

PRESS RELEASE

Private Corrections Institute Condemns Legislative Giveaway to Private Prison Companies at Expense of Florida Taxpayers, Slams “Pay-to-Play” Politics

Private Corrections Institute (www.privateci.org)

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Tallahassee, FL – Today, the Private Corrections Institute, a Florida-based non-profit watchdog organization that opposes the privatization of correctional services, sharply condemned a pair of bills recently introduced in the state Senate, SPB 7172 and SPB 7170, saying they would result in a giveaway to for-profit prison companies at the expense of Florida taxpayers.

On January 13, the Senate Rules Committee introduced SPB 7172, which would require the wholesale privatization of 29 state correctional facilities housing approximately 16,000 inmates in 18 counties in South Florida known as Region IV of the Florida Department of Corrections (FDOC). An estimated 3,800 state employees face job losses under the proposed bill.

The Senate Rules Committee concurrently introduced SPB 7170, which shields the proposed prison contracts from public scrutiny until after they are signed. It specifies that cost-benefit and business case analyses submitted by state agencies in support of their legislative budget requests will not apply “to the outsourcing or privatization of agency functions expressly required by the General Appropriation Act or any other law until the first legislative budget request submitted by the agency after the contract for the outsourcing and privatization has been executed.” That is, no cost-benefit or business case evaluations of such privatization contracts are required until *after* the contracts already have been signed.

SPB 7170 further provides that existing statutory requirements in 944.105, Florida Statutes applicable to prison privatization contracts shall “not apply to a contract for the outsourcing or privatization of the operation and maintenance of correctional facilities expressly directed to be outsourced or privatized by the General Appropriation Act or any other law.” Under the existing statute, the state must receive “substantial savings” from private prison contracts and “the same quality of services” from private prisons as that provided by the FDOC. The law also requires certification of private prison guards, and makes escapes from private prisons a crime. All of which would be nullified by SPB 7170 for the contracts proposed by SPB 7172.

The introduction of the two bills follows a controversial and contentious attempt by the Senate in 2011 to privatize the same 29 correctional facilities in FDOC Region IV by inserting proviso language in the state’s budget appropriations bill. That backdoor effort led the Police Benevolent Association, the union representing FDOC employees at the time, to successfully sue the state to stop the privatization plan. The proviso fiasco also resulted in the resignation of the state’s top two corrections officials and an ethics complaint being filed against Governor Scott for accepting political donations from companies that stood to benefit from privatizing state prisons.

Alex Friedmann, president of the Private Corrections Institute (PCI) and a national expert on prison privatization, stated, “The renewed legislative effort to privatize 29 state prison facilities reeks of special interest peddling and a giveaway of taxpayer funds to the private prison industry. Considering there is scant evidence that private prisons in Florida have saved the state money,

and the documented scandals and problems involving private prisons in the past, the repeated efforts by the legislature to privatize Region IV can best be explained as political payback.”

According to the National Institute on Money in State Politics, in 2010 GEO Group and its executives gave over \$705,000 to political candidates and parties in Florida, while CCA donated \$138,994 – primarily to Republican causes. Further, both CCA and GEO made contributions to Governor Scott’s inaugural fund in the amounts of \$5,000 and \$25,000, respectively. Since 2004, GEO has given \$1.8 million to Florida political candidates, parties and committees. Also, based on Senate records, GEO paid its Florida lobbyists between \$220,000 and \$360,000 to influence state officials since October 2010, which PCI criticized as “pay-to-play” politics.

PCI also noted that private prisons have had a questionable history in Florida, citing critical reports by the Florida Center for Fiscal and Economic Policy, the Dept. of Management Services (DMS) and the Office of Program Policy Analysis and Government Accountability (OPPAGA).

An April 2010 report by the Florida Center for Fiscal and Economic Policy questioned cost savings from prison privatization, concluding that “Florida’s experience with privatized prisons raises serious questions about whether the taxpayers are getting their money’s worth.” Also, in a 2010 state audit, Arizona officials determined through a detailed comparison that medium-security private prisons in that state actually cost *more* than state facilities.

Further, according to a 2005 DMS audit, private prison companies GEO Group and Corrections Corporation of America (CCA) bilked Florida taxpayers out of almost \$13 million for unfilled job positions, inflated per diem rates and maintenance overpayments. Both companies paid settlements amounting to just pennies on the dollar. “Our review showed numerous instances where [private prison] vendors’ interests were considered over the State’s interests,” the audit determined. In December 2008, OPPAGA reported that DMS “needs to further strengthen its oversight of the state’s ... private prisons,” as “DMS has not adequately addressed security, contraband and prison infirmary problems identified by Department of Corrections’ reviews of the private prisons....”

“Basically, this recently-introduced legislation that proposes the wholesale privatization of an unprecedented number of state prisons could have been drafted by CCA or GEO Group to the extent the bills benefit private prison firms at the expense of Florida taxpayers,” Friedmann said. “While private prison companies will profit from expanded prison privatization contracts, should the legislature prevail in its mass prison privatization plan the loser will be Florida’s taxpayers, as public funds will be diverted from the state into the coffers of for-profit prison firms with no discernable benefit to the public.”

The Senate Rules Committee will hold a hearing on the prison privatization bills on Wednesday, January 18 at 1:15 p.m.

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.

www.privateci.org. For further information, please contact:

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