

# Private Corrections Institute, Inc.

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October 26, 2007

Dear Committee Members:

My name is Frank Smith and I'm the National Field Organizer for the Private Corrections Institute. PCI is a non-profit clearinghouse for national research and the education of the public, journalists, public officials and others interested in information about the privatization of corrections based in Tallahassee, Florida. and have a board composed of nationally recognized activist professionals in the field from Alaska to Tennessee.

I have worked in and around the corrections field for the past 36 years starting with post-incarceration case management and counseling for Federal parolees. Since 1996 I've focused increasingly on the study of for-profit prison in the U.S., and to a lesser extent, subcontractors. For a decade I did this as a volunteer, full time for the last eight years. I've testified before legislative committees in four different states before coming to Pennsylvania today.

My comments today will be an overview of some of the historical difficulties with contracting out correctional services. I welcome any questions about these services from staff or committee members. I want to touch on a few areas that have not been covered much in the local or national press.

One is the lack of accountability. Besides closely following the sorry state of the industry around the country, beset with endless scandals, I have obtained monitors' reports from around the country, especially from those states that have exported prisoners, sometimes thousands of miles, to distant states. It is clear that such monitoring is typically abysmal. The sending states demonstrate next to no true oversight. While some for-profit prisons were in absolute turmoil, such as a long-troubled CCA prison in Brush, Colorado, monitoring reports from the various sending Departments of Correction show nothing but uneventful business as usual.

In the last month, focus on private prisons in Texas has occupied news headlines from the Dallas Morning News to the Wall Street Journal. The GEO-operated Coke County Juvenile Justice Center exploded onto the front page when it was finally discovered to be totally out of control.

Reports from on-site monitors employed by the State of Texas evidenced no hint of how filthy, how incredibly dangerous Coke was. Prompted by an independent Ombudsman's report and by a sending county's monitor, the Texas Youth Commission administrators finally took a closer look. After an unannounced visit, TYC emptied the prison by removing its 195 wards in just a few days and cancelled GEO's contract. Seven members of its local monitoring staff were summarily dismissed. It was found that four of them had worked for the GEO Group prior to being hired by the TYC.

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That was not dissimilar to other situations around the U.S. Here in Pennsylvania, the Department of Public Welfare indicated it would not renew the operating permit for Cornell's New Morgan Academy in Berks County. The licensee surrendered its permit only a day before that anticipated outcome. 16 cases of substantiated sexual abuse and 15 cases of physical abuse had been reported in its two years of operation. There had been escapes.

While the operator was spinning that disaster, claiming that it was an aberration, it was having almost the same problems at its Alexander Youth Services Center in Arkansas. Cornell made the same claims there, that this was unique and abhorrent to corporate policy.

PCI has also have investigated subcontractors. As a result of our findings and our contacts in New Mexico, for instance, the Pittsburg supplier of medical services had its contract terminated and a legislative audit was conducted to try to correct the widespread problems exposed by a series of high level professionals who found the courage to become whistleblowers.

I was on a panel of the national Commission on Safety and Abuse in America's prisons on November 2, 2005. Also on the panel was the Vice President for Operations for CCA. He made repeated assertions that contractual provisions for liquidated damages kept the operators honest. I was astonished by that statement because I only knew of two states, Oklahoma and Colorado, where liquidated damages seemed to be the practice, and in Colorado only after post-riot legislative audits and intervention. In neither of these states did the assessment of damages have a particularly salutary effect, though they were all for six figures.

After the panel was over, I quickly contacted the directors of corrections whom I knew from around the country, all of who had terrible, notorious problems with these for-profit operators. Not a single one of their states had ever collected a dime in liquidated damages.

In conclusion I have found no reason to believe that any state can or would effectively monitor the private correctional services for which it pays so dearly. It would be dealing with corporations that are supremely mindful of their bottom line and are willing to substantially compromise ethics in order to elevate profits. In my opinion, putting them in charge of Pennsylvania's correctional services would be akin to hiring the fox to watch the hen house.

Thank you all for your interest in this difficult situation and your dedication in serving the interests of your constituents and the state of Pennsylvania.

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**For-Profit Prisons (nationwide) vs. Calif. Dept. of Corrections**

**2004**

**Total Escapes: 41  
Total Population: 140,000**

**Total Escapes: Zero  
Total Population: 160,000**

**2003**

**Total Escapes: 29  
Total est. Population: 140,000**

**Total Escapes: Zero  
Total Population: 160,000**

**2002**

**Total Escapes: 24  
Total est. Population: 140,000**

**Total Escapes: Zero (?)  
Total Population: 155,000**

**2001**

**Total Escapes: 27  
Total est. Population: 140,000**

**Total Escapes: Zero  
Total Population: 159,000**

**2000**

**Total Escapes: 23  
Total Population: 122,871  
Offenses: Murder, robbery, kidnapping**

**Total Escapes: 1  
Total Population: 160,606**

**1999**

**Total Escapes: 42  
Total (est.) Population 121,482  
Murder, rape, robbery, burglary**

**Total Escapes: 1  
Total Population: 162,000**

**1998**

**Total Escapes: 27  
Total Population: 116,932  
Murder and aggravated rape**

**Total Escapes: 1  
Total Population: 160,332**

**1997**

**Total Escapes: 45  
Total Population: 70,937  
Murder, aggravated burglary, rape,  
aggravated assault on police officer, child molestation**

**Total Escapes: 5  
Total Population: 155,276**

**1996**

**Total Escapes: 45  
Total Population: 48,478  
Double murder, child rape, murder 1,**

**Total Escapes: 1  
Total Population: 145,565**

**1995**

**Escapes: 20  
Total Population: ?**

**Escapes: 2  
Total Population: 135,133**

## **EDITORIAL THE PUEBLO CHIEFTAIN**

**Monday December 18, 2006 "GOOD RIDDANCE"**

**PRIVATE PRISON** plans for Pueblo have been declared dead as the result of a scathing state audit and other serious questions involving the proposed operator, Florida-based GEO Group. We say good riddance.

State Rep. Buffie McFadyen of Pueblo West had requested the audit, which found that a former state director of prisons, who turned out to be Nolin Renfrow, was helping GEO to get a contract for a private prison in Weld County while he still was employed by the state.

Mr. Renfrow's commission from that deal would have been \$1 million, according to the audit. The egregious conflict of interest reportedly took place when Mr. Renfrow was cashing in on unused state vacation and sick leave.

"Neither the department (of Corrections) nor the former employee provided evidence that (Renfrow) received the express consent of his attending physician or appointing authority to engage in outside work activities," the audit said. "As a result, we question (his) use of about 240 hours of paid sick leave benefits valued at about \$14,000."

A longtime critic of private prisons, Rep. McFadyen questioned why the Department of Corrections would award the Weld County contract to GEO when the same company had failed to perform under an earlier contract in Pueblo for a 1,000-bed pre-parole and parole revocation center on 36 acres east of the city.

The Pueblo contract ran into problems almost from the beginning.

GEO first had its sights on building the private prison on Pueblo Boulevard, near the old state honor farm's motorsports park. Besieged by complaints from the West Side, the city then offered GEO a different site at Pueblo's airport industrial park.

Economic development officials objected that the industrial park was no place to put a prison that would detract from the city's efforts to attract employers that create good primary jobs.

Adding insult to injury, GEO then tried to get the Department of Corrections to guarantee that the state would fill the private prison beds even though there's no such provision in the contract and would be a terrible precedent in any event.

GEO wanted the guarantee to secure tax-exempt bond financing for construction. There was even talk about the city of Pueblo issuing the bonds. Outrageous!

Last week, Joe Ortiz, director of the Department of Corrections, notified GEO that the state has rescinded the Pueblo contract.

"I think it's very positive that the city of Pueblo is not going to risk its credit rating on this project," Rep. McFadyen said. So are we.

Getting out of this mess is about the only positive thing about Pueblo's unpleasant experience with this particular private prison group. We say, don't let the back door hit you on your way out of town.

## **Wardens from Wall Street: Prison Privatization**

*This is the second in a series of six pastoral statements by Catholic Bishops of the South on the Criminal Justice process and a gospel response.*

**"We bishops question whether private, for-profit corporations can effectively run prisons. The profit motive may lead to reduced efforts to change behaviors, treat substance abuse, and offer skills necessary for reintegration into the community." U.S. Catholic Bishops statement "Responsibility, Rehabilitation, and Restoration: A Catholic Perspective on Crime and Criminal Justice," November 2000.**

**As pastoral leaders of the Roman Catholic community, we continue to reflect with you on the themes of responsibility, rehabilitation and restoration in light of the reality of crime and criminal justice in our area of the country. The restoration of justice, along with compassion, is the way of the gospel.**

**We note with apprehension the rise of for-profit private prisons in the South and in the nation. The focus of this statement is the private prison industry. Recent reports by the U.S. Department of Justice indicate that prisons operated by private corporations house over 100,000 prisoners in our country.**

**Private prisons have become more prevalent because our nation is putting growing numbers of people behind bars, governments are facing the rising costs of incarceration as with all public services, and there is increasing political pressure to privatize many government services.**

**We are concerned about the rise in for-profit private prisons because previous attempts to introduce the profit motive into prisons have failed to respect the fundamental human dignity of every prisoner. Immediately following the abolition of slavery, Southern states developed the Convict Lease System, under which state and local governments contracted out prisoners as laborers on farms, roads, railroads and mines. Widespread physical abuse and an extraordinary level of death among prisoners led to legislation declaring the commercial exploitation of prisoners illegal.**

**We recognize the fundamental human dignity of prisoners and are troubled by the documented level of violence against prisoners in private prisons.**

**Prisoners are persons, with inherent God-given human dignity. When prisoners become units from which profit is derived, there is a tendency to see them as commodities rather than as children of God. Our troubled times have taught us that, once people are dehumanized, they are more liable to be exploited, abused and violated and to becoming more violent themselves.**

**We recognize the inherent dignity of labor and are troubled by the working conditions and wages of those entrusted with the care of prisoners in private facilities. In order to reduce costs and maximize profits, private prisons redistribute their operational costs, with less money going to those employees who work directly with prisoners and more to executives and shareholders. We do not agree that paying private prison staff**

lower wages than public employees receive, or cutting their numbers, advances the common good or just treatment of prisoners. We note that some state and local governments have canceled private prison contracts because of insufficient staff and mismanagement.

We question whether private prisons have the incentive to assist people not to return to prison. In addition to removing people from the community for the safety of the community, one of the stated purposes of prison is to prepare the people who are in prison for reintegration into the community once their sentences have been served. Almost everyone in prison is re-entering our communities at some point. We are concerned that cutting staff and reducing wages in order to protect profit margins is in conflict with the need to respect and rehabilitate prisoners. We are even more deeply troubled that the private prison industry has actively supported institutions that lobby for harsher sentencing laws which increase the prison population.

We believe that private prisons confront us with serious moral issues, demanding a gospel response. To deprive other persons of their freedom, to restrict them from contact with other human beings, to use force against them up to and including deadly force, are the most serious of acts. To delegate such acts to institutions whose success depends on the amount of profit they generate is to invite abuse and to abdicate our responsibility to care for our sisters and brothers.

Since it appears that private prisons are not consistent with the need for our prisons to respect the human dignity of each and every person, we call for an end to all for-profit private prisons. The trend towards more and more people being held in private prisons should be reversed immediately. We call on all levels of government to refuse to sign new contracts or to renew expiring ones with private prison corporations.

As long as private prisons continue to exist, they need to be held fully accountable. While private prisons continue, there needs to be independent, thorough, and systematic oversight of their operation by government. Independent monitors should be allowed to make sure that private prisons are operating in ways that treat all concerned, including prisoners, with the dignity that is inherent in all human beings.

Our region and our nation must change the policies that are putting so many of our people in prison. Imprisonment for profit would not have arisen again if our nation's prison population had not been expanded so radically. While the U.S. now leads the entire world in rate of incarceration, our southern states lead the nation -- the seven states with the highest incarceration rates are in the South.

Sentencing must be reformed and alternative sentences employed so that justice rather than profit is served.

Only when our criminal justice system reflects the love and truth of Jesus Christ will our communities be truly safe and just.

## **United Methodist Resolutions Regarding Restorative Justice and Related Topics**

There are a number of penal systems in the United States which take upon themselves the job of confinement or supervision of persons charged with, or convicted of crimes. For the most part, these systems are capable neither of rehabilitating criminals nor of protecting society, much less restoring crime victims. They are, in fact, institutions where persons are further conditioned in criminal conduct and where advanced skills in crime are taught. More often than not, penal institutions have created more crime rather than deterred criminals. They represent an indescribable failure and have been subjected to gross neglect by the rest of society and by the church. They do not deserve the designation of correctional institutions, for they correct nothing for the crime victim, the offender, or the community.

Despite their massive failure, prisons and jails and the numbers of persons confined within them are growing rapidly in the United States, leading some to speak of a "Prison Industrial Complex." This concept refers to the extent to which corporate interests and the profit motive-no concerns of public safety, equal justice, offender rehabilitation, or victim restoration-are increasingly driving and determining criminal justice policy in the United States.

### ***Private Prisons***

International attention has been given to the long and rapid rise in the United States prison population over the last 25 years. The United States imprisons a higher proportion of its people than all but one other country in the world, Russia. Incarceration has become a very expensive growth industry in the United States.

This industry of warehousing people has presented a temptation to those who would profit from the punishment of human beings, leading to perhaps the most ominous illustration of prison industrial complex at work: the privatization of prison operation and/or ownership. Sometimes governments contract with corporations to operate prisons. A recent trend is for private corporations to design, build, and own prisons to be privately operated and to house prisoners from anywhere in the United States or its territories. Often this takes the form of companies= building prisons on spec, or as speculation, assuming that prisoners will be found, somewhere, to fill their beds.

There is a long history in the United States especially in the South, of exploitation of prison labor through the convict lease system and other arrangements whereby private industry has been allowed to have control over prisoners= lives. The 13<sup>th</sup> Amendment to the United States Constitution allows for legal exploitation of prisoners. Today, private prison entrepreneurs seek areas which have a surplus of prisoners and areas of high unemployment which often welcome prisons as a new form of economic development. Typically, this means

that it tends to be the poor and ethnic minorities who find their labor, their spirits, and their lives exploited, whether as the keepers or as the kept.

Private prison companies typically are paid on a per-capita and per-diem basis. Therefore they have little incentive to rehabilitate prisoners or to prevent recidivism. Indeed, it is in their economic interest to have more crime, more incarceration, and more recidivism, all of which lead to more profits. The logic of the profit motive is to cut costs. In privately operated prisons, this is usually achieved by cutting staff, payroll, benefits, supplies, security, and rehabilitation programming for prisoners. Such cuts lead to a decreased sense of professionalism and a higher rate of turnover among employees, greater hopelessness and bitterness among prisoners, and greater threats to the safety of staff, prisoners, and the general public, especially in the local community.

Many states where private prisons are now operating have no laws regulating their operations (including health, safety, security, legal access for prisoners, and disciplinary policies). Many private prisons are under no obligation to ensure access to information about prisoners held in them or how they are classified, and often regard this as proprietary information. Private prisons hurt local and state economies. Contracting out operations exports taxpayer monies from local communities to corporations often headquartered out of state. For existing prisons, communities lose public sector jobs with family-supporting wages and benefits, and civil service job security. Local communities which provide supplies, services, or equipment to government agencies lose out when a large contractor, usually based out of state, wins a contract to operate a former government facility. Finally, when private prisons contract out bed space to prisoners from distant states, it makes it more difficult for families, friends, ministers, attorneys, and advocates to visit them for support, or counsel. This also increases their chances of recidivism when they are released.

Our Lord began his ministry by declaring "release to the captives..." (Luke 4:18 NRSV), and he distinguished those who would receive a blessing at the last judgment by saying, "I was in prison and you visited me." (Matthew 25:36b NRSV) Jesus also declared that one cannot serve two masters and condemned the idolatry of mammon, or wealth. (Luke 16:13).

Christians, therefore, must have a special concern for those who are captive in any way, especially for those who are imprisoned, and for the human conditions under which persons are incarcerated. Individual Christians and churches must also oppose those policies and practices which reflect greater allegiance to the profit motive than to public safety and to restorative justice for offenders, crime victims, and local communities.

Therefore, The United Methodist Church declares its opposition to the privatization of prisons and jails and to profit making from the punishment of human beings.  
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