

PRESS RELEASE

Human Rights Defense Center
For Immediate Release



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GEO Group Objects to Shareholder Resolution to Increase Communication Between Prisoners and their Families, Lower Recidivism Rates

Boca Raton, FL – On February 18, the Securities and Exchange Commission (SEC) granted a request filed by GEO Group – the nation’s second largest for-profit prison company – to exclude a shareholder resolution that sought to reduce the high cost of phone calls made by prisoners at GEO-operated correctional and detention facilities.

The resolution, filed by Alex Friedmann, associate director of the Human Rights Defense Center (HRDC), would have required the company 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 by prisoners’ families. According to its SEC filings, GEO Group received \$608,108 in prison phone kickbacks in 2012.

Specifically, the shareholder resolution stated that GEO “shall not accept ITS commissions at its facilities,” and that “when the company contracts with ITS providers, the company shall give the greatest consideration to the overall lowest ITS phone charges among the factors it considers when evaluating and entering into ITS contracts.” GEO 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.

Research has consistently 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 their primary means of communication.

As stated by FCC Commissioner Mignon Clyburn: “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.”

“GEO Group is the nation’s second-largest private prison company,” noted HRDC prison phone justice director David Ganim. “This was an opportunity for GEO to put what’s best for prisoners, their families and our communities before its profit margins. Instead, the company filed a no-action request with the SEC to have the shareholder resolution excluded.”

GEO objected to the resolution by arguing that Friedmann had a “personal grievance” or would personally benefit from reducing prison phone rates at the company’s correctional facilities; that the resolution did not address an issue significantly related to the company’s business; that it lacked the power or authority to implement the resolution; that the proposal concerned GEO’s ordinary business operations; and that the resolution constituted “multiple proposals.”

“GEO Group basically threw the kitchen sink at the resolution seeking to exclude it, and was ultimately successful,” said Friedmann. “This is what happens when essential public safety and criminal justice services, such as operating prisons, are contracted out to a private corporation without a conscience that is only interested in making money.”

He added, “Make no mistake, when GEO claims it is interested in rehabilitating offenders, as it does on its website, it is merely providing lip-service. GEO Group had an opportunity to make a real difference in terms of increasing the ability of prisoners to stay in touch with their families, which would benefit our communities through lower recidivism rates and thus less crime and victimization. Instead, the company protected its profits from prison phone kickbacks.”

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).

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