

# Don't be a prisoner to empty promises

## Prison Privatization

### *The Five Empty Promises*

**AFSCME Corrections United** (ACU) is composed of more than 83,000 experienced men and women who work in the field of corrections. They have joined forces to fight for better pay and benefits, for safe workplaces, and to uphold the standard of professionalism in the field of corrections. ACU believes the best way to achieve these goals is by keeping corrections in the hands of dedicated public service workers.



For further information  
about the perils of prison  
privatization, visit AFSCME's  
website, [afscme.org/acu](http://afscme.org/acu).



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*in the public service*

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**T**HE PRIVATE PRISON INDUSTRY is being recognized as the scandal-plagued industry that it is. A survey conducted by Lake Snell Perry & Associates found that 60 percent of registered voters agreed that “there are some things that private companies are just not qualified to do, and running prisons is one of them.”

## Promise 1 Private Prisons Help the Local Tax Base

One of the benefits claimed by private prison advocates is that they contribute to the local tax base.



- 1 Marketing representatives claim private prisons can provide taxpayers with double digit savings. But private companies look for ways to avoid cost comparisons rather than encourage them. In 2005 and 2006, CCA lobbied the Tennessee legislature to remove a requirement that a private prison contractor's cost be at least 5 percent less than state's cost for the same services. Speaking about a similar requirement in Florida, Ken Kopczynski, executive director, Private Corrections Institute Inc., said “the private companies have used their political influence to dodge a legal mandate of operating 7 percent cheaper than state-run prisons in Florida.”
- 1 Private and public prisons are often difficult to compare because contractors are routinely allowed to “cherry pick” inmates. For instance, a report from Policy Matters Ohio documented the practice of administrators sending less expensive inmates to private facilities — thereby artificially inflating reported cost savings. Also, in Tennessee, the private prisons don't house any inmates who have AIDS. Provisions such as these help a corporation to maximize profitability while minimizing risks. Meanwhile, **state-run facilities are left to house a disproportionate number of sickly and costly inmates.**
- 1 **Jurisdictions can also incur additional costs related to quelling riots and capturing escapees.**

## Don't be a prisoner to empty promises!

Private corrections is structurally flawed. The profit motive drastically changes the mission of corrections from public safety and rehabilitation to making a quick buck. Chronic employee turnover and understaffing, a high rate of violence, and extreme cost cutting make the private prison model a recipe for disaster. The conditions that exist within the walls of private prisons put entire communities in peril. The practices of the companies are predictable and the consequences are preventable, but the need to satisfy stockholders and Wall Street analysts preclude the industry from taking effective action.

The nation's corrections systems should answer to the public, not to corporate executives and shareholders. The imprisonment of human beings should not be driven by the bottom line.

**Crime shouldn't pay, and if it does,  
it is the public that will pay the price.**

## Empty Promise 5

# Private Prisons Save Taxpayers' Money

# Private Prisons Save Taxpayers' Money

Prison privateers make bold claims that they can run prisons cheaper than the government can.



## Reality

### Private Prisons Don't Save Taxpayers' Money

- 1 CCA's fees for operating the David L. Moss Criminal Justice Center (Tulsa, Oklahoma) increased 42 percent from 2001 to 2004. This increase eventually led to a projected \$3.7 million budget deficit for Tulsa County. In 2005, the county decided it could do a better job of operating the jail and controlling costs by operating the jail itself.
- 1 A 2005 internal review by the Florida Department of Management Services found that CCA and the GEO Group were allowed to over bill the state nearly \$13 million. In addition, the report found that the state paid CCA and the GEO Group for guards who didn't exist and let the companies avoid minimal requirements for nurses, vocational trainers and teachers.
- 1 Numerous cost studies by neutral researchers, comparing "apples to apples," find little to no cost savings in privately operated correctional facilities. These studies include federal and state cost analyses as well as independent research.

## Reality

### Private Prison Operators Often Don't Pay Their Fair Share of Taxes

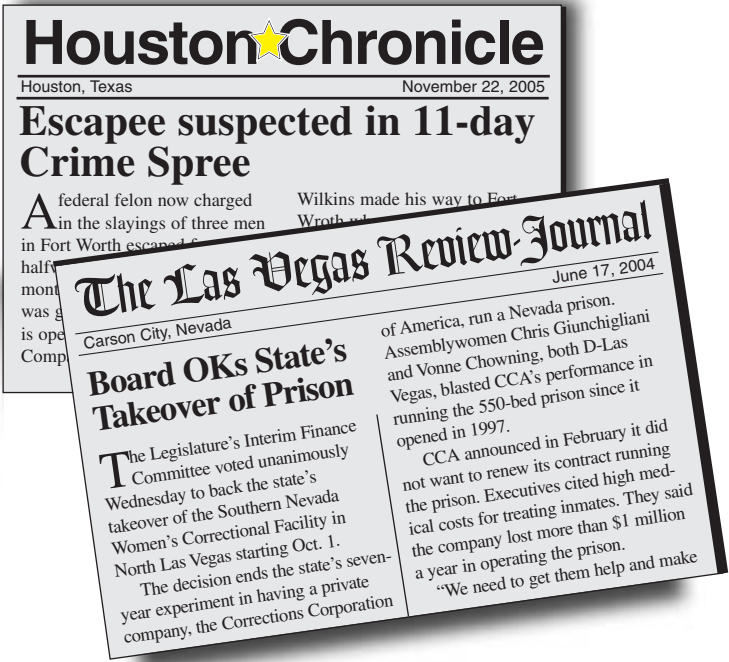
- 1 Corrections Corporation of America (CCA) was brimming with optimism about its facility in Appleton, Minnesota, during its first quarter 2006 conference call with shareholders. Though the company was upbeat about profits, CCA officials were contesting the property valuation of this facility with county officials because of the tax implications.
- 1 In 2002, CCA reached a settlement with the IRS to pay \$54 million in back taxes. CCA's representatives said the company would continue to appeal the IRS' findings. The IRS questioned the validity of a previous tax avoidance structure, and CCA was forced to pay delinquent taxes.
- 1 A study by Good Jobs First (*Jail Breaks: Economic Development Subsidies Given to Private Prisons*) concluded that state and county governments have been spending large sums of taxpayer money providing economic development subsidies to private prisons. The researchers also found that not one of the dozens of economic development officials interviewed could cite any formal economic impact study or cost-benefit analysis related to the private prisons.

## Empty Promise 1

# Private Prisons Help the Local Tax Base

# Private Prisons Perform a Valuable Public Service

Proponents of private prisons claim that they have a good record when it comes to protecting public safety, and that incarcerating prisoners is a function that private companies can perform competently.



## Reality

### Private Prisons Cut Corners, and the Results are Disastrous

- 1 Public safety officials realize that cutting corners can have expensive — and even deadly — consequences. That's why **more and more public safety officials are imposing fines on private companies and even canceling contracts.** In recent years, Arkansas, Colorado, Florida, Louisiana, Maryland, Massachusetts, Michigan, Missouri, Nevada, North Carolina, South Carolina, Texas and Utah have ended contracts with private prison companies.
- 1 George Washington University Professor James Austin, an expert on private prisons and inmate classification, compared the rates of major incidents in private and public prisons of comparable security levels and found that **private prisons had 50 percent more inmate-on-staff assaults and two-thirds more inmate-on-inmate assaults.** The following incidents illustrate this point: In just a year's time, four inmates and a private prison guard were killed in the GEO Group's two New Mexico prisons. In a little over a year, 20 inmates were stabbed and two were murdered at a CCA facility in Youngstown, Ohio. And the GEO Group closed one of its juvenile facilities after the U.S. Department of Justice said that the facility's conditions were "life-threatening."
- 1 In 2004, Colorado spent an estimated \$386,000 quelling a major riot at the CCA-operated Crowley County Correctional Facility. A DOC investigation found that CCA chronically understaffed the facility and the private prison guards were inadequately trained and ill-equipped to prevent the riot or regain order. CCA had a staffing ratio of 34 inmates per officer compared to a ratio of five inmates per officer in state-operated prisons. CCA prison guards made about two-thirds that of state corrections officers — \$1,818 per month, compared with \$2,774 per month, and CCA's staff turnover was about twice the rate as in state prisons. During the riot, inmates were severely beaten, cells were ransacked and set on fire, and a female librarian was trapped with dozens of convicts.

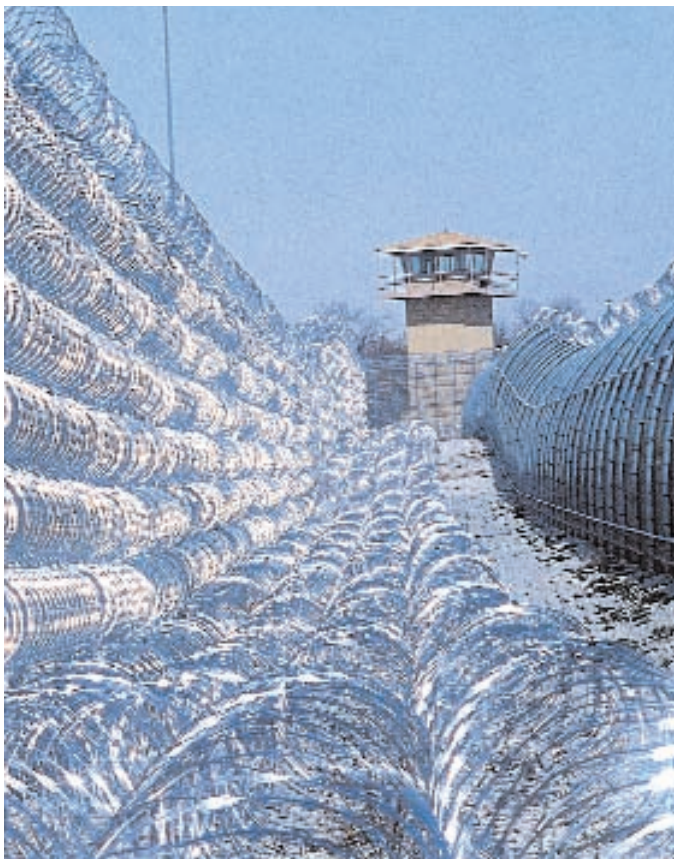
### Empty Promise 4

**Private Prisons Don't Cut Corners**

# Promise 4

## Private Prisons Don't Cut Corners

Private companies boast of their ability to deliver effective education and treatment programs, while maintaining tight security within their prisons.



## Reality

### Incarceration is an Inherently Governmental Function

- 1 **Privatizing the corrections system creates perverse incentives.** Since companies are paid on a per diem basis, there are incentives for private operators to increase inmates' sentences and offer fewer services to reduce recidivism.
- 1 **The profit motive breeds corruption.** In 2006, Alan B. Duffee, once director of Florida's defunct Correctional Privatization Commission (CPC) pleaded guilty to federal fraud charges for embezzlement of \$250,000. His predecessor, Mark Hodges, was fined \$10,000 for running a private criminal justice consulting business from his state office with the CPC. In 1999, Dr. Charles Thomas, a former consultant for the CPC, was fined \$20,000, the largest civil penalty in the Florida Commission on Ethics history, for his financial relationship to the private prison industry while he was evaluating it for the state.
- 1 Also, governments cannot contract out their liability. **It's difficult for contracting jurisdictions to adequately monitor contracts**, particularly when their prisoners are housed in another state. For example, monitoring reports and inmate accounts from the years Hawaii has been sending inmates to CCA prisons reveal a history of riots, assaults, gang activity, drug trafficking and repeated contract violations. Hawaii attempted to audit CCA's Florence Correctional Facility (Arizona) in April 2001. The monitors found that a gang from Hawaii was running the facility, and inmates and staff feared for their lives. Several monitors were not able to complete the audit because of the dangerous conditions.

## Empty Promise 2

Private Prisons Perform a Valuable Public Service

# Private Prisons Provide Good, Quality Jobs

Private prison companies often build facilities in areas that are economically depressed, gaining local support by promising secure, good-paying jobs.



# Reality

## Private Prisons Don't Provide Good, Quality Jobs

- 1 According to *The Corrections Yearbook*, 2000, the average annual starting salary for public corrections officers was \$23,002, compared to \$17,628 for private prison guards. **The poor pay undoubtedly contributes to the high turnover that exists in private prisons**, a whopping 52.2 percent, compared to 16 percent in publicly run prisons.
- 1 Plenty of anecdotal evidence substantiates a high level of staff turnover in privately operated prisons. Wackenhut Corporation, now the GEO Group Inc., won a contract to build and operate the East Mississippi Correctional Facility. City and county officials hoped the facility would create up to 350 jobs. News reports from 2005 revealed that the facility currently employs 220 people with an annual turnover rate of 65 percent.
- 1 For several years, CCA has had a number of operational problems at the the Hernando County Jail in Florida. For instance, from November 2005 to January 2006 there were three inmate suicides at the jail. A 2005 quality assurance audit outlined problems at the facility, including high turnover, and pointed out that 51 percent of the staff had less than one year of experience. The report also noted that the warden and chief of security had only been on the job for three months, and the assistant warden had less than a year's experience.
- 1 A 2005 audit of Florida's juvenile justice system found that private prison companies pay direct care staff less than the state. For instance, the starting salary for state residential employees is \$22,571 while the private companies have an average starting salary of just \$17,160 and a median salary of \$18,663. The Office of Program Policy Analysis and Government Accountability also found that the training requirements for private employees are lower than those of state employees.
- 1 In 2005, the U.S. Department of Labor required Management and Training Corporation to pay \$169,105 in back wages to employees at five locations. A nationwide audit of the company revealed that security personnel had not been paid for pre- and post-shift time worked. The violations occurred at correctional facilities in Grafton, Ohio, and Santa Fe, New Mexico.

## Empty Promise 3

# Private Prisons Provide Good, Quality Jobs