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Should Alaska privatize prisons? Dems upset over budget director's ties to industry

Legislators point out Donna Arduin's involvement with private prisons company. A group of Democrat senators and representatives are asking Gov. Michael Dunleavy for clarification on Office of Management and Budget Director Donna Arduin's business interests. Dunleavy hired Arduin to help him produce a budget that he has promised would align expenditures and revenue. He has proposed cutting \$1.6 billion from the operating budget. Arduin's duties in helping the governor shape the budget are spelled out in Alaska statutes. In a letter obtained by the Empire, the group of lawmakers request clarity from the governor on Arduin's business interests, based on her connections to GEO Group, which is a private prison corporation. "News reports indicate that Ms. Arduin developed budget proposals for other states, including to privatize prisons, that directly benefited companies (including the GEO Group and related firms) for which she worked as a lobbyist and as a corporate board member," the memo reads. "Ms. Arduin's POFD does not provide sufficient detail to ascertain whether her consulting firm Arduin Laffer Moore currently holds or recently held contracts with private prisons or private mental health hospital firms." Lawmakers who have signed the memo include: Sens. Tom Begich, Elvi Gray-Jackson, Scott Kawasaki, Jesse Kiehl, Donny Olson, Bill Wielechowski, as well as Reps. Ivy Sponholz and Zack Fields. Kawasaki, D-Fairbanks, said the power Arduin has on budget translates to policy decision and wonders if a position of such power should have to go through the confirmation process. "We all know where she came from and her history," Kawasaki said in his office on Thursday. "What I've seen during the last three weeks is she seems to be taking over a lot of policy decisions. What I'd like to see is if she could be confirmed by the legislators. Shouldn't the legislators have some sort of say? Some states have a treasurer that is either elected or appointed (and subsequently confirmed) and maybe that's the model we want to go to with." The memo continues: "According to the Department of Corrections — whose budget is directly controlled by Ms. Arduin — the state is examining prison privatization. Although evidence from other states indicate prison privatization does not reduce costs, it does transfer wealth to firms such as those that retained Ms. Arduin to advocate for prison privatization in other states such as Florida and California." That DOC statement appeared in a Jan. 21 Alaska Public Media article, and was attributed to a department spokesperson, who said in December that the department was considering making changes including privatizing prisons. According to the Los Angeles Times, in California Arduin helped then-Gov. Arnold Schwarzenegger's administration make budget cuts when it was facing a multi-billion budget shortfall. After 11 months with the Schwarzenegger administration, she left her position. Arduin took a position on the board of trustees of Correctional Properties, a spinoff of GEO Group, according to a 2005 Times report. Arduin's career move came under scrutiny because the Schwarzenegger administration reopened a McFarland, California prison, which was owned by Correctional Properties. The operations contract at the McFarland jail was given to GEO Group, according to the Times article. In 2005, Arduin deflected criticism. She told the Los Angeles Times in 2005, "Every person that knows anything about law, ethics or otherwise, would tell you the answer is no" when she was asked about a conflict of interest." GEO Group has a registered lobbyist in Juneau this year.