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**National: JPMorgan pulls out of private prison financing**

NEW YORK (Reuters) - JPMorgan Chase & Co has decided to stop financing private operators of prisons and detention centres, which have become targets of protests over Trump administration immigration policies. "We will no longer bank the private prison industry," a company spokesman told Reuters. The decision is a result of the bank's ongoing evaluations of the costs and benefits of serving different industries, he said. JPMorgan is one of several banks that have underwritten bonds or syndicated loans for CoreCivic Inc and GEO Group Inc, the two major private prison operators in the United States. In 2018, banks, including Bank of America Corp and Wells Fargo & Co, raised roughly \$1.8 billion in debt over three deals for CoreCivic and GEO Group, according to Refinitiv data. Wells Fargo said in January it was reducing its relationship with the prison industry as part of its "environmental and social risk management" process. "Our credit exposure to private prison companies has significantly decreased and is expected to continue to decline, and we are not actively marketing to that sector," Wells Fargo said in its "Business Standards Report" for 2018. Prison finance is a small business for JPMorgan, the biggest bank in the United States by assets. JPMorgan was a leader in 1,153 loan deals worth \$354 billion across all industries, according to Refinitiv data. Prison companies account for about 10 percent of federal and state prison beds, according to Moody's Investors Service. But about two-thirds of people held by U.S. Immigration and Customs Enforcement are in private detention centres, S&P Global Ratings estimated last year. Moody's and S&P Global have speculative grade, or junk, credit ratings on CoreCivic and GEO Group partly because their revenues are at risk to changes in government policy and public scrutiny of companies profiting from detention. (reut.rs/2H4JOf5) After the Obama administration in August 2016 directed the Bureau of Prisons to phase out federal use of private prisons, shares of both companies plunged more than 40 percent. One month after Donald Trump became president, the order was rescinded and the stocks rebounded. Activism against the financing of private prisons heated up after revelations that undocumented minors were being separated from their adult parents. The Trump administration reversed its separation policy after a public outcry. CoreCivic spokesman Steven Owen called JPMorgan's decision "disappointing." He said in an email that "decisions like this are being based on false information spread by politically motivated special interests, who completely mischaracterize our company." None of CoreCivic's immigration facilities house children who are not under the supervision of a parent, Owen said. A GEO Group spokesman said in an email that the company "has never managed facilities that house unaccompanied minors." He added, "We welcome the opportunity to have an open dialogue with all financial institutions to address the common mischaracterisations of our company's role and record as a government services provider." CoreCivic changed its name from Corrections Corporation of America in October 2016. It said the rebranding was to highlight its strategy to transform its business "from largely corrections and detentions centres to a wider range of government services." In 2018 prisons and detention centres still accounted for 87 percent of CoreCivic's net operating income, according to a recent presentation from the company to investors. It had 72,833 beds in prisons and detention centres. JPMorgan's move away from the industry comes after activists have challenged Chief Executive Officer Jamie Dimon at the bank's last two annual meetings over its financing of prison companies. Protest groups have also appeared regularly outside of Dimon's Manhattan apartment. On Valentine's Day, a group appeared with a mariachi band and signs that begged the executive to "break up with prisons." At the May 2017 annual meeting, Dimon promised to look in to prison finance. In June, Dimon and the Business Roundtable, a group of CEOs that he chairs, issued public statements calling for immigration reform and an end to the Trump administration policy of separating minors from their parents. JPMorgan's move could prove mostly symbolic if other lenders or investors in prison companies do not take similar steps. Activists learned that lesson last year after they pressured financiers of gunmakers in the wake of a shooting at a Florida high school. Bank of America Corp, Citigroup Inc and BlackRock Inc, the world's largest asset manager, last year said they were limiting business with gunmakers in various ways. But others, including Wells Fargo, declined to follow suit and filings show firearms companies retain access to a wide range of financing options. (reut.rs/2Evd3nn)