

PRESS RELEASE

Human Rights Defense Center
For Immediate Release



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Corrections Corporation of America Objects to Resolution to Lower Phone Rates, Increase Communication Between Prisoners and their Families

NASHVILLE, TN – Last Friday, the Securities and Exchange Commission (SEC) granted a request submitted by Corrections Corporation of America – the nation’s largest for-profit prison company – to exclude a shareholder resolution that sought to reduce the high cost of phone calls made by prisoners at CCA-operated correctional and detention facilities.

Research has found that prisoners who maintain close connections with family members while incarcerated have better post-release outcomes and lower recidivism rates. As many prisoners are housed at facilities far from their families, in-person visits are often difficult and phone calls are the primary means of communication.

The resolution, filed by Alex Friedmann, associate director of the Human Rights Defense Center (HRDC), would have required CCA to forgo “commission” kickbacks from prison phone service providers. Such kickbacks are typically based on a percentage of revenue generated from inmate telephone services (ITS) – revenue that is mostly paid not by prisoners but by their families.

Specifically, the shareholder resolution stated that CCA “shall not accept commissions; rather, when evaluating and entering into ITS contracts, the company shall give the greatest consideration to the overall lowest ITS charges among the factors that it considers.” CCA filed a no-action request with the SEC seeking to exclude the resolution from its proxy materials.

Prison phone rates are typically much higher than non-prison rates due in large part to the commission kickbacks – which average almost 48% of ITS revenue. The high cost of prison phone calls makes it difficult for prisoners to maintain regular contact with their families and children; an estimated 2.7 million children in the U.S. have an incarcerated parent, and eight states have banned ITS commissions in order to reduce prison phone rates.

On February 11, 2014 a Federal Communications Commission (FCC) order went into effect that caps the cost of long distance prison phone calls nationwide at \$.25 per minute for collect calls and \$.21 per minute for debit and prepaid calls. The order does not apply to intrastate (in-state) prison phone rates, however, which remain high at many correctional facilities.

As stated by FCC Commissioner Mignon Clyburn last year: “Studies have shown that having meaningful contact beyond prison walls can make a real difference in maintaining community ties, promoting rehabilitation, and reducing recidivism. Making these calls more affordable can facilitate all of these objectives and more.”

“In contracting with government agencies to incarcerate prisoners, CCA has a responsibility to ensure that those prisoners are afforded opportunities to rehabilitate themselves,” stated HRDC prison phone justice director David Ganim. “Reducing phone rates at CCA facilities would have resulted in greater communication between prisoners and their families and children, leading to lower recidivism rates and benefiting our communities through less crime.”

“CCA put its profits first,” said Friedmann, a former prisoner who served six years at a CCA-operated prison in the 1990s. “The company claims that it’s interested in rehabilitating offenders, but when faced with a resolution that would have reduced phone rates at its for-profit facilities, thereby having a rehabilitative effect on prisoners and resulting in less recidivism, CCA decided its profits from prison phone kickbacks were more important. Which demonstrates that despite its corporate PR rhetoric, CCA cares little about rehabilitation or public safety.”

The resolution had noted that before the FCC order went into effect, one CCA-operated facility, the Silverdale Detention Facility in Chattanooga, received a commission kickback of 48% of prison phone revenue, and that a 15-minute call from that facility cost as much as \$9.75.

HRDC is a co-founder and coordinator of the Campaign for Prison Phone Justice, in conjunction with the Center for Media Justice/Media Action Grassroots Network (MAG-Net) and Working Narratives/Nation Inside. The Campaign was instrumental in urging the FCC to cap interstate prison phone rates and address other abuses by the prison phone industry.

The Human Rights Defense Center, founded in 1990 and based in Lake Worth, Florida, is a not-for-profit organization dedicated to protecting the human rights of people held in U.S. detention facilities. HRDC publishes *Prison Legal News* (www.prisonlegalnews.org), a monthly magazine that includes reports, reviews and analysis of court rulings and news related to prisoners’ rights and criminal justice issues. HRDC is a co-founder and coordinator of the Campaign for Prison Phone Justice (www.phonejustice.org).

For additional information, please contact:

Alex Friedmann, Associate Director
Human Rights Defense Center
Cell: (615) 495-6568
afriedmann@prisonlegalnews.org

David Ganim, Prison Phone Justice Director
Human Rights Defense Center
Office: (561) 360-2523
dganim@prisonlegalnews.org