

PRESS RELEASE

Corrections Corporation of America to Lose 9,588 Contract Beds, Misses Out on Two Federal Detention Contracts

CCA is expected to lose 9,588 California contract beds within the next four years; company misses out on federal immigration detention contracts in Illinois and Florida

Private Corrections Institute (www.privateci.org)

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Nashville, TN – On June 29, Corrections Corporation of America (NYSE: CXW), the nation's largest private for-profit prison company, announced that it was modifying its existing contract with the State of California to reduce the number of California prisoners housed in out-of-state CCA-operated facilities from 9,588 to 9,038 for the 2012-13 fiscal year.

CCA failed to mention that the reduction in contract beds coincided with the California Dept. of Corrections and Rehabilitation's realignment plan which intends to phase out *all* 9,588 out-of-state beds within 4 years. According to a [CDCR report](#) released last April, the realignment plan will "eliminate[] the use of all out-of-state contract facilities by 2015-16."

The CDCR report noted that returning all California prisoners from out-of-state CCA facilities would "result in a reduction of \$318 million" from the state's general fund. The report specified that California's out-of-state prisoner population will be reduced to 9,038 by 2012-13 – which has already occurred according to CCA's recent [press release](#) – then to 4,969 by 2013-14; to 1,864 by 2014-15; and to 531 by 2015-16, with a complete phase out by the end of 2016.

According to CCA's 2011 [annual report](#), California accounted for 13% of the company's total revenue last year; thus, the loss of 9,588 contract beds to house California state prisoners will represent a significant decrease in revenue for the company. As noted in CCA's annual report, "The return of the California inmates to the state of California would have a significant adverse impact on our financial position, results of operations, and cash flows."

"This is a major loss for CCA," stated Alex Friedmann, president of the Private Corrections Institute and a CCA shareholder, who formerly served time at a CCA prison in the 1990s. "I specifically questioned CCA officials at the company's annual shareholder meeting last May concerning California's withdrawal of its prisoners, in the context that CCA already has about 12,000 vacant prison beds, but management declined to provide an answer."

In addition to losing 9,588 out-of-state contract beds for California prisoners over the next four years, in June 2012 CCA lost out on two potential federal immigration detention contracts, one in Florida and the other in Illinois.

Trustees for Crete, Illinois, a Chicago suburb, voted on June 11 [to reject](#) CCA's proposal to build and operate an immigration detention facility in the town. The vote followed months of acrimony and contentious debate on the private prison plan. Opposition to the facility was coordinated by Concerned Citizens of Crete, a group composed of local residents worried about public safety, a decrease in property values and concerns that local services would be compromised by CCA's proposed 700-bed medium-security prison.

Four days after the vote in Crete, on June 15, Immigration and Customs Enforcement officials [announced](#) that they were withdrawing plans to site a 1,500-bed immigration detention facility in Southwest Ranches, Florida. The facility would have been operated by CCA, which owns approximately 24 acres near the small town.

"ICE has reevaluated its need for an additional detention facility in South Florida and has decided that it will no longer pursue a facility in the Town of Southwest Ranches," the agency wrote in a prepared statement.

Local residents in neighboring Pembroke Pines had [lobbied against](#) the proposed detention center, citing a number of concerns that included increased demands on city services. Pembroke Pines commissioners voted in March 2012 to cancel a contract to provide water, fire, sewer and emergency medical services to the CCA facility, which was outside the city limits. As a result, CCA sued the city in federal court and the city countersued in state court.

"When it comes to siting private prisons, many communities object because they have a 'not in my backyard' (NIMBY) attitude," said Friedmann. "However, such objections are often based on legitimate concerns – such as CCA's poor track record in managing its prisons; the low-paid jobs that CCA typically offers; the impact of a prison on property values; and the company's overriding need to generate profit, even at the expense or safety of local residents."

Despite CCA's claims to be a good "corporate neighbor" and to work cooperatively with local communities, the company has [continued](#) to pursue its lawsuit against Pembroke Pines after ICE announced that it would no longer seek to place a detention facility in the area.

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The Private Corrections Institute is a non-profit citizen watchdog organization that works to educate the public about the significant dangers and pitfalls associated with the privatization of correctional services.

PCI maintains an online collection of news reports and other resources related to the private prison industry, and holds the position that for-profit prisons have no place in a free and democratic society.

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