get hurt, or if the surrounding community is endangered by the private prison.

Second, the goals of the state and the private operator are dissimilar and likely to conflict. The state's goal is to punish the offender and to release him or her when the minimum sentence has been served if the prisoner is ready to resume life outside the prison. The private prison operator's goal is to make money by keeping the prison full. Whether a particular prisoner is ready to be released to the community is often a matter of subjective judgment. How can we expect a private prison entrepreneur, faced with the pressure to keep their business afloat, to recommend early release for as many qualified prisoners as possi-

ble when such a recommendation is directly contrary to their best interests? If private managers and staff have any decisionmaking authority or even advisory power over how long a prisoner is detained, the pressure to keep the private prison filled to capacity may result in longer sentences actually served. At a time when this legislature is working on ways to reduce the prison population, privatizing is a step in the wrong direction.

Many of you on this Committee no doubt remember the promises private prison entrepreneurs made to you only a few years ago, promises that they would provide better service at lower cost, be good corporate neighbors to their host community, and keep the wellbeing of the prisoners in their care uppermost in their minds. Those promises were false then and they are false now. I would like to take a minute to review the sorry history of private prisons in Pennsylvania and then ask this Committee, why give an industry with this kind of track record another chance?

HISTORY OF PRIVATE PRISONS IN PENNSYLVANIA

In 1985, Buckingham Security Ltd., a private, for-profit corporation, appeared before this Committee seeking legislative authorization to operate "Riverhaven," a 700-bed maximum-security

prison in Beaver County*. The prison was to have been privately constructed and owned, and staffed by private, nonunion employees who would report to the corporate officers. Buckingham Security planned to specialize in state-level protective custody inmates from several states. The corporation hired a lobbyist, distributed a glossy newsletter called "Buckingham Times," and worked for passage of private prison licensing legislation.

To its great credit, this legislature asked a lot of questions. What would happen if a private prison went bankrupt? Would the state have no choice but to bail it out? What if private, nonunion guards decided to strike? Who would be responsible for costs and liability associated with escapees? If the state became dependent on private prisons, could the private prison corporation demand higher fees than the state could afford, far more than it cost to operate public prisons?

In October of 1985, the Legislative Budget and Finance
Committee released a "Report on a Study of Issues Related to the
Potential Operation of Private Prisons in Pennsylvania." While

^{*} Buckingham Security's president, Charles Fenton, formerly was the warden at Lewisburg Penitentiary. In 1980 he was found by a federal jury in Williamsport personally to have inflicted cruel and unusual punishment on his prisoners. Picariello v. Fenton, 491 F. Supp. 1020, 1021-22 (M.D. Pa. 1980) (sustaining jury's findings in response to special verdict questions that plaintiffs were subjected to "cruel and unusual punishment and summary punishment" by defendant Fenton).

taking no position on the ultimate issue of whether or not the legislature should permit private prisons to open in Pennsylvania, the LB&FC identified the following potential problems:

[A]n improperly operated prison poses danger to the public and to inmates. . . . The realities of the business ethic require consideration of the possibility that inappropriate attention to the profit motive could result in improper private prison operations, particularly in an inadequately regulated environment. . . . A related danger is the possibility that a government jurisdiction may become overly dependent on a private prison. . . Other possible problems involve the lack of provisions to deal with emergency situations that might occur at a private prison, . . . the potential liability and related costs of government jurisdictions, officials and employees for actions of private prison operators, . . . the possible lessening of accountability to the public. . . .

LB&FC Report, at 7-8.

Before these problems could be fully explored, Buckingham Security abandoned its plans for Riverhaven and tried to sell the parcel of land on which the prison would have been built. This land turned out to be a hazardous waste dump (see attached deed and National Prison Project Journal article, "Private Prison Planned on Toxic Waste Site").

In the meantime, the 268 Center, a for-profit private prison in Armstrong County, was incarcerating minimum-security prisoners

from Allegheny County, primarily people convicted of driving under the influence. On March 15, 1986, the 268 Center bussed in 55 inmates from a Washington, DC jail to boost its population and its profits. In response to strenuous neighborhood opposition, and at the request of then-Governor Richard Thornburgh, Attorney General Leroy Zimmerman obtained a Commonwealth Court injunction ordering the 268 Center to return the inmates right away. According to Judge David W. Craig:

[B]ecause of inherent limitations of the 268 Center facility and the serious lack of coordination and communication between the governmental agencies involved, disposition of the present group of prisoners from the District of Columbia to the 268 Center presents a clear and present danger and a threat of irreparable harm to the public welfare and interest.

Order of Commonwealth Court dated March 15, 1986 (No. 672 of 1986).

As the Philadelphia Inquirer noted in a March 24, 1986 editorial (see attached), "when the chips were down, the only private prison in Pennsylvania said it was none of the public's business how it ran its lockup."

Because the legislature made a judgment that permitting private prisons to open without further study would harm the state, you enacted the 1986 Private Prison Moratorium and Study Act, Pa. Stat. Ann. tit. 61, sections 1081-85 (Purdon 1964 &

Supp. 1990).

As the Joint State Government Commission pointed out in its March 1987 "Report of the Private Prison Taskforce", Section 5 of that act remains in effect today. No prison-for-profit in Pennsylvania may incarcerate any federal prisoner or prisoner from another state, or anyone other than summary offenders or DUI's. This reflects the legislature's judgment that particularly for adult offenders convicted of serious crimes, private prisons can't be trusted.

PRIVATE PRISONS OUTSIDE PENNSYLVANIA

Since 1985, the private prison industry has had ample opportunity to prove itself. It has failed to do so. The <u>best</u> that can be said is that it is unclear whether private facilities offer any financial advantage whatsoever over private facilities. Such was the conclusion of a recent GAO study, "Private Prisons: Cost, Savings, and Bureau of Prisons' Statutory Authority Need to Be Resolved", GAO GGD 91-21, February 1991.

Other evidence is even less encouraging. An August 1989 report by the Urban Institute, "Comparison of Privately and Publicly Operated Correctional Facilities in Kentucky and Massachusetts" found that in Kentucky the private facility cost was 10% higher than the public facility, and in Massachusetts the public

facility was 1% cheaper. Finally, Texas reports substantial and persistent problems with their private prisons, including findings of cost overruns, abuse of prisoners, inadequate medical care, inadequate and low-quality educational and rehabilitation programs, and other breaches of their contract. See attached Austin American-Statesman article, "Private Prisons Faulted on Services, Discipline", May 16, 1990. After a full year of efforts to remedy these problems and bring the private operators back into compliance with the terms of the contract, problems with the educational programs still remain. Conversation of March 8, 1991 with John Gilbert, Texas Board of Criminal Justice.

WEIGHING THE RISKS

The law is now quite clear that state officials cannot escape liability for the unconstitutional actions of private prison employees. Privatizing means that these state officials will retain liability but lose direct control. West v. Atkins, 487 U.S. 42 (1988); Ancata v. Public Health Service, 769 F.2d 700 (11th Cir. 1985). In Ancata, in which a private physician under contract with a county prison was sued under federal civil rights laws for having deprived a prisoner of his constitutional rights for failing to provide him with minimal medical care, the court

said:

The federal courts have consistently ruled that governments, state and local, have an obligation to provide medical care to incarcerated individuals. . . This duty is not absolved by contracting with an entity such as [defendant]. Although [defendant] has contracted to perform an obligation owed by the county, the county itself remains liable for any constitutional deprivations caused by the policies or customs of the [defendant]. In that sense, the county's duty is non-delegable.

Ancata at 705.

Requiring operators to carry adequate liability insurance will not solve this problem, because the coverage will either inadequately protect such enterprises or the premiums will be so expensive they will be prohibitive. Unfortunately, the more safeguards the state builds into a private prison licensing statute or contract, the more expensive it will be to comply with those safeguards, and the less likely that the state will save any money by contracting out. If the private prison complies with all the safeguards and goes bankrupt, the state is left with the choice of having to bail the business out, or finding somewhere else to put an entire prison full of inmates fast.

We think that these very real risks more than outweigh the uncertain or illusory benefits of privatization.

CONCLUSION

In closing, we understand the pressure on the legislature to try anything to solve the problem of our prison system, and we would like to commend you for looking for creative solutions. Pennsylvania's prisons are dangerously overcrowded, violent, understaffed, and program-deficient. Our opposition to privatizing these prisons is by no means an endorsement of the status quo. In fact, the ACLU is currently representing inmates at twelve Pennsylvania prisons in a federal lawsuit aimed at remedying unconstitutional conditions. Austin v. Pennsylvania Department of Corrections, C.A. 90-7497 (E.D. Pa. 1990). We also recently successfully sued over unconstitutional conditions at the State Correctional Institution at Pittsburgh. Tillery v. Owens, 907 F.2d 418 (3rd Cir. 1990).

The root problem plaguing our prisons is overcrowding. A system designed to house 14,326 people today holds over 22,531. Pennsylvania Department of Corrections, Planning, Research and Statistics Office, Monthly Population Report, February 28, 1991. This overcrowding, caused by mandatory sentencing laws, harsher sentencing practices, and lack of alternatives to incarceration, strains the entire prison system, contributes to prison violence, and makes it even harder to provide adequate medical care, drug

treatment, and educational and vocational programming.

Privatizing will not help solve overcrowding. If anything, privatizing may actually worsen overcrowding, as the profit motive may induce private operators to try to keep their facilities filled beyond capacity and frustrate early release and work-release options.

As tempting as it may be to hand over the responsibility for our prisoners to somebody else, the buck stops here, with state government. We urge you to take whatever action may be necessary to prevent private operators from opening prisons in Pennsylvania. Thank you.

---continued from previous page.

be submitted in the first instance to a mediator, Allen Breed, former Director of the Justice Department's National Institute of Corrections. Only if that effort is unsuccessful will the dispute be submitted to the court and then Mr. Breed's findings of fact may guide the court in finding resolution.

In stating that "the settlement represents a fair compromise of difficult issues," Steven Ney noted that "by set-

ting population limits on each institution, and requiring compliance with minimum standards in virtually all areas governing a prisoner's day-to-day existence, we are hopeful that humane conditions will soon be established within South Carolina's prisons.''

Mark Kluger is a third-year law student at Cornell University in Ithaca, New York who did an internship at the Prison Project this

Private Prison Planned on Toxic Waste Site

Jody Levine

The prisons-for-profit movement originated in part as a response to the problem of overcrowded prisons and jails in this country.

Governments and localities have been faced with lawsuits (challenging the constitutionality of inhumane conditions often due to overcrowding), rising construction costs, and a public unwilling to underwrite the costs for its "lock-emup" mentality. The dilemma has not gone unnoticed by the private sector. Indeed, the "privatization" of corrections has become, in the short space of three years, a fast-growing industry. Although there is no evidence that any money has yet been made, the bloodhounds are out. The idea of making a profit on the backs of prisoners may seem unsavory to many, but former corrections administrators have flocked to the new industry, seeing it as a chance to use their expertise in corrections while earning a profit at the same time.

Buckingham Security, Ltd., is one of the new private sector firms. The Buckingham corporation was founded by Charles Fenton, the former warden of the Federal Penitentiary at Lewisburg, Pennsylvania, and two other federal prisons, and his brother, Joseph, a Pennsylvania businessman. In 1980, a federal jury found Charles Fenton liable for inflicting cruel and unusual punishment on two inmates, who were subjected to a beating with ax handles while they were handcuffed and in shackles, during his tenure as warden at Lewisburg.

Buckingham planned to build and operate a \$15 million, 720-bed mediummaximum security, interstate protective custody prison in North Sewickly, Pennsylvania. The Pennsylvania state legislature is, however, currently considering a bill to impose a moratorium on the operation of private prisons until many questions concerning their operation can be answered.

The spectre of a prison built on a toxic waste site illustrates the concern so many people have about private prisons falling through the cracks of accountability and regulation.

Although the matter of the moratorium will not be settled for awhile, the uncertainties it has caused have put the Buckingham prison on hold.

That should be good news for the 720 prisoners who are the future residents of the North Sewickly facility. The Fentons, who plan to spend \$15 million to build the prison, bought the

The following comments on the dangers of cadmium and cyanide in waste were drawn from an interview with Chuck Morgan, environmental health scientist and chief of the Health Science Section. Office of Waste Program Enforcement of the Environmental Protection Agency.

'Cyanide is probably more acutely hazardous than chronically hazardous. Acutely means something causing an immediate response, normally . . . death. Cyanide is the pellet they use in gas chambers . . .

"Exposure over long periods of time to very low levels of cyanide by any route causes enlargement of the thyroid gland in humans.

"Cadmium would more than likely be acutely and chronically hazardous.

'There is suggestive evidence in scientific literature linking cadmium to cancer of the prostate glands in humans . . . lung cancer in rats . . kidney disfunctions . . . defects in the fetus and other kinds of reproductive effects.'

site for \$1. The deed transferring the land to Buckingham states: "A portion of Parcel No. I has been used for the disposal of hazardous wastes which were principally cadmium and cyanide and other electroplating and cleansing sludge." The spectre of a prison built on a toxic waste site illustrates the concern so many people have about private prisons falling through the cracks of accountability and regulation.

The land was once occupied by Townsend Fastening Systems, part of the Townsend Division of Textron. The plant manufactured nuts and bolts using several chemicals and cleaning agents in

the process.

In 1984 Textron transferred the land to the Beaver County Industrial Development Authority which turned it over to Buckingham (at the \$1 price)

Before it gave up the land, Textron hired D'Appolonia Waste Management Services, which specializes in hazardous waste cleanups, to look over the site. Its report describes the waste disposal area as a 40 by 60 foot shallow pit, a man-made lagoon filled three feet deep with 350 cubic yards of sludge containing a high concentration of cyanide and cadmium and other contaminants. The report said, "this waste is characterized as hazardous under Resource Conservation and Recovery Act (RCRA) regulations.'

Mack Wilson, vice president of administration, Townsend Division, Textron, said that when his company transferred the land it also transferred responsibility for the cleanup.

"We transferred the land for a dollar and we were transferring it in 'as is' condition. That's to be cleaned up by them (Buckingham) if and when they get into construction of a prison.'

Mark Russell, a solid waste specialist for the Bureau of Solid Waste Management, Department of Environmental Resources in Pennsylvania, agrees that is

Buckingham's responsibility.

"They promised us verbally they would clean up the site," he said. He said Buckingham also promised to give the DER a written plan from a consultant as to how the site would be cleaned by April 15, 1985.

Buckingham has yet to turn in this report. "We're having a little trouble knowing what Buckingham Security is doing about that site," Russell said.

Joseph Fenton, when contacted, said he did not believe the property to be dangerous, "but I don't think I'd want to grow a vegetable garden on it.'

"It can be cleaned up and it will be cleaned up. If someone wants to ignorantly make an issue out of this they can." He said he had talked "with several people" about a cleanup but would Biox 1226 PAGE 555

AUD 28 1984

THIS INDENTURE

Made the 28th day of August, 1984

BETWEEN BEAVER COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY, a public instrumentality of the Commonwealth of Pennsylvania and a public body ecrporate and politic organized under the Pennsylvania Industrial and Commercial Development Authority Law, having its office and principal place of business at Beaver, Pennsylvania, "Grantor"

AND

BUCKINGHAM SECURITY, LTD., a corporation organized under the laws of the State of Connecticut, having an office and place of business at Lewisburg, Pennsylvania, "Grantee"

WITNESSETH, That the Grantor in consideration of One (\$1.00) Dollar, paid to the Grantor by the Grantee, receipt of which is hereby acknowledged, does grant, bargain, sell and convey to the Grantee, its successors and assigns

ALL those two certain lots or parcels of land lying and being situate in the Township of North Sewickley, County of Beaver, and Commonwealth of Pennsylvania, more particularly bounded and described on Exhibit "A" attached hereto, with the appurtenances.

TO HAVE AND TO HOLD the same to and for the use of the said Grantee, its successors and assigns forever, and the Grantor, for itself and its successors and assigns, hereby covenants and agrees that it will WARRANT SPECIALLY the property hereby conveyed.

NOTICE— THIS DOCUMENT (MAY) (DOES) NOT SELL, CONVEY, TRANSFER, INCLUDE OR INSURE THE TITLE TO THE COAL AND RIGHT OF SUPPORT UNDERNEATH THE SURFACE LAND DESCRIBED OR REFERRED TO HEREIN, AND THE OWNER OR OWNERS OF SUCH COAL (MAY) HAVE THE COMPLETE LEGAL RIGHT TO REMOVE ALL OF SUCH COAL AND, IN THAT CONNECTION, DAMAGE MAY RESULT TO THE SURFACE OF THE LAND AND ANY HOUSE, BUILDING OR OTHER STRUCTURE ON OR IN SUCH LAND. THE INCLUSION OF THIS NOTICE DOES NOT ENLARGE, RESTRICT OR MODIFY ANY LEGAL RIGHTS OR ESTATES OTHERWISE CREATED, TRANSFERRED, EXCEPTED OR RESERVED BY THIS INSTRUMENT. (This notice is set forth in the manner provided in Section 1 of the Act of July 17, 1957, P. L. 984, as amended, and is not intended as notice of unrecorded instruments, if any.)

BEGINNING at a concrete monument in the westerly line of PARCEL NO. 1: a public road known as River Road and being Pennsylvania State Highway Route No. 351, where the same is intersected by the line dividing the right-of-way now or formerly of The Ellwood City Industrial Corporation and Janes of the Grantor herein conveyed; thence by lands now or formerly of The Ellwood City Industrial Corporation South \$6 42' 00" West, 342.10 feet to a point; thence by the same North 87 08' 00" West, 1752.58 feet to a point; thence continuing by the same dividing line, North 1 37' 01" East, 533.71 feet to a point; thence continuing by the same dividing line, North 33 06' 01" West, 540.73 feet to a point; thence continuing by the same dividing line, North 33 06' 01" West, 540.73 feet to a point on the easterly right-of-way line of the Pittsburgh and Lake Erie Railroad, formerly Beaver and Ellwood Railroad Company; thence along said right-ofway line, by a curve to the right having a radius of 896.57 feet, chord bearing North 160 17' 00" East, an arc distance of 21.85 feet to a concrete monument; thence by same, with curve to the right, having a radius of 1132.70 feet, chord bearing being North 49° 43' 30" East, the arc distance being 717.96 feet to a concrete monument; thence North 67° 53' 80" East, a distance of 2.39 feet to a concrete monument; thence continuing along the southerly right-of-way line of the Pittsburgh and Lake Eric Railroad, North 68 44' 30" East, a distance of 132.90 feet to a concrete monument; thence along the dividing line between lands herein described and other lands presently of the Grantor being parceled to hereof, South 85° 41' 30" East, a distance of 348.52 feet to a stone monument; thence continuing along the same dividing line, North 87° 10' 30" East, a distance of 1033.60 feet to a stone monument; thence by the same North 72° 50' 00" East, a distance of 54.62 feet to a concrete monument on the southerly line of the aforesaid railroad right-of-way; thence along the southerly line of the aforesaid railroad right-of-way by a curve to the left having a radius of 1303.57 feet, chord bearing being North 80° 59' 00" East, and an are distance of 511.53 feet to a concrete monument; thence South 23° 45' 90" East, a distance of 66.50 feet to an iron pin on the westerly line of lands now or formerly of H.F. Herko; thence along the dividing line of lands herein conveyed and lands now or formerly of Rose Nastas by a curve to the left having a radius of 720 feet, chord bearing being Bouth 48° 44' 30" West, an arc distance of 364.42 feet to a concrete monument; thence Bouth 88° 05' 00" East, a distance of 397.25 feet to a concrete monument on the westerly line of River Road and being Pennsylvania State Highway Route No. 351; thence along the westerly line of River Road by a curve to the left having a radius of 230.37 feet, enord bearing being South 15° 59' 00" West, an arc distance of 482.10 feet to a concrete monument; thence continuing along same, South 1° 53' 30" West, a distance of 541.23 feet to the place of the beginning.

AND

PARCEL NO. 2: BEGINNING at the intersection of the southerly line of lands of the Grantor with a line drawn twenty-five (25) feet northwardly from and parallel with the located center line of the Beaver & Ellwood Railroad, said point being opposite Station 51 plus thirty-eight and seven tenths (38.7) feet of said location; thence South eighty-six degrees fifty-four minutes East (S. 86° 54' E.) crossing said center line, Four hundred eighty-seven and eight tenths (487.8) feet to a stone; thence North eighty-six degrees six minutes East (N. 86° 06' E.), One thousand thirty-four (1,034) feet to a stone; thence North seventy-one degrees fifty-one minutes East (N. 71° 51' E.) crossing said

Private prisons barred, 268 Center is curbed

By Gary Rotstein
Post-Gazette Harrisburg Correspondent

HARRISBURG — Legislation signed into law by Gov. Thornburgh temporarily bars any new private prisons from opening in the state and puts restrictions on the facility operating in Armstrong County.

Thornburgh, whose staff lobbied for the measure, issued a brief statement yesterday saying the law "allows sufficient time for careful study of the ... need for private prisons in Pennsylvania and of various associated legal issues."

The Legislature approved the measure this week, more than a year after it was introduced. The action was spurred by controversy over the transfer by Washington, D.C. corrections officials of 55 prisoners to the 268 Center in Armstrong County.

The prisoners were removed Tuesday under court order obtained by the state attorney general's office, which contended their presence in the private facility posed a threat.

The law places a moratorium on establishment of any new private prisons in Pennsylvania until June 30, 1987. A legislative task force is to make recommendations on the need

for any permanent restrictions or regulations by March 31, 1987.

A Thornburgh spokesman said yesterday the 268 Center is the only facility affected by other provisions of the legislation that prevent existing private lockups from accepting out-of-state prisoners, federal prisoners or prisoners convicted of a crime more serious than a summary offense or drunken driving.

"The bill ensures that we will not have a repeat of the unfortunate events of last weekend," Thornburgh said.

"Pennsylvania citizens ... can be assured by this legislation that jurisdictions outside the state will not be able to dump their excess prison population there."

Kenneth Tack Jr., vice president of the 268 Center, said the combination of the new law and the state's interference with the Washington inmates effectively "bans us from doing business."

He said the facility had planned to challenge the state's actions on antitrust grounds this week, but because it needed more time than expected to prepare its federal court suit will wait until Monday.

Private prisons faulted on services, discipline

By Mike Ward
American-Statesman Capitol Staff

Texas' four privately run prisons aren't providing state-required educational and medical programs for their 2,000 inmates, a government audit disclosed Tuesday.

The report — which said "inexperienced" prison employees occasionally used excessive force on inmates — may be a blow to the highly touted experiment of having private companies run correctional facilities.

"I'm frustrated and angry," said Charles Terrell, chairman of the Texas Board of Criminal Justice, after reading the report. "These findings are very troubling."

Added board member F.L. Stephens of San Angelo: "The future of private units very much depends on how these particular problems are addressed and solved."

Terrell appointed a subcommittee to review the problems. Jerry Hodge, vice chairman of the board, asked staff attorneys to research how the contracts can be canceled.

In late 1987, the state awarded contracts to Wackenhut Corrections Corp. to run prisons in Kyle, south of Austin, and Bridgeport, northwest of Fort Worth; and Corrections Corp. of America, or CCA, to operate facilities in Venus, south of Dallas, and Cleveland, north of Houston.

The state pays the companies about \$35 a day for each prisoner.

The four facilities, open for less than a year, are 500-bed pre-release centers where convicts stay for short periods.

But during that time, inmates aren't getting the services that are required under the state contracts and are intended to help prisoners return to society, the audit said.

At the Kyle and Bridgeport facilities, state monitors found inadequate high school- and college-level programs for inmates and "minimal participation" in substance-abuse treatment.

The two centers also were "defi-See Private, A14