

Protection of Human Rights

Immigration, including Privatization of Prisons and Detention Facilities

Overall, one in every 31 adults was under the authority of the correctional system in 2007. At the end of 2008, 2.3 million adults were in state, local or federal custody. Of that total, 9% were in federal custody. A record 1.7 million children younger than 18 now have an imprisoned parent, according to the U.S. Department of Justice in March 2009. Prison populations increased fastest in Pennsylvania, Florida, Alabama, Indiana, Arizona and Tennessee. The South has the highest per capita imprisonment rate, followed by the West, Midwest and Northeast. Globally, the U.S. has the highest per capita incarceration rate of 218 countries and territories.

The number of individuals held by Immigration and Customs Enforcement (ICE) increased 12.3% from 2007 to 2008, compared to a 6.6% average growth rate from 2000 to 2007. There were 34,161 immigrants in detention at the end of 2008, compared to 19,515 in 2000. Immigrants are housed in about 250 state, local, and federal prisons and jails and in 41 special ICE facilities, according to the *Bureau of Justice Statistics Bulletin, December 2009*.

Nearly all new U.S. prisons opened from 2000-2005 were private. Private prisons housed 8% of U.S. inmates in 2008, including more than 16% of federal prisoners.

In 2006, according to the Department of Justice, taxpayers spent about \$68.7 billion in 2008 to feed, clothe, and provide medical care to prisoners in county jails, state and federal prisons and facilities housing legal and illegal aliens facing possible deportation.

Corrections Corporation of America (CCA) is the nation's largest private prison firm. The Tennessee-based company controls nearly 87,000 beds (a common capacity measure) at 65 institutions. The company owns 44 facilities and manages the rest. Federal contracts accounted for about 40% of CCA total revenue in 2008, up from 32% in 2002. CCA has been building institutions on the premise that a number of state and federal institutions are still so overcrowded that officials will have to turn to the private sector. Pershing Square Capital Management, a prominent hedge fund, bought a 9.5% share in CCA in December 2009. In a presentation to investors, Pershing Square officials described CCA as a "high quality real estate business."

The GEO Group, headquartered in Boca Raton, Florida, operates prisons and other correctional centers in the U.S. and overseas, including England, where Anglican Church members are targeting GEO at Campsfield House for having withdrawn "ameliorating facilities, be it educational, medical or culinary." Worldwide, GEO owns or manages 61 facilities with 60,000 beds. The company operates a migrant operations center at Guantanamo Bay, Cuba, housing people caught trying to enter the U.S. illegally. Revenues were \$1.14 billion in 2009, up from

\$1.04 billion in 2008. The federal government has become an increasingly important customer, including growth in detaining immigrants.

Cornell Companies runs prisons and juvenile detention centers and provides drug and alcohol counseling, rehabilitation and education services. The firm has about 70 facilities in 15 states and the District of Columbia, with a total capacity of 21,392 prisoners. Cornell expects the bulk of its future growth to come from institutions housing adult prisoners. The company also predicted that the weak economy would make it harder for individuals released from prison to find work and avoid situations that could lead them back into confinement. GEO is in the process of a Cornell takeover expected to be completed by the end of the 2010 third quarter.

The Supreme Court has held that prisoners are entitled to adequate medical care as a component of protections accorded by the Eighth Amendment to the U.S. Constitution. A 2009 study by Cambridge Health Alliance and Harvard Medical School illustrates the scope of health concerns—and the potential market. The researchers, using 2002 and 2004 Justice Department data, found that about 40% of the two million people in prisons and jails had chronic conditions such as diabetes, asthma or heart problems. About a quarter of the inmates had a history of mental illness, including schizophrenia, bipolar disorder or depression, but two-thirds of those in custody were not using prescribed drugs at the time they were incarcerated.

Jails and prisons negotiate exclusive contracts with telephone carriers. Groups representing prisoners say telephone providers often pay prison operators a high percentage of the fees they collect for prisoners' collect calls and then charge inmates well-above general market rates.

The New Jersey-based Community Education Centers provides education, counseling and related services to 30,000 offenders in 19 states. Aramark, a food service provider, operates at more than 600 prisons and jails, preparing more than a million meals a day. Tiger Correctional Services of Arkansas, which also provides food services, has doubled in size and now provides food and commissary services and jail management software to 150 jails in 20 states. The Keefe Group supplies electronics, clothing and technology to the correctional commissary market. Cornerstone Detention Products of Alabama builds and renovates correction facilities and sells products, such as furniture, locks, gates and personal supplies, including toothbrushes and soap. The firm was named one of the nation's fastest growing companies in 2007 by Inc. Magazine. Argyle Security provides electronic monitoring and construction services.

Prison expansion has covered the nation with tens of thousands more prison beds in recent years. This is most evident in the South, which has seen its prison population increase by more than half a million during the last two decades. On Good Friday 2003, Texas bishops questioned whether private prisons protect the rights and dignity of inmates, noting that the profit motive can conflict with the need to provide adequate rehabilitation programs. In its pastoral, the bishops state: "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” and require a gospel response. 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.”

By the end of 2010, two publicly traded private prison companies will dominate the industry: Corrections Corporation of America and The GEO Group. Research is needed to determine whether midcap or small cap companies are publicly traded. Investors are considering a human rights policy strategy to address prison and/or immigration issues.

Addressing the impact of companies on this issue is aligned with the care and concern of the Sisters of Mercy for immigrants and our commitment to nonviolence.

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