



## **POLICY LOCK-DOWN**

PRISON INTERESTS COURT POLITICAL PLAYERS

By

THE INSTITUTE ON MONEY IN STATE POLITICS

APRIL 2006

This publication was made possible by grants from:

Open Society Institute, *Prison Expansion/Sentencing Reform Program*  
Carnegie Corporation of New York, *Strengthening U.S. Democracy Program*  
Ford Foundation, *Program on Governance and Civil Society*  
Joyce Foundation, *Program on Money and Politics*  
Rockefeller Brothers Fund, *Program on Democratic Practice*

In addition, the Institute thanks the following people for the assistance and expertise they provided to the project: Phil Mattera, research director of Good Jobs First; Ken Kopczynski of the Private Corrections Institute in Florida, Alvin J. Bronstein, director emeritus of the ACLU National Prison Project; and Stephen Nathan, editor of the London-based Prison Privatisation Report International.

The statements made and the views expressed are solely the responsibility of the Institute.



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## EXECUTIVE SUMMARY

Since the early 1990s, the growth of private prisons at the state level and the evolving nature of state sentencing laws have become familiar legislative topics across the country.

The number of private prisons grew across the United States in the 1990s, in part because a tough-on-crime attitude put more people behind bars for longer periods of time. As prison populations increased, so did the costs to the states. These conditions brought private-prison companies to the halls of state government with promises of savings.

But what amounted to possible savings for the states also represented potential profits for the firms getting the business. Thus the shift to privatization was a business move that involved a number of typical business practices for the firms involved, including the long-established practice of contributing to political campaigns.

While the companies and their officials were working the halls of state capitols to advocate their policy positions, they also were opening their checkbooks during campaign season.

During the 2002 and 2004 election cycles, companies involved in private prisons and those affiliated with them contributed generously to candidates and state political parties. All told, the companies, their executives, directors and lobbyists gave \$3.3 million in 44 states between 2000 and 2004 — a figure that includes contributions from not only private-prison firms, but also the investment and construction companies, food service providers, health-care management and counseling services that do business with them.

Florida led all states in contributions, with candidates and political parties there receiving \$647,600, or almost 20 percent of the contributions. Texas and New Jersey followed, with nearly \$519,000 and \$323,000 in contributions, respectively. Six states received no private-prison contributions: Delaware, Iowa, Nebraska, New Hampshire, North Dakota and South Dakota.

Companies favored states with some of the toughest sentencing laws, particularly those that had enacted legislation to lengthen the sentence given to any offender who was convicted of a felony for the third time. Private-prison interests gave almost \$2.1 million in 22 states that had a so-called “three-strikes law,” compared with \$1.2 million in 22 states that did not.

Analysis of campaign contributions made to state-level candidates and political parties also reveals that private-prison interests:

- Gave two-thirds of their money to candidates, who received nearly \$2.2 million during the study period. The remainder went to state-level political party committees.
- Favored incumbents, both those seeking re-election and those not up for election but raising money for future campaigns. These incumbents received \$1.6 million of the \$2.2 million given to candidates, while those challenging a seated incumbent received about one-tenth of that amount, at \$167,250. Candidates vying for an open seat received \$410,830.
- Backed winners, giving 65 percent of the candidate contributions to winning candidates.

- Concentrated their giving on legislative candidates who, if elected, act on state budgets and sentencing laws. These candidates received almost half of the money given to candidates — slightly more than \$1 million.
- Gave heavily to gubernatorial candidates, who propose budgets and set policy directions and also have the authority to veto laws passed by the legislature. About \$873,300 of the candidate money went to gubernatorial candidates, who have the power to suggest and to support privatization as a way of keeping their states' budgets in balance.
- Favored Republicans, giving 64 percent of the industry's \$3.3 million to Republican candidates and Republican Party committees.

Companies themselves and the lobbyists they hired gave the biggest portions of the funds. The companies gave almost \$1.6 million, or 48 percent of the total. Lobbyists gave nearly \$1.1 million, or 33 percent. The remainder came from company officials, members of the companies' boards of directors, construction companies that work on prison projects and firms that subcontract to provide services to private prisons.

Lobbyists hired by the private-prison industry were the top contributors in 10 states, and the only source of private-prison money in another seven states.

As part of its analysis of private-prison giving, the Institute looked at corrections legislation and budgets in 10 states where contributions were highest or where legislators introduced measures of interest, such as changes to private-prison contracting procedures, private-prison oversight or sentencing laws.

Some states have recently begun re-examining their corrections policies as overcrowding and high costs continue.

Lawmakers looked at a wide variety of proposals, some of which would have benefited private prisons and others that would have shifted state funds away from them. While the success or failure of the measures can't be definitively linked to campaign contributions, the companies and their associates typically targeted their contributions to winners and incumbents, to be as effective as possible in supporting their agenda. For example:

- In Florida, when the prospect of re-opening bids for the operation of five private prisons surfaced, private-prison vendors lobbied successfully for the elimination of the commission overseeing the bidding process.
- In Arizona, the industry contributed to 29 of the 42 members of the committees that heard a 2003 proposal to increase the number of private-prison beds in the state. Those testifying in favor of the bill included a vice president of a private-prison firm that stood to benefit from the original proposal.
- Colorado had contracted to house out-of-state prisoners from other states to alleviate overcrowding issues in those states. But when faced with its own overcrowding problems, Colorado made plans to prohibit

out-of-state prisoners. Pressure from the private-prison industry led to the rejection of the plan.

- Texas, known for its tough-on-crime attitude, continues to elect and re-elect legislators with that attitude. The industry gave generously to powerful, well-established legislative leaders and members of committees hearing measures affecting sentencing.
- In Indiana, shortly after becoming governor, Mitch Daniels looked for ways to turn government services over to the private sector. Within months, food and nursing services in state prisons were handed over to the private companies, and the state contracted for the first private prison in the state.
- After taking office, Mississippi Gov. Haley Barbour emphasized private prisons as a way of saving money.

## PRIVATIZATION OVER THE YEARS

Since their inception, private prisons have been sold as a cheaper and more efficient means of incarcerating offenders. However, in recent years some states have experienced a myriad of problems with private prisons, from inadequate oversight and misappropriated funds to failure to meet contractual obligations. For example, a 2005 evaluation by the Florida Department of Management Services found no evidence that private prisons operating in Florida were operating at a lower cost than public prisons. The evaluation also found that the state commission responsible for contracting with the private prison firms failed to adequately administer the contracts, considered the companies' interests over those of the state and "consistently failed to safeguard the state's interests."<sup>1</sup>

Proponents of privatized facilities include the obvious: private-prison companies, construction companies, their executives and directors, as well as a variety of subcontractors, such as those who offer health care or food services to private prisons.

And communities struggling with high unemployment and local budget crises are hard pressed to turn down the financial influx brought by a prison. In some cases, whole communities are involved in promoting prison construction in their area. Local construction companies, construction workers, architects, bankers and other small businesses see the benefits. The prospect of new jobs is hard to ignore.

A long-time proponent of privatization and stricter sentences, the American Legislative Exchange Council (ALEC) was instrumental in pushing get-tough-on-crime laws. ALEC was formed in 1973 after a meeting of "a group state legislators and conservative policy advocates" who wanted to create a bipartisan, conservative organization for legislators.<sup>2</sup> ALEC members include both legislators and representatives of private businesses; the organization develops model legislation on a variety of issues, including criminal sentencing, that can be used by legislators across the

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<sup>1</sup> "Contract Management of Private Correctional Facilities," *Department of Management Services, Office of Inspector General*, June 30, 2005, p. 7.

<sup>2</sup> "Background About ALEC," *American Legislative Exchange Council* [on-line]; available from <http://www.alec.org/about/background.html>; Internet; accessed April 20, 2006.

country.<sup>3</sup> Legislation the group backed included the three-strikes legislation as well as so-called “truth-in-sentencing” bills that required convicted criminals to serve a set length of time before being eligible for parole, usually 85 percent of their sentences. ALEC provided legislators with model legislation on these topics that was crafted in part by Corrections Corporation of America when it was a member of ALEC’s Criminal Justice Task Force.<sup>4</sup>

But privatization has its critics.

Police unions and law enforcement groups that organize corrections officers have long been vocal critics of privatized prisons because they see privatization as an erosion of their membership and a detriment to their ability to bargain collectively for wages and benefits. These labor organizations have strong lobbies and they contribute respectable amounts to policymakers, as well.

In addition, the American Civil Liberties Union (ACLU) and other citizens groups have voiced opposition to private prisons. The ACLU registered opposition to the stricter sentencing laws that came out of the 1990s, and California chapters advocated specifically for reform of that state’s “three-strikes law” in 2004. The ACLU also cited the problems that arise when profits are put before the interests of inmates in a 2001 letter to Sen. Russell Feingold acknowledging his support of a federal act prohibiting the housing of federal prisoners in private prisons.<sup>5</sup>

In Alabama, the Rev. Kenneth Glasgow writes: “We should see the urgent cry for more beds as a short-term solution for what it is – a ploy for enriching the private prison industry....”<sup>6</sup> Rev. Glasgow is founder and director of The Ordinary People Society, a faith-based organization involved with social justice issues, including prisoner rehabilitation and ministering to families of incarcerated individuals.

Still, privatization continues to be a topic in many states.

Oregon stopped sending prisoners to private facilities in other states after scandals and escapes in the 1990s. However, Oregon is now looking to extra beds in county jails to meet the increased number of offenders.<sup>7</sup>

Hawaii sends inmates to private prisons outside the state and paid about \$36 million in 2005 to house 1,850 prisoners on the mainland.<sup>8</sup>

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<sup>3</sup> Ibid.

<sup>4</sup> Brodie Farquhar, “Where Do Ideas for Legislation Come From?” *Casper Star-Tribune*, March 13, 2006 [newspaper on-line]; available from <http://www.casperstartribune.net/articles/2006/03/13/news/wyoming/133e8ce5e0de74e18725712f00272884.txt>; Internet; accessed March 13, 2006.

<sup>5</sup> Elizabeth Alexander, “Letter to Senator Feingold on Sponsorship of Public Safety Act,” *ACLU*, May 8, 2001 [on-line]; available from <http://www.aclu.org/crimjustice/sentencing/10297leg20010508.html>; Internet; accessed March 8, 2006.

<sup>6</sup> Kenneth Glasgow, “Alabama Voices: Private Prisons Not Proper Solutions for Corrections,” *Montgomery Advertiser*, March 10, 2006, sec. Opinion.

<sup>7</sup> Alan Gustafson, “Prisons Seek Rental Space As Inmate Numbers Swell,” *Salem Statesman Journal*, Aug. 15, 2005, [newspaper on-line]; available from <http://www.statesmanjournal.com/apps/pbcs.dll/article?AID=/20050815/NEWS/508150332/1001>; Internet, accessed Sept. 6, 2005.

<sup>8</sup> Dayton Kevin, “Jail Riot’s Likely Cause Found,” *The Honolulu Advertiser*, Aug. 23, 2005, sec. Hawaii, p.1.

In West Virginia, state officials have not ruled out the possibility of having a new 1,200-bed facility — needed to address overcrowding — built and run by a private firm.<sup>9</sup>

The continued need to deal with high numbers of prisoners means private-prison interests will likely be players in the policy debate for the foreseeable future.

Commenting on a Utah privatization proposal put before that state's legislature this year, a *Salt Lake Tribune* editorial noted: "The prison providers' checkbooks will be marshaled not only to promote the interests of one contractor over another, but also in opposition to any reforms that might reduce the need for prison beds and, thus, for the services of an industry that more than most ... profits from the misery of others."<sup>10</sup>

## THE MONEY BEHIND THE POLITICS

The Institute examined private-prison giving at the state level over the 2002 and 2004 election cycles. With the assistance of the Corporate Research Project of Good Jobs First in Washington, D.C., the Institute created a database of private-prison companies, their executives, directors and lobbyists. It included investment firms, construction companies, food service providers, and health-care management and counseling services with interests in private prisons. The Institute then matched the names in this database against its database of state campaign-contribution records.

The database includes contributions to state-level candidate committees and state party committees during the 2002 and 2004 election cycles, including the 2003 gubernatorial recall election in California. A handful of states hold their elections in odd years, so 2001 elections would be included in the 2002 election cycle and 2003 elections would be included in the 2004 election cycle. Because campaign fund-raising cycles generally cover a two-year period, the database includes contributions made during a five-year period — as early as 2000 for states holding elections in 2001 and going through 2004 for states holding elections that year.

The Institute then selected 10 states in which to examine legislation and budgets, to determine whether a correlation existed between private-prison industry contributions and proposed or enacted private-prison policy. Research included analysis of proposed legislation and enacted policy in areas related to private-prison construction and operation and changes to sentencing laws, in Arizona, California, Colorado, Florida, Indiana, Mississippi, Oklahoma, Pennsylvania, Tennessee and Texas.

Contributions in these 10 states totaled more than \$2.1 million, representing nearly 65 percent of the money attributed to the private-prison industry during the period studied.

Selection criteria for the states included the state's history of sentencing laws, whether or not the state had enacted a three-strikes law, and whether or not the state had private prisons.

Other important considerations centered around the quality of contribution data, the availability and accessibility of legislative information, including bill history, committee members, committee

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<sup>9</sup> "Report Advises New Prison, Possibly Private, for W. Va." *WTOV-9* [on-line]; available from <http://www.wtov9.com/news/5946026/detail.html>; Internet; accessed Jan. 10, 2006.

<sup>10</sup> Editorial, "Private Prisons: Bill Would Let State Flirt with Disreputable Industry," *The Salt Lake Tribune*, Feb. 27, 2006 [newspaper on-line]; available from [http://www.sltrib.com/opinion/ci\\_3544954](http://www.sltrib.com/opinion/ci_3544954); Internet; accessed Feb. 27, 2006.

minutes, witness lists, and votes taken in either committee hearings or on the Senate or House floor.

Institute researchers followed major corrections proposals through the legislative process, from introduction to final outcome. Researchers reviewed committee action on the measures and, when available, identified how committee members voted on the legislation.

Then contributions to individual members of leadership and committee members were tabulated. If the bill successfully made its way to the floor of both chambers of the Legislature, the contributions of all members of the Assembly or House and Senate were determined as well as their vote.

### PRIVATE-PRISON GIVING

Private-prison interests gave a combined \$3.3 million to state-level candidate committees and state political parties in 44 states between 2000 and 2004.<sup>11</sup> A closer look at their contributions shows a targeted strategy of giving to candidates most likely to affect the laws and budgets related to corrections, with large portions of their contributions going to winning candidates and those already in office and not up for re-election. The companies also focused much of their giving on legislative candidates, who approve laws and budgets governing corrections in their states.

#### *Picking Winners*

Private-prison interests tended to pick winners, as well as maintain their relationship with incumbents. Nearly \$1.8 million of the \$2.2 million that private prison interests gave to candidates went to winners or to officer holders who were not running but were raising money for upcoming campaigns.

Winners alone received 65 percent of the industry's contributions, compared with the 12 percent losing candidates received. Incumbent officeholders who were not running but were raising money for the next election accounted for another 17 percent of the money private-prison interests gave.

### PRISON-INDUSTRY CONTRIBUTIONS BY CANDIDATE TYPE, 2000-2004

<b>TYPE</b>	<b>DEMOCRATS</b>	<b>REPUBLICANS</b>	<b>TOTAL*</b>
Winners	\$447,752	\$960,700	\$1,411,852
Incumbents Raising Money but not Running	\$128,437	\$239,027	\$367,589
Losers	\$115,600	\$146,495	\$263,508
Losing Incumbents	\$96,481	\$27,396	\$124,427
<b>TOTAL</b>	<b>\$788,270</b>	<b>\$1,373,618</b>	<b>\$2,167,376</b>

\* Totals include additional money given to nonpartisan and third-party candidates.

Candidates challenging an incumbent received a combined \$167,246, or less than 8 percent of the funds given to candidates. Successful challengers accounted for 59 percent of that amount, raising \$98,111 from private-prison sources.

<sup>11</sup> Some states held elections in 2001; the two-year election cycle in those states would include contributions made in 2000.

Candidates running for open seats fared better than challengers. They received \$410,830 from the private-prison industry, or 19 percent of the contributions made to candidates.

Contributions from private-prison sources to gubernatorial and legislative candidate committees accounted for nearly 57 percent of the industry's contribution total. The average contribution to gubernatorial candidates was nearly 10 times greater than the average contribution to legislative candidates.

#### **PRISON-INDUSTRY CONTRIBUTIONS BY RECIPIENT TYPE, 2000-2004**

<b>TYPE</b>	<b>TOTAL</b>
Political Party Committee	\$1,136,850
Legislative Candidates	\$1,028,309
Gubernatorial Candidates	\$873,287
Other Statewide Candidates	\$261,479
Supreme Court Candidates	\$10,300
<b>TOTAL</b>	<b>\$3,310,226</b>

Sixty-four percent of the contributions from private-prison industry sources went to Republican candidates and GOP committees. Republicans received just over \$2.1 million, compared with the \$1.2 million Democratic candidates and the Democratic Party committees received. Third-party candidates and nonpartisan candidates received about \$5,500.

##### *Picking Political Parties*

State political party committees received 34 percent of the industry's contributions, or more than \$1.1 million in 29 states.

Forty-five percent of those funds, or \$510,625, went to Florida's two political parties. Like several other states, Florida's campaign-finance laws allow unlimited contributions to state parties. But in Florida, contributions to candidates are subject to stringent limits. Contributions to political parties can be used for a variety of purposes, including advertising, direct mailings and polling that benefits candidates. Party staff members also recruit candidates and work with them during the election season.

With restrictions on the amount candidates can receive, individual contributors or companies could easily give the maximum amount allowed to a candidate's campaign. In Florida, for example, contributions are limited to only \$500 per candidate per primary and general election.

#### **THE PLAYERS INVOLVED**

Over the years, key leaders in the arena of prison privatization have emerged. This study examined private-prison operators identified by the Corporate Research Project and by the Institute. The Project focused on the seven largest firms in the private-prison industry. Institute staff added four other companies whose names appeared in contribution records. Following is a summary of each of the companies included in this report:

- **Corrections Corporation of America (CCA)** — Headquartered in Nashville, Tenn., CCA boasts of being the "founder of the private

corrections industry.”<sup>12</sup> CCA manages “over 50 percent of all beds under contract with private operators in the United States.”<sup>13</sup> Contributions from CCA, its executives, directors, and lobbyists totaled \$1.13 million during the study period and spanned 36 states.

- **GEO Group, Inc.** — Formerly a unit of Wackenhut Corp. and known as Wackenhut Corrections, GEO Group is headquartered in Boca Raton, Fla. It manages 40 correctional/detention contracts and awards, representing 43 facilities worldwide and including about 36,000 beds, with revenues in 2004 of \$614.5 million and a net income of \$16.8 million.<sup>14</sup> Included in those numbers is a 7,500-bed increase that occurred when GEO Group acquired Correctional Services Corp. (CSC) in July 2005. Contributions from GEO Group or its predecessor, Wackenhut Corrections, and their executives, directors and lobbyists totaled \$880,261 during the study period in 19 states.
- **Community Corrections Corp.** — Headquartered in Roseland, N.J., Community Corrections Corp. operates 18 facilities in seven states. Community Corrections Corp. and founder John J. Clancy gave a combined total \$378,750 in six states. The company also does business as Community Education Centers, Inc.<sup>15</sup>
- **Cornell Companies** — Headquartered in Houston, Texas, Cornell currently operates 81 facilities in 17 states and the District of Columbia.<sup>16</sup> Contributions from Cornell Companies, its executives, directors and lobbyists totaled \$184,983 in 19 states.
- **Correctional Services Corp. (CSC)** — Acquired by GEO Group in July 2005, CSC was originally headquartered in Sarasota, Florida. Before the acquisition, CSC had 16 facilities with approximately 8,000 beds in six states. Contributions from CSC, its executives, directors and lobbyists totaled \$128,390 in seven states<sup>17</sup> during the study period, which concluded before GEO Group purchased the company.
- **CiviGenics** — Headquartered in Marlborough, Mass., CiviGenics operates 13 facilities that house more than 3,000 prisoners in 14

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<sup>12</sup> “About CCA,” *Corrections Corporation of America* [on-line]; available from <http://www.correctionscorp.com/aboutcca.html>; Internet; accessed March 8, 2006.

<sup>13</sup> Ibid.

<sup>14</sup> “Corporate Profile,” *GEO Group, Inc.* [on-line]; available from <http://www.correctionalservices.com/corporate.asp>; Internet; accessed March 8, 2006.

<sup>15</sup> “Breaking the Cycle of Recidivism,” *Community Education Centers, Inc.* [on-line]; available from <http://www.cecintl.com/Facilities>; Internet; accessed March 28, 2006.

<sup>16</sup> “Facilities,” *Cornell Companies, Inc.* [on-line]; available from <http://www.cornellcompanies.com/facilities.cfm>; Internet; accessed March 8, 2006.

<sup>17</sup> “Corporate Profile,” *GEO Group, Inc.* [on-line]; available from <http://www.correctionalservices.com/corporate.asp>; Internet; accessed March 8, 2006.

states.<sup>18</sup> Contributions from CiviGenics, its executives, directors and lobbyists totaled \$82,259 in four states.

- **Management and Training Corp. (MTC)** — Headquartered in Centerville, Utah, MTC operates 12 facilities in Arizona, New Mexico, Ohio, Texas, Australia and Canada, with a total of 9,000 beds.<sup>19</sup> Contributions from MTC, its executives, directors and lobbyists totaled \$45,101 in six states.
- **Avalon Correctional Services** of Oklahoma, **Maranatha Private Corrections** of California, **Minsec Corrections Corp.** of Pennsylvania and **LCS Corrections Services** of Louisiana — These four companies gave \$91,650 combined, with each contributing only in the state in which it is headquartered.

In addition, companies that often subcontract with private prisons to provide such services as construction, health care or food services, gave another \$313,356 in contributions.

*Giving by the Private-Prison Companies*

The private-prison companies themselves gave nearly \$1.6 million directly to candidates or party committees, accounting for nearly half of the contributions from prison interests. Some of the biggest names in the field — Corrections Corporation of America, Wackenhut Corrections/GEO Group and Cornell Companies — were among the biggest contributors, giving \$1.4 million.

The table below shows the amounts contributed by the private-prison companies included in the study and the number of states in which they gave contributions. The amounts reflect contributions only from the companies themselves. Contributions from company executives, directors, employees and lobbyists are not included in this table.

**CONTRIBUTIONS BY PRISON COMPANIES, 2000-2004**

<b>COMPANY</b>	<b># OF STATES</b>	<b>AMOUNT</b>
Corrections Corporation of America (CCA)	21	\$465,600
Wackenhut Corrections*	12	\$409,200
Community Corrections Corp.	6	\$353,750
GEO Group, Inc.*	6	\$114,484
Cornell Companies	11	\$102,430
Correctional Services Corp. (CSC)	6	\$100,945
Management & Training Corp. (MTC)	5	\$20,906
Avalon Correctional Services	1	\$10,000
Maranatha Private Corrections	1	\$5,500
CiviGenics	1	\$3,200
LCS Corrections Services, Inc.	1	\$500
<b>TOTAL</b>		<b>\$1,586,515</b>

\* GEO Group formerly operated as Wackenhut Corrections, a unit of Wackenhut Corp.

<sup>18</sup> "CiviGenics Services," *CiviGenics*, [on-line]; available from <http://www.civigenics.com/services.aspx>; Internet; accessed April 12, 2006.

<sup>19</sup> "Frequently Asked Questions," *Management & Training Corp.* [on-line]; available from <http://www.mtcprisons.com/corrections/faq.php>; Internet; accessed March 8, 2006.

### *Giving by Lobbyists*

While the lobbyists included in this report were registered lobbyists for private-prison interests, they generally worked for multiple clients and causes. However, all their contributions are included in this report because of the visibility and influence they often enjoy.

Lobbyists have a unique position of access to policymakers responsible for decisions affecting the fate of any number of legislative issues. In addition, many lobbyists are trained attorneys or former legislators themselves, extremely experienced in the legislative process. They have familiarity with not only the issues, but also the massive volumes of law.

Lobbyists gave \$1.1 million, or about one-third of the total contributions. The table below details the lobbyist contributions according to the firms for which they worked.

#### **LOBBYIST CONTRIBUTIONS BY AFFILIATION, 2000-2004**

<b>COMPANY</b>	<b># OF STATES</b>	<b>TOTAL</b>
Corrections Corporation of America (CCA)	30	\$482,915
GEO Group, Inc. <sup>20</sup>	13	\$346,694
CiviGenics	2	\$74,809
Aramark Corp.	5	\$42,685
Avalon Correctional Services	1	\$42,250
Cornell Companies	9	\$37,703
Sysco Food Services Corp.	2	\$27,575
Management and Training Corp. (MTC)	5	\$21,495
Correctional Services Corp. (CSC)	2	\$14,845
<b>TOTAL</b>		<b>\$1,090,972</b>

### *Giving by Company Officials*

Sixty-nine executives and board members of 23 companies with private-prison interests also opened their checkbooks, giving more than \$385,000 of their own money. Four companies stand out. Contributions from 13 executives and board members from Corrections Corporation of America (CCA) make up the combined \$183,200 that CCA officials gave. Nine officials from each of the other three companies — GEO Group, Inc/Wackenhut, Correctional Services Corporation and Cornell Companies — gave \$9,884, \$12,600 and \$44,850, respectively.

Company officials gave 55 percent of their contributions to candidates and party committees in the states where they lived. They contributed primarily to legislative and gubernatorial candidates, giving a combined \$317,839. Another \$46,250 of their contributions went to state political party committees.

The following table lists the top 20 contributors among company officials. When officials and their spouses contributed, the contributions were combined and totaled whether they were given jointly or individually.

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<sup>20</sup> Contributions attributed to Wackenhut Corrections or GEO Group, Inc. for the 2002 and 2004 election cycles are detailed separately in this report. Halfway through the 2004 election cycle, on Nov. 25, 2003, Wackenhut Corrections changed its name to GEO Group, Inc.

**CONTRIBUTIONS BY COMPANY OFFICIALS, 2000-2004**

<b>CONTRIBUTOR</b>	<b>AFFILIATION</b>	<b># OF STATES</b>	<b>HOME STATE</b>	<b>TOTAL</b>
Wedell, Henri L. & Marsha	CCA	7	\$24,750	\$115,000
Beasley, Thomas W. & Wendy	CCA	5	\$12,075	\$25,575
Clancy, John J.	Community Corrections Corp.	1	\$25,000	\$25,000
Ferguson, John D.	CCA	3	\$16,975	\$17,775
Smith, Donald E. & Tiffany D.	Avalon Correctional Services	1	\$17,100	\$17,100
Cunningham, Isabella & William	Cornell Companies	2	\$15,750	\$16,250
McDougall, Sean D.	Minsec Corrections Corp.	1	\$14,700	\$14,700
Carothers, Sean B.	Carothers Construction	1	\$14,000	\$14,000
Berlind, Roger S.	Lehman Brothers	2	\$2,000	\$13,585
Phillips Jr., Harry J.	Cornell Companies	3	\$4,800	\$12,300
Slattery, James F. & Diane L.	Correctional Services Corp.	2	\$0	\$8,205
Carothers, Arnold Wayne	Carothers Construction	1	\$6,750	\$6,750
Arnold, Sammie	West Tennessee Healthcare	1	\$6,025	\$6,025
Correnti, Mr. & Mrs. John D.	CCA	2	\$2,000	\$6,000
Burch III, Lucius E.	CCA	4	\$1,000	\$5,500
Eller, Mr. & Mrs. Timothy R.	Centex Construction	1	\$5,500	\$5,500
Prewitt, James F.	Cornell Companies	1	\$5,500	\$5,500
Ahlborg, Glenn R.	O. Ahlborg & Sons Construction	2	\$3,425	\$5,425
Babbio, Jr., Lawrence T. & Sheri	Aramark Corporation	2	\$2,000	\$4,950
Dominicis, Jorge A. & Virginia M.	GEO Group, Inc.	2	\$2,884	\$4,884
<b>TOTAL</b>			<b>\$180,234</b>	<b>\$330,024</b>

## FLORIDA

By Linda Casey

During the 2002 and 2004 election cycles, Florida political party committees and candidates received more money from private-prison interests than those in any other state. The \$648,700 that industry interests contributed accounted for nearly 18 percent of the \$3.3 million they gave across the country.

At this same time, Florida lawmakers were considering significant changes not only to the laws that govern the sentences given to people convicted of crimes, but also to the state commissions that oversee the operation of private prisons in the state. In fact, by 2004, they had abolished the Correctional Privatization Commission (CPC), resulting in a significant change in the oversight and administrative responsibilities of private correctional facilities.

Florida, unique in its approach to correctional facility oversight, created the CPC in 1993. Like most other states, Florida has a Department of Corrections (DOC) that is responsible for prisoner custody; unlike any other state, however, its legislature gave the responsibility for contracting for construction and operation of private correctional facilities to a separate entity, the CPC. The DOC and CPC responsibilities were separate by design. According to the Office of Program Policy Analysis and Government Accountability, the “commission was established in a manner to minimize the influence of the Department of Corrections upon its decisions.”<sup>21</sup>

Because the CPC operated independently from the Department of Corrections, it had the authority to “waive any rule, policy, or procedure of the Department of Corrections related to the operational standards of correctional facilities, if such rules, policies, and procedures are inconsistent with cost-effective privately operated prisons.”<sup>22</sup>

But in 2004, under pressure from private-prison firms and amid staff scandals, illegal hiring practices, and accusations of lax oversight, the Florida Legislature transferred the CPC’s responsibilities to the Department of Management Services (DMS), in a newly created DMS Bureau of Correctional Privatization.

The private-prison industry backed the CPC’s abolition because the commission was preparing to re-bid the operating contracts for three of the private prisons and enforce the requirement that private prisons operate at a cost at least 7 percent lower than the state’s cost would be.

### PRIVATE-PRISON GIVING

Florida’s two state party committees received the bulk of the industry’s contributions in Florida — 77.5 percent during the 2002 election cycle and nearly 80 percent during the 2004 cycle. The contributions overwhelmingly favored Republican recipients, who were the party in power.

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<sup>21</sup> “Florida Government Accountability Report: Correctional Privatization Commission Profile,” *Florida Office of Program Policy Analysis and Government Accountability*, [on-line]; available from <http://www.oppaga.state.fl.us/profiles/1058/right.asp?programnum=1058>; Internet; cached version accessed Nov. 8, 2005.

<sup>22</sup> *Ibid.*

Florida campaign-finance laws allow unlimited contributions to state parties. On the other hand, contributions to candidate committees are subject to stringent limits of only \$500 per candidate per election, or as much as \$1,500 in an election cycle if a special election is needed to decide a seat. Many individual contributors or companies could easily give the maximum amount allowed to a candidate's campaign.

**PRIVATE-PRISON CONTRIBUTIONS BY RECIPIENT TYPE, 2001-2004**

<b>TYPE</b>	<b>DEMOCRATS</b>	<b>REPUBLICANS</b>	<b>TOTAL</b>
Political Party Committees	\$67,100	\$443,525	\$510,625
Legislative Candidates	\$23,410	\$88,223	\$111,633
Gubernatorial Candidates	\$500	\$12,150	\$12,650
Other Statewide Candidates	\$2,850	\$10,950	\$13,800
<b>TOTAL</b>	<b>\$93,860</b>	<b>\$554,848</b>	<b>\$648,708</b>

Nearly all of the contributions from private-prison interests came from the companies themselves, rather than company executives, members of their boards of directors, or subcontractors who work with the companies. The companies gave about \$553,000 of the \$648,700 total. Lobbyists who counted prison interests among their clients gave another \$79,000.

Many of the legislative candidates who received funds ended up on committees responsible for making decisions affecting the state's corrections industry and private prisons, including the fate of the bill in 2004 that abolished the oversight commission

House Bill 1875 in 2004 eliminated the embattled Correctional Privatization Commission (CPC), charged with private-prison oversight. The commission had been targeted for elimination in the past, but those efforts had failed.

The 2001 Legislature heard two bills to abolish the CPC and transfer its duties to the Department of Corrections, but SB 832 and HB 727 were amended, and the CPC avoided the axe. The new legislation (HB 727 as amended) merely directed the commission to limit the activities of its commissioners and staff.<sup>23</sup>

By 2004, private-prison interests favored elimination of the CPC because in 2002, a newly appointed commission decided it wanted to re-open bids for the private-prison contracts rather than extend the existing contracts.

Alan Duffee, director of the commission before it was abolished, told the *Tallahassee Democrat* that Florida lawmakers would direct the commission to extend contracts rather than re-bid them competitively. The private-prison companies would bring in lobbyists to keep competition out and protect their interests.<sup>24</sup> The problem with privatization, Duffee said, is "when you put government up against private, for-profit groups, private-for-profit is going to win every time."<sup>25</sup>

<sup>23</sup> Edwin Bender, "A Contributing Influence: Private-Prison Industry and Political Giving in the South," *Institute on Money in State Politics*, April 28, 2002, p. 20-22.

<sup>24</sup> Bill Cotterell, "State Audit Hammers Prison Panel," *Tallahassee Democrat*, July 26, 2005.

<sup>25</sup> *Ibid.*

During the six-month period leading up to the demise of the CPC, between October 2003 and March 2004, the private-prison industry gave 40 legislators a total of \$25,450. Thirty-five percent, or \$8,850, of that total was given in the first days of March just before the 2004 session began. Seventeen of the 40 recipients were members of committees hearing the bill.

Also during that six-month period, the two state political parties received \$30,000 in contributions — \$4,000 to Democrats and \$26,000 to Republicans. And in April 2004, during the legislative session, the Florida Republican Party received another \$10,000 from the GEO Group, Inc. which operates three of the six private prisons in Florida.

## HISTORY OF PRIVATIZATION IN FLORIDA

A brief history of Florida's correctional system provides some insight into the factors impacting the system.

First, the 1993 Florida Legislature created the five-member Correctional Privatization Commission (CPC), appointed by the governor, to oversee Florida's private prisons. The commission was to contract with private companies to "build and operate prisons at a cost of at least 7 percent less than the state."<sup>26</sup>

Second, Florida granted five private-prison contracts to two companies — Wackenhut Corrections (later known as GEO Group, Inc.)<sup>27</sup> and the Corrections Corporation of America (CCA). The two firms opened their facilities between 1995 and 1997; all five still operate today, and a sixth is slated to open in Jackson County near Graceville in 2008. GEO Group was awarded the contract to operate the new Graceville facility.<sup>28</sup> Gov. Bush had vetoed a 2003 bill calling for construction of a private prison in Graceville. However, by 2004 the governor conceded, and the 1,500-bed project is going ahead as planned.

Florida is the only state in the country in which a state corrections department does not administer private correctional facilities.<sup>29</sup> But the state hasn't been short on administrative and oversight commissions or agencies with differing roles and responsibilities in regards to correctional facilities.

The oversight of private prisons originally was given to the now-defunct CPC. The Department of Management Services (DMS) now has administrative and oversight responsibilities for Florida's private prisons. In addition, the Department of Corrections has administrative and oversight authority over state prisons.

And finally, not to be confused with the CPC, the Florida Corrections Commission, a nine-member board, appointed by the governor, was "established by the Legislature to provide oversight to the state's correctional system and provide policy and budget recommendations to the

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<sup>26</sup> "Florida Corrections Century of Progress — 1992-1995," *Florida Department of Corrections* [on-line]; available from <http://www.dc.state.fl.us/oth/timeline/1992-1995a.html>; Internet; accessed Dec. 15, 2005.

<sup>27</sup> Contributions attributed to Wackenhut Corrections or GEO Group, Inc. for the 2002 and 2004 election cycles are detailed separately in this report. Half-way through the 2004 election cycle, on Nov. 25, 2003, Wackenhut Corrections changed its name to GEO Group, Inc.

<sup>28</sup> Bill Cotterell, "DMS: Private Prison Will Save \$10M; PBA Says Project Will Cost Taxpayers More Long Term," *Tallahassee Democrat*, Oct. 1, 2005, sec. A, p. 1.

<sup>29</sup> "Contract Management of Private Correctional Facilities," *Department of Management Services, Office of Inspector General*, June 30, 2005, p. 3.

Governor and Legislature.”<sup>30</sup> The commission is also charged with resolving disputes between the Department of Corrections and private-prison contractors.<sup>31</sup> Interestingly, in its November 2003 annual report, the Florida Corrections Commission recommended the transfer of CPC duties to the Department of Corrections, which runs the state-operated prisons.<sup>32</sup> However, the responsibility remains with the Department of Management Services.

The private prisons opened at a time of continued toughening of Florida’s sentencing laws. Additional prison beds became necessary in the wake of new get-tough-on-crime policies, including the so-called “Truth-in-Sentencing Law” that required all offenders to serve a minimum of 85 percent of their sentences. The state also put into effect laws requiring longer prison terms for violent offenders, some repeat offenders, and people convicted of crimes in which a firearm was present.

Florida’s prison population has increased steadily since 1994. In the late 1980s, the Department of Corrections had instituted so-called “gain time” to allow earlier release of inmates to prevent anticipated overcrowding. But in December 1994, the early release credits were discontinued, because of a “reduction in prison admissions and a massive and accelerated prison-building program.”<sup>33</sup> The 2003-2004 Annual Report of the Department of Corrections shows inmate population increasing from 56,052 in 1994 to 81,974 by 2004.<sup>34</sup> The department predicts the inmate populations could reach 99,870 by 2010.<sup>35</sup>

## PRIVATIZATION OPPONENTS

Not everyone in Florida agrees with the value of privatized prisons, including the state’s top-elected official — Gov. Jeb Bush. But the strongest opposition comes from the Florida Police Benevolent Association (FPBA) and in particular its affiliate, the Correctional Officers Association.

The FPBA is a lobby powerhouse with deep pockets. The association, along with the Correctional Officers Association and two FPBA-organized political committees (the Law and Order PAC and the Justice PAC), gave \$808,266 to Florida state party committees and candidates during the 2002 and 2004 election cycles.

Just as the private-prison interests favored Republican committees and candidates, so did the FPBA. Republicans received \$574,300, compared with the nearly \$234,000 given to Democrats.

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<sup>30</sup> *Florida Corrections Commission* [on-line]; available from <http://www.fcc.state.fl.us>; Internet; accessed Dec. 15, 2005.

<sup>31</sup> “Florida Government Accountability Report on the Correctional Privatization Commission,” *Florida Office of Program Policy Analysis and Government Accountability* [on-line]; <http://www.oppaga.state.fl.us/profiles/1058/right.asp?programnum=1058>; Internet; cached version accessed Dec. 15, 2005.

<sup>32</sup> Bill Cotterell, “Senate Panel Votes to Ax Agency; Agency Oversees Several Prisons,” *Tallahassee Democrat*, March 26, 2004, sec. A, p. 8.

<sup>33</sup> “Historical Summary of Sentencing and Punishment in Florida,” *Florida Department of Corrections* [on-line]; available from <http://www.dc.state.fl.us/pub/history/index.html>; Internet; accessed Dec. 15, 2005.

<sup>34</sup> “Florida Prison Population Jumps 6.0% Since Last Fiscal Year,” 2003-2004 Annual Report – Inmate Population, *Florida Department of Corrections*, [on-line]; available from [http://www.dc.state.fl.us/pub/annual/0304/stats/im\\_pop.html](http://www.dc.state.fl.us/pub/annual/0304/stats/im_pop.html); Internet; accessed Nov. 2, 2005.

<sup>35</sup> “Bush/Jennings FY 2005-06 Budget Recommendations Supports Department of Corrections Core Mission,” *Florida Department of Corrections*, Jan. 18, 2005 [on-line]; available from <http://www.dc.state.fl.us/secretary/press/2005/budget.html>; Internet; accessed Nov. 1, 2005.

FPBA contributions came from the four different PACs and went primarily to political party committees and legislative candidates. The organizations gave about \$547,000 to party committees and \$257,300 to legislative candidates. Another \$3,500 went to three candidates vying for the open attorney general seat in 2002 race, including \$1,500 to winner Charlie Crist, who is now running for governor. The FPBA has endorsed Crist in the 2006 governor's race.<sup>36</sup>

## LEGISLATION AND CAMPAIGN CONTRIBUTIONS

During the 2003 legislative session, a couple of key bills were introduced to ease sentencing laws. In 2004, much of the prison-related legislation focused on eliminating the controversial Correctional Privatization Commission, which had been the target of similar but unsuccessful efforts in the past.

### *Sentencing Changes*

Two bills to reduce the amount of time prisoners served and, theoretically, to ease prison overcrowding were introduced in the 2003 Legislature. They would have changed a 1995 law that required prisoners to serve a minimum 85 percent of their sentences, reducing it instead to 65 percent and allowing the Department of Corrections to increase the amount of "gain time" prisoners could earn toward reducing their sentences.

Both bills died, with no record of ever having come to a vote in the committee. In fact, Florida State Archivist Boyd Murphree said no records exist showing that either bill received a hearing or even that a hearing date was set.<sup>37</sup> If the private-prison industry expressed an interest in the passage or defeat of the gain-time legislation, it is not part of public record.

House Bill 1191, introduced by Democratic Rep. James (Hank) Harper, died in the Public Safety and Crime Prevention Subcommittee on Criminal Justice. Four of the seven subcommittee members received contributions from private-prison industry interests before or after the 2003 session.

## CONTRIBUTIONS TO HOUSE PUBLIC SAFETY AND CRIME PREVENTION SUBCOMMITTEE MEMBERS, 2001-2004

<b>MEMBER</b>	<b>DISTRICT</b>	<b>PARTY</b>	<b>TOTAL</b>
Meadows, Matthew J.	94	Democrat	\$1,000
Forentino, Heather	46	Republican	\$500
Garcia, Rene	110	Republican	\$500
Antone, Bruce (Vice Chairman)	39	Democrat	\$250
Kravitz, Dick (Chairman)	19	Republican	\$0
Adams, Sandra (Sandy)	33	Republican	\$0
Gibson, Hugh H.	42	Republican	\$0
<b>TOTAL</b>			<b>\$2,250</b>

<sup>36</sup> The Florida Police Benevolent Association's Web site home page displayed a banner stating "The Florida Benevolent Police Association Proudly Support Charlie Crist for Governor." Available from <http://www.flpba.org/index.htm>; Internet; accessed Jan. 23, 2006.

<sup>37</sup> Telephone interview with Boyd Murphree, Florida State Archivist, Jan. 17, 2006.

Senate Bill 618, an identical measure introduced by Democratic Sen. Les Miller Jr., died in the Senate Committee on Criminal Justice. All eight members of the committee received contributions from private-prison interests between Jan. 1, 2001, and Dec. 31, 2004.

**CONTRIBUTIONS TO SENATE CRIMINAL JUSTICE COMMITTEE MEMBERS, 2001-2004**

<b>MEMBER</b>	<b>DISTRICT</b>	<b>PARTY</b>	<b>TOTAL</b>
Fasano, Mike	11	Republican	\$2,250
Argenziano, Nancy	3	Republican	\$1,500
Crist, Victor D.	12	Republican	\$1,000
Geller, Steven A.	31	Democrat	\$1,000
Smith, Rod (Vice Chairman)	14	Democrat	\$1,000
Hill Sr., Anthony C. (Tony)	1	Democrat	\$500
Villalobos, J. Alex (Chairman)	38	Republican	\$500
Lynn, Evelyn J.	7	Republican	\$250
		<b>TOTAL</b>	<b>\$8,000</b>

Another pair of bills during the 2003 session responded to revised projections showing that the state’s prison population exceeded the 2002 projections by 2,695 inmates.<sup>38</sup>

House Bill 3-D and Senate Bill 4-D allowed the Department of Corrections to add personnel and provided the funding to do so in the 2003-04 fiscal year if the actual number of inmates exceeded projections. Both bills asked for an increase of nearly \$66 million in the DOC budget and called for the construction of a new state-operated (not private) facility, as well as construction of annexes to two existing state-operated facilities. The final bill removed the proposed new facility and called for re-opening an existing state-operated facility.

The original versions of both measures also asked that the CPC be awarded \$75,000 to seek proposals for the design, construction and operation of a new private facility. But missing from the final version of the bill was any mention of the CPC. The initiation of any new prison construction was left to the discretion of the governor.

House Bill 3-D, introduced by Republican Rep. Bruce Kyle, substituted for Senate Bill 4-D. It was passed and signed into law.

Before being substituted with HB 3-D, the Senate’s version of the bill — introduced by Republican Sen. Victor D. Crist — won approval in the Senate Appropriations Subcommittee on Criminal Justice, with four of the five members voting in favor. The lone Democrat, Sen. M. Mandy Dawson, voted against it. The bill directed the CPC to request bids for design, construction and operation of an 1,800-bed prison. In addition, it gave the Department of Corrections the authority to contract for a 1,380-bed annex at the Santa Rosa Correctional Facility and add dormitories in existing facilities, while also providing funding for another 1,380-bed annex at the Washington Correctional Institution.

<sup>38</sup> “Senate Staff Analysis and Economic Impact Statement for SB 4-D,” *The Florida Senate*, Aug. 12, 2003 [online]; available from <http://www.flsenate.gov/data/session/2003D/Senate/bills/analysis/pdf/2003s0004D.ap.pdf>; Internet; accessed Dec. 20, 2005.

In the end, the private-prison industry was not afforded the opportunity to bid on a new facility.

**CONTRIBUTIONS TO SENATE CRIMINAL JUSTICE SUBCOMMITTEE MEMBERS, 2001-2004**

<b>MEMBER</b>	<b>DISTRICT</b>	<b>PARTY</b>	<b>SB 4-D VOTE</b>	<b>TOTAL</b>
Fasano, Mike	11	Republican	Yes	\$2,250
Argenziano, Nancy	3	Republican	Yes	\$1,500
Crist, Victor D. (Chairman)	12	Republican	Yes	\$1,000
Dawson, M. Mandy	29	Democrat	No	\$500
Constantine, Lee	22	Republican	Yes	\$0
			<b>TOTAL</b>	<b>\$5,250</b>

In the Senate’s final floor vote on the House version, HB 3-D, all but three Democratic senators voted in favor of the measure. Sens. Debbie Wasserman Schultz, Lesley (Les) Miller, Jr. and Gary Siplin all were excused from the vote. This version of the bill did not contain the provision allowing the CPC to take bids on a new prison.

All but 11 of the 40 senators received contributions from private-prison interests during the 2002 and 2004 election cycles for a total of \$38,882. Contributions ranged from a high of \$3,500 to Republican Senate President James King Jr. to \$250 to Evelyn Lynn, also a Republican. Those senators voting in favor of the legislation received a combined \$38,382. Of the three members who did not vote, only Sen. Wasserman Schultz received a \$500 contributions from Wackenhut Corrections.

HB 3-D won House passage on a 90-23 vote, with seven members not voting. Again, the CPC was not mentioned, and the discretion for any new prison construction was left to the governor. Sixty-three of the 120 House members received private-prison contributions totaling \$63,083. Those members voting in favor of the legislation received \$56,573, while those voting against received \$5,010. The seven members who did not vote or were excused received \$1,500. The contributions ranged from a high of \$3,173 for one of the measure’s sponsors, Republican Bruce Kyle, to a low of \$100 for Democrat Dan Gelber.

In the end, the private-prison industry was not afforded the opportunity to bid on a new facility. Interestingly, the industry did not go on record as either in support of or opposition to either measure.

*2004 Legislative Session*

By the time the 2004 legislative session began, the focus was back on the Correctional Privatization Commission, and the writing was on the wall for the embattled commission.

The CPC had experienced a myriad of problems, from staff scandals to allegations of misappropriated monies. In addition, the private-prison industry was pushing for its elimination because the commission was planning to re-open the bidding process for the five private-prison contracts it administered. Legislation in both chambers — House Bill 1875 and Senate Bill 1268 — called for the Department of Management Services to assume the CPC’s duties and responsibilities for private prisons.

The private-prison vendors, not eager to have their contracts reopened for bid, lobbied to eliminate the CPC. The *St. Petersburg Times* reported that CCA and the GEO Group, Inc. “have been successful since at least 2002 in thwarting efforts to rebid their contracts.”<sup>39</sup> A former CPC director told the *Tallahassee Democrat* that in the past, the Florida Legislature would direct the commission to extend rather than re-bid the contracts. But that changed in 2002, when the newly appointed commission members wanted to re-bid the contracts.<sup>40</sup> The elimination of the commission would take care of that re-bidding issue.

In fact, CPC member Sam Block of Vero Beach told the *Tallahassee Democrat* that “... the vendors wanted the commission’s demise just as soon as we said we were going to rebid the contracts.”<sup>41</sup> Another commissioner, Bob Ryals, told the *St. Petersburg Times*: “They’ve [Corrections Corporation of America] got their high-powered lobbyists, and I’m just so angry that I can hardly talk about it.”<sup>42</sup>

Enmeshed in this debate was the decision about which agency would get the CPC’s duties — the Department of Corrections or the Department of Management Services. Gov. Jeb Bush wanted to give the DOC responsibility for private prisons, but the Legislature didn’t share those sentiments. That’s not what the DMS wanted, either. Its June 2005 report acknowledged its responsibility for the administration of private prisons, but recommended that the responsibility be turned over to the Department of Corrections. Even the Florida Corrections Commission had weighed in on the issue in its 2003 annual report, suggesting the DOC administer the private prisons.

In the end, aided by legislators, the industry’s lobbyists prevailed; the CPC was abolished, with the DMS assuming its responsibilities. The governor couldn’t veto the bill because he’d made some budgetary concessions — the victory went to the other side. House Bill 1875, as amended by conference committee, was signed into law.

Senate Bill 1268, introduced by Sen. Charlie Clary, also would have abolished the CPC. That measure passed out of the Senate Appropriations Committee on a unanimous vote.

Private-prison interests contributed to five members of the Senate committee between October 2003 and March 2004. The contributions to those five members accounted for \$3,000 of the \$10,500 private-prison interests gave to lawmakers during the six-month period, with \$1,000 of the \$3,000 given in March 2004, the month the legislative session started.

The following table details the contributions given to members of the 2004 Senate Appropriations Committee, showing contributions made in the 6-month period prior to the 2004 legislative session, as well as the total contributions each of these senators received during the period studied — the 2002 and 2004 election cycles.

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<sup>39</sup> Joni James, “Audit: 2 Prison Vendors Overpaid,” *St. Petersburg Times*, July 27, 2005, sec. B, p. 1.

<sup>40</sup> Bill Cotterell, “State Audit Hammers Prison Panel,” *Tallahassee Democrat*, July 26, 2005.

<sup>41</sup> Bill Cotterell, “Prison Contracts Get Another Vote Gov. Bush Spurred Additional Meeting,” *Tallahassee Democrat*, May 26, 2004, sec. B, p. 4.

<sup>42</sup> Editorial, “Privatization Nightmare,” *St. Petersburg Times*, May 1, 2004, sec. A, p. 14.

**CONTRIBUTIONS TO SENATE APPROPRIATIONS COMMITTEE MEMBERS, 2001-2004**

<b>RECIPIENT</b>	<b>PARTY</b>	<b>6 MONTHS PRIOR TO SESSION</b>	<b>TOTAL</b>
Carlton, Lisa	Republican	\$1,000	\$1,500
Jones, Dennis L.	Republican	\$750	\$2,000
Dawson, M. Mandy	Democrat	\$500	\$500
Hill Sr., Anthony C. (Tony)	Democrat	\$500	\$500
Dockery, Paula B.	Republican	\$250	\$1,500
Clary, Charlie	Republican	\$0	\$1,000
Crist, Victor D.	Republican	\$0	\$1,000
Diaz de la Portilla, Alex	Republican	\$0	\$1,000
Klein, Ron	Democrat	\$0	\$500
Lawson, Alfred (Al)	Democrat	\$0	\$0
Lee, Tom	Republican	\$0	\$500
Miller Jr., Lesley (Les)	Democrat	\$0	\$0
Peaden Jr., Durell	Republican	\$0	\$500
Pruitt, Ken (Chairman)	Republican	\$0	\$500
Wasserman Schultz, Debbie (Vice Chair)	Democrat	\$0	\$500
Smith, Rob	Democrat	\$0	\$1,000
Villalobos, J. Alex	Republican	\$0	\$500
Webster, Daniel	Republican	\$0	\$500
<b>TOTAL</b>		<b>\$3,000</b>	<b>\$13,500</b>

HB 1875, meanwhile, moved ahead after its committee vote and won approval from the full House on a 118-0 vote, with two representatives not voting. After conference committees ironed out amendments to the bill, the Legislature unanimously approved it, and the governor signed it into law. The CPC was eliminated and its duties placed in the hands of the Department of Management Services (DMS).

In the six-month period leading up to the 2004 session and HB 1875's introduction, private-prison interests gave \$56,450 — \$31,000 to the two state political parties (\$5,000 to Democrats and \$26,000 to Republicans) and \$25,450 to 40 legislators, favoring Republicans with \$18,250 and giving Democratic legislators \$7,200.

Thirty members of the 39-member Senate Conference Committee on HB 1875 received nearly \$27,900 in private-prison contributions during the four-year study period. Of that, \$9,000 was given to 16 senators during the six-month period prior to the 2004 legislative session, representing nearly one-half of the money those 16 senators received from private-prison interests in the two cycles combined.

**CONTRIBUTIONS TO HB 1875 SENATE CONFERENCE COMMITTEE MEMBERS,  
2001-2004**

<b>RECIPIENT</b>	<b>PARTY</b>	<b>6 MONTHS PRIOR TO SESSION</b>	<b>TOTAL</b>
Aronberg, Dave	Democrat	\$1,000	\$1,000
Carlton, Lisa	Republican	\$1,000	\$1,500
Argenziano, Nancy	Republican	\$750	\$1,500
Jones, Dennis L.	Republican	\$750	\$2,000
Alexander, J.D.	Republican	\$500	\$1,000
Bennett, Michael S.	Republican	\$500	\$1,532
Bullard, Larcenia J.	Democrat	\$500	\$500
Dawson, M. Mandy	Democrat	\$500	\$500
Fasano, Mike	Republican	\$500	\$2,250
Geller, Steven A.	Democrat	\$500	\$1,000
Hill Sr., Anthony C. (Tony)	Republican	\$500	\$500
Saunders, Burt L.	Republican	\$500	\$500
Wilson, Frederica S.	Democrat	\$500	\$500
Wise, Stephen R.	Republican	\$500	\$750
Atwater, Jeff	Republican	\$250	\$1,600
Dockery, Paula B.	Republican	\$250	\$1,500
Pruitt, Ken (Chairman)	Republican	\$0	\$500
<b>TOTAL</b>		<b>\$9,000</b>	<b>\$18,632</b>

House Bill 1875 as amended passed the Senate with only three senators not recording a vote — Sens. M. Mandy Dawson and James E. King did not vote, while Victor D. Crist was excused. Of the 21 House members who received contributions from private-prison interest during the six-month period prior to the 2004 legislative session, 11 served on the House Conference Committee on House Bill 1875, which took no recorded vote on the measure. The members are listed below.

**CONTRIBUTIONS TO HB 1875 HOUSE CONFERENCE COMMITTEE MEMBERS, 2001-2004**

<b>MEMBER</b>	<b>PARTY</b>	<b>6 MONTHS PRIOR TO SESSION</b>	<b>TOTAL</b>
Kyle, Bruce (Chairman)	Republican	\$1,500	\$3,173
Rubio, Marco	Republican	\$1,500	\$2,000
Henriquez, Bob	Democrat	\$1,000	\$2,250
Arza, Rafael	Republican	\$500	\$500
Barreiro, Gustavo A.	Republican	\$500	\$1,500
Bense, Allan George	Republican	\$500	\$2,000
Brown, Donald D.	Republican	\$500	\$1,500
Holloway, Wilbert T.	Democrat	\$500	\$1,000
Kottkamp, Jeff	Republican	\$500	\$2,000
Robaina, Julio	Republican	\$500	\$500
Troutman, Baxter G.	Republican	\$500	\$500
Murman, Sandra C. (Vice Chair)	Republican	\$0	\$1,500
<b>TOTAL</b>		<b>\$8,000</b>	<b>\$18,423</b>

HB 1875 was approved by the full House, with all members voting in favor except three Republicans who did not vote — Rep. Gus Michael Bilirakis, Manuel Prieguez and Baxter G. Troutman.

Why so much emphasis on a bill, that for all practical purposes, eliminates a private-prison oversight agency? In June 2005, after taking on oversight responsibilities, the Department of Management Services (DMS) concluded that the CPC had failed to provide adequate oversight and take appropriate action when contract provisions were not followed. The DMS found payments were made to vendors for vacant staff positions; overpayment to vendors went unrecouped; contractual requirements and state laws were violated; commissary, telephone and vendor funds were misused; and contracts were modified, favoring the vendors. The DMS found that the “CPC consistently failed to safeguard the State’s interests” and the review showed “numerous instances where vendor’s interest were considered over the State’s interests.”<sup>43</sup>

The vendors, CCA and Wackenhut Corrections (later known as GEO Group, Inc.), operated the five private prisons in Florida. A sixth facility contract for design, construction and operation was granted to GEO Group, Inc. in October 2005 and is scheduled to open in 2007. The \$25,450 given to Florida lawmakers in the six-month period leading up to the 2004 legislative session includes contributions from those prison companies, their executives, directors and lobbyists.

After the legislative session and the elimination of the CPC, the prison industry continued its support of Florida’s candidates and party committees. From April through December 2004, the industry’s contributions totaled \$179,842. Once again, contributors favored Republicans, giving GOP candidates about \$13,900 of the \$17,767 they gave to legislative candidates, and giving the Florida Republican Party \$145,075 of the \$162,075 they gave to state political party committees.

## BUDGETS AND PRISON POPULATIONS

No one has been able to say, with any certainty, whether the private-prison enterprises, sold to the state as money-saving programs, have succeeded in saving anything.

But one thing is certain — the Florida Department of Corrections’ budget has increased. Its total operating funds went up 36 percent between FY 1996 and FY 2004, from \$1.32 billion to \$1.79 billion. The budget increased again for FY 2005, to \$2 billion.

As of June 30, 2004, only 6.5 percent of Florida’s prison population was housed in private prisons. But there’s still a lot at stake.

Currently just two industry giants are under contract with the state. But in a state where the prison population increased 27 percent over a seven-year period — from 64,333 in June 1996 to more than 81,974 in June 2004 — prison space may remain at a premium, and the days of empty prison beds are gone. Predictions call for continued increased numbers. According to the Criminal Justice Estimating Conference (CJEC), projections show an anticipated prison population reaching 99,870 by 2010.

The 2005-2006 budget added 1,074 new private beds, which will be added to the private prisons whose contracts the CPC (before it was axed) had attempted to re-bid. The same companies that

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<sup>43</sup> “Contract Management of Private Correctional Facilities,” *Department of Management Services, Office of Inspector General*, June 30, 2005, p. 7.

had successfully avoided the re-bidding and were the subject of a far-from-flattering report are being awarded additional beds.<sup>44</sup>

## PRIVATE-PRISON INDUSTRY CONTRIBUTIONS

### *Prison Industry Contributors*

Prison companies are responsible for 85 percent of the industry's contributions to Florida candidates and party committees.

The prison industry subcontractors identified for this study included construction firms, food services and healthcare services. However, they account for only a small percentage of the contributions in Florida. On the other hand, the two companies operating private prisons, along with their executives and lobbyists, accounted for \$338,557, or 84.5 percent, of the 2002 contributions and \$201,517, or 81.2 percent, of the 2004 contributions.

## PRISON-INDUSTRY CONTRIBUTIONS IN FLORIDA, 2001-2004

CONTRIBUTOR	POSITION	COMPANY	TOTAL
Wackenhut Corrections*	Prison company	Wackenhut	\$283,450
<b>WACKENHUT TOTAL</b>			<b>\$283,450</b>
CCA	Prison Company	CCA	\$115,250
Bradshaw, Paul R.	Lobbyist	CCA	\$23,500
Rancourt, David A. & Regan	Lobbyist	CCA	\$21,525
Bryan, Matthew A.	Lobbyist	CCA	\$4,932
Dudley, Christopher F.	Lobbyist	CCA	\$4,250
Villella, Ronald	Lobbyist	CCA	\$750
<b>CCA TOTAL</b>			<b>\$170,207</b>
CSC	Prison Company	CSC	\$81,075
Metz, Stephen W.	Lobbyist	CSC	\$5,850
Daughton Jr., James R.	Lobbyist	CSC	\$1,200
Sheheane, G. Herb	Lobbyist	CSC	\$500
Becker, Geoffrey	Lobbyist	CSC	\$75
<b>CSC TOTAL</b>			<b>\$88,700</b>
GEO Group, Inc.*	Prison Company	GEO Group	\$73,284
Hance, Kent	Lobbyist	GEO Group	\$5,000
Dominicis, Jorge A. & Virginia M.	Prison Company Executive	GEO Group	\$2,884
Zoley, George C. & Donna C.	Prison Company Executive	GEO Group	\$1,500
Calabrese, Wayne H.	Prison Company Executive	GEO Group	\$750
Hurley, John M.	Prison Company Executive	GEO Group	\$750
Chamizo, Jorge	Lobbyist	GEO Group	\$500
McKinnon, Pamela	Lobbyist	GEO Group	\$500
Mirabella, Frank	Lobbyist	GEO Group	\$500
Yaeger, Donald W.	Lobbyist	GEO Group	\$500
Keens, Donald	Prison Company Executive	GEO Group	\$250
<b>GEO GROUP TOTAL</b>			<b>\$86,417</b>

<sup>44</sup> Joni James, "Private Prison Contracts May Get a Pass," *St. Petersburg Times*, May 5, 2005 [newspaper online]; available from [http://www.sptimes.com/2005/05/05/news\\_pf/State/Private\\_prison\\_contra.shtml](http://www.sptimes.com/2005/05/05/news_pf/State/Private_prison_contra.shtml); Internet; accessed Jan. 18, 2006.

<b>CONTRIBUTOR</b>	<b>POSITION</b>	<b>COMPANY</b>	<b>TOTAL</b>
Aramark Corp.	Food Service Subcontractor	Aramark	\$6,000
May, Brian E.	Lobbyist	Aramark	\$4,000
Dudley, Charles F.	Lobbyist	Aramark	\$1,673
Maloy, Patrick R.	Lobbyist	Aramark	\$1,000
Paese, Thomas G.	Lobbyist	Aramark	\$500
<b>ARAMARK TOTAL</b>			<b>\$13,173</b>
Adams, Ted	Construction Executive	Centex	\$750
Centex Construction	Construction Company	Centex	\$500
<b>CENTEX TOTAL</b>			<b>\$1,250</b>
Bantry Group Corp.	Healthcare Subcontractor	Bantry Group	\$1,000
Patchett, R. Dale	Lobbyist	MTC	\$600
Stokes, Spencer F.	Lobbyist	MTC	\$150
<b>MTC TOTAL</b>			<b>\$750</b>
Ainslie, Michael L. & Suzanne L.	Investment Firm Director	Lehman Brothers	\$1,500
Bantry Group Corp.	Healthcare Subcontractor	Bantry Group	\$1,000
Rapp, Stanley I.	Lobbyist	Cornell	\$500
Hensel Phelps Construction Co.	Construction Company	Hensel Phelps	\$500
Moss Construction Management	Construction Company	Moss	\$500
Wexford Health Sources	Healthcare Subcontractor	Wexford	\$500
Sharkey, Jeffrey	Lobbyist	CiviGenics	\$260
<b>TOTAL OTHER CONTRIBUTORS</b>			<b>\$4,760</b>
<b>TOTAL</b>			<b>\$648,708</b>

MTC = Management & Training Corp.

CCA = Corrections Corporation of America

CSC = Correctional Services Corp.

\* GEO Group formerly operated as Wackenhut Corrections, a unit of Wackenhut Corp.

#### *About the Top Three Contributors*

GEO Group Inc./Wackenhut tops the 2002-2004 contributor list, with about \$369,000 in contributions. Almost all of those funds — \$355,734 — came from the company itself. Company executives gave \$6,130, and lobbyists whose clients included GEO gave \$7,000. GEO Group/Wackenhut operates three private prisons in Florida.

Corrections Corporation of America lobbyists account for \$54,957 of CCA's \$170,207 in contributions, while CCA itself gave \$115,250. CCA operates three private prisons in Florida.

A Sarasota-based company with no private-prison contracts in Florida, the Correctional Services Corp. (CSC) gave \$81,075 during the study period, while its lobbyists gave \$7,625. CSC was acquired by GEO Group, Inc. in November 2005.

#### *Lobbyists and Lobbying Firms*

Lobbyists account for a large amount of the dollars contributed to Florida lawmakers and party committees. All lobbyists, with the exception of Aramark Corp., a food services subcontractor, represented private-prison firms.

## TEXAS

By Linda Casey

Texas candidates and party committees ranked second among the states in contributions received from private-prison interests, with \$518,900, thanks largely to the generosity of a high-profile Texas lobbyist who counted a corrections firm among his clients and whose contributions account for more than 52 percent of the total attributed to the private-prison industry.

The remainder came mainly from other paid lobbyists for the private-prison industry, prison companies, their executives and directors. In fact, 70 percent of the funds contributed by private-prison interests came from lobbyists, who often work on behalf of more than one client. Another 14 percent came from individuals who served on the boards of directors for prison firms, while the companies themselves gave about 9 percent of the total.

Three firms have operated seven private prisons in Texas in recent years: the GEO Group, Inc.,<sup>45</sup> Corrections Corporation of America (CCA) and Management and Training Corp. (MTC). Currently, GEO Group operates four facilities, while CCA runs two and MTC operates one.

Legislative candidates received the largest portion of the money, with contributions to gubernatorial candidates a close second. Most of the money given to candidates running for governor or lieutenant governor went to incumbent Gov. Rick Perry.

### PRIVATE-PRISON CONTRIBUTIONS BY RECIPIENT TYPE, 2001-2004

<b>TYPE</b>	<b>DEMOCRATS</b>	<b>REPUBLICANS</b>	<b>TOTAL</b>
Legislative Candidates	\$40,781	\$162,550	\$203,331
Gubernatorial Candidates	\$11,950	\$160,163	\$172,113
Other Statewide Candidates	\$0	\$120,698	\$120,698
Political Party Committees	\$250	\$17,500	\$17,750
Supreme Court Candidates	\$500	\$4,500	\$5,000
<b>TOTAL</b>	<b>\$53,481</b>	<b>\$465,411</b>	<b>\$518,892</b>

The bulk of the industry's contributions went to key legislators. Topping the list are chairmen and members of committees responsible for hearing criminal justice legislation, issues related to sentencing and issues around the operation of private prisons.

### MAINTAINING RELATIONSHIPS WITH THE GATEKEEPERS

Legislative leadership positions in Texas include the lieutenant governor, who acts as the president of the Senate, and an elected speaker of the House. Rep. Tom Craddick served as speaker for the legislative sessions covered by the study period, while Texas Lt. Gov. David Dewhurst served as president of the Senate. Dewhurst received \$53,250 from prison interests, while Rep. Craddick received \$34,900.

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<sup>45</sup> Halfway through the 2004 election cycle, Wackenhut Corrections changed its name to GEO Group, Inc. Contributions attributed to Wackenhut or GEO Group for the 2002 and 2004 election cycles are detailed separately in this report.

Incumbents officeholders received \$415,000, or 83 percent of the \$510,100 that went to candidates. Incumbents typically have a greater chance of winning their races than do the candidates opposing them, because of the name recognition they have earned and the fund-raising contacts they have built up while in office. In fact, 29 percent of the contributions to candidates went to incumbents who were already in office and were not seeking re-election during the election cycle in which they received the funds; instead, they were raising money for future races.

*Contributions to Legislative Candidates*

Texas, known for its tough-on-crime attitude, continues to elect and re-elect legislators with that same attitude. Lawmakers considered numerous bills involving sentencing and criminal-justice policy during the legislative sessions between 2003 and 2005. Hundreds of bills were heard in two committees — the Senate Committee on Criminal Justice and the House Corrections Committee, both of which hear legislation related to the prison industry, as well as sentencing and criminal-justice issues.

The private-prison industry gave generously to powerful, well-established lawmakers in both committees. Contributions to the members of those committees account for \$42,315, or 8 percent of the overall total contributions private-prison interests gave in Texas and 21 percent of the \$203,331 given to Texas legislators specifically.

Seven of the 12 representatives who served as members of the House Committee on Corrections during the 2003 and/or 2005 sessions received prison-industry funds. Two of them — Republicans Ray Allen and Patrick Haggerty — served in both the 2003 and 2005 legislative sessions. The other members of the committee served only one session on the committee.

Lawmakers who headed the committees as chairmen or vice chairmen received the largest portion of the contributions to committee members. In fact, 59 percent of the \$20,865 given to members of the House Corrections Committee went to the chairmen and/or vice chairmen. And 64 percent of the \$21,450 given to members of the Senate Committee on Criminal Justice went to the chairman and/or vice chairmen.

The following tables detail contributions to those committee members

**CONTRIBUTIONS TO HOUSE CORRECTIONS COMMITTEE MEMBERS, 2001-2004**

<b>RECIPIENT</b>	<b>PARTY</b>	<b>2002</b>	<b>2004</b>	<b>TOTAL</b>
Allen, Ray (Chairman, 2003)	Republican	\$1,500	\$7,000	\$8,500
Stick, Jack	Republican	\$1,000	\$3,765	\$4,765
Haggerty, Patrick B.	Republican	\$2,000	\$1,500	\$3,500
Hopson, Chuck (Vice Chairman, 2003)	Democrat	\$500	\$2,250	\$2,750
Jones, Delwin L. (Vice Chairman, 2005)	Republican	\$1,000	\$0	\$1,000
McReynolds, Jim	Democrat	\$0	\$250	\$250
Mabry, John	Democrat	\$100	\$0	\$100
	<b>TOTAL</b>	<b>\$6,100</b>	<b>\$14,765</b>	<b>\$20,865</b>

**CONTRIBUTIONS TO SENATE CRIMINAL JUSTICE COMMITTEE MEMBERS, 2001-2004**

<b>RECIPIENT</b>	<b>PARTY</b>	<b>2002</b>	<b>2004</b>	<b>TOTAL</b>
Whitmire, John (Chairman, 2003/2005)	Democrat	\$2,600	\$5,100	\$7,700
Carona, John (Vice Chairman, 2003)	Republican	\$0	\$3,000	\$3,000
Ogden, Steve	Republican	\$1,500	\$1,500	\$3,000
Seliger, Kel (Vice Chairman, 2005)	Republican	\$0	\$3,000	\$3,000
Williams, Tommy	Republican	\$1,000	\$1,750	\$2,750
Ellis, Rodney	Democrat	\$500	\$1,500	\$2,000
Hinojosa, Juan	Democrat	\$0	\$0	\$0
	<b>TOTAL</b>	<b>\$5,600</b>	<b>\$15,850</b>	<b>\$21,450</b>

While the industry giving focused on the two committees responsible for making decisions about criminal justice, sentencing and the fate of private prisons in Texas, other powerful and influential legislators were high on the list as recipients of private-prison interest contributions.

As noted earlier, House Speaker Tom Craddick received \$34,900 from industry interests during the 2002 and 2004 election cycles, making him the top recipient among legislative candidates. In 2003, Craddick became the first Texas Republican in more than 130 years to be elected speaker of the House.<sup>46</sup> Craddick’s prison-industry contributions include \$21,000 from GEO Group lobbyist Kent Hance of Texas and \$10,000 from Corrections Corporation of America Director Henri L. Wedell of Tennessee.

Sen. Craig L. Estes topped the Senate list at \$7,750. Estes, owner of a Texas chemical and fertilizer company, also received the bulk of his private-prison contributions from Hance (\$2,250) and Wedell (\$3,000).

*Legislative Action*

The legislation introduced during the study period involved a mixed bag of sentencing laws. Legislators were faced with a difficult juggling act involving protecting the public safety, maintaining a consistent tough-on-crime stance, and considering the costs of building and maintaining more prisons.

Republican Rep. Ray Allen and Democratic Sen. John Whitmire were top recipients of private-prison contributions, and both were prolific authors of corrections-related legislation. In addition to authoring and sponsoring bills on criminal-justice issues and sentencing laws, among others, the two lawmakers collaborated on 15 bills.

Rep. Allen, in his seventh term before resigning in January 2006, was a member and past chairman of the House Committee on Corrections who also served as the chairman of the American Legislative Exchange Council (ALEC) Criminal Justice Task Force.<sup>47</sup> ALEC’s

<sup>46</sup> “Speaker of the House,” *Texas House of Representatives* [on-line]; available from <http://www.house.state.tx.us/speaker/bio.htm>; Internet; accessed April 12, 2006.

<sup>47</sup> “Davis Legislator Named Chairman of National Criminal Justice Taskforce,” *Utah House Majority* [on-line]; available from <http://houseofreps.blogspot.com/2006/03/davis-legislator-named-chairman-of.html>; Internet; accessed April 23, 2006.

membership includes legislators as well as corporate representatives. A longtime proponent of privatization and stricter sentences, ALEC provides legislators with model legislation on a variety of topics, including criminal justice issues.<sup>48</sup>

Between 2003 and 2005, Allen authored 55 of the bills heard in the Committee on Corrections and also sponsored 13 of the Senate bills heard in that committee. Allen received \$8,500 from private-prison interests during the study period.

During the 2004 election cycle, Allen received \$2,500 from Wackenhut Corrections; \$1,500 from CCA and \$3,500 from CCA Director Henry L. Wedell and his wife, Marsha, of Tennessee; and \$1,000 from lobbyist Dean McWilliams. McWilliams lobbied for CiviGenics, a Massachusetts firm that operates jails and retention centers in Texas, but did not have ties to the seven private prisons in Texas.

Rep. Allen made the news in 2004 when it was revealed his staff was using his state office while doing work on his campaign and for his lobbying firm. Allen's firm, Service House, has only one client, the Correctional Industries Association, which according to the *Fort Worth Star-Telegram* "supports using prison inmates to work for private companies."<sup>49</sup> But, according to the same article, "Allen says his company doesn't lobby in Texas." Allen resigned his seat in January 2006 to work on his lobbying practice, after earlier announcing he would not seek re-election.<sup>50</sup>

Between 2000 and 2005, Sen. Whitmire authored 51 criminal-justice bills and sponsored 55 House bills. Whitmire has served as vice chairman and is currently chairman of the Senate Committee on Criminal Justice.

During the study period, Whitmire received \$7,700 from the private-prison. CCA Corp. and CCA Director Wedell gave \$4,500; Wackenhut gave \$2,000; Management and Training Corp. (MTC) gave \$500; MTC lobbyist Allen D. Place gave \$100; and GEO Group lobbyist Kent Hance gave \$500, while company executive Wayne H. Calabrese gave \$100. A seasoned lawmaker, Whitmire has served in the Texas Senate since 1993 and previous to that, served in the state House of Representatives from 1983 to 1993.

In 2005, Allen and Whitmire tried to address prison-capacity problems with House Bill 2193, which would have "lower[ed] the probationary maximum sentence for nonviolent, low-risk offenders from 10 years to five and have their sentences come up for review periodically during their prison terms."<sup>51</sup> In other words, it would have cut in half the time certain offenders were supervised once they were released from prison. The bill also added beds to halfway houses for offenders with minor probation violations and increased the number of probation officers, in an effort to ease prison overcrowding and keep an eye on probationers after they were released from prison.

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<sup>48</sup> Brodie Farquhar, "Where Do Ideas for Legislation Come From?" *Casper Star-Tribune*, [newspaper on-line]; available from <http://www.casperstartribune.net/articles/2006/03/13/news/wyoming/133e8ce5e0de74e18725712f00272884.txt>; Internet; accessed Mar. 13, 2006.

<sup>49</sup> "Blurred Boundaries," *Fort Worth Star-Telegram*, Aug. 28, 2004, sec. B. p. 12.

<sup>50</sup> "State Legislator Says He Is Stepping Down," *The Victoria Advocate*, Jan. 21, 2006 [newspaper on-line]; available from <http://www.thevictoriaadvocate.com/local/state/story/3277791p-3794294c.html>; Internet; accessed April 23, 2006.

<sup>51</sup> John Moritz, "Bill Would Loosen Rules for Probation," *Fort Worth Star-Telegram*, May 13, 2005, sec. B, p. 8.

The House committee unanimously favored the bill, while it passed the Senate committee with four votes in favor and three members absent. It also won approval from the full House and Senate. But Gov. Rick Perry, who received more than \$100,000 from private-prison interests, vetoed the measure when it came to his desk.

The veto came despite little public or legislative opposition. Perry's spokesman attributed the veto to the fact the bill reduced the probation sentence for offenders convicted of a third-degree offense "of assault on a police officer and taking a weapon from a police officer."<sup>52</sup>

While private-prison representatives did not testify during hearings on the bill, their financial participation was not as silent. One opponent to HB 2193 was Sen. Tommy Williams, a committee member who thought the bill went too far. He warned HB 2193 "would lead to the immediate early release of as many as 7,000 probationers."<sup>53</sup> Sen. Williams received \$2,750 from private prison interests — \$1,000 in each cycle from CCA Director Henri Wedell, \$250 from GEO Group lobbyist Kent Hance in 2004, and \$500 from Wackenhut in 2004.

#### *Contributions to Gubernatorial Candidates*

Private-prison interests gave the largest segment of their gubernatorial contributions to Republican Gov. Rick Perry, who received almost \$107,000. Republican Lt. Gov. David Dewhurst received \$53,250. Together, their contributions accounted for 31 percent of money given by private-prison interests in Texas and 93 percent of the money given to candidates at the top of the ticket. In comparison, the Democratic candidates for governor and lieutenant governor received less than 7 percent of the \$172,100 given to gubernatorial candidates.

Perry and Dewhurst won office in 2002 and were not up for re-election in 2004, although both continued to raise money. And private-prison interests continued to give, with Perry receiving 29 percent of his funds in 2004 and Dewhurst receiving 61 percent of his funds in the off-election cycle.

Topping Perry's list of prison-related contributors was GEO Group lobbyist and former Republican Congressman Kent Hance, with \$75,000.

Thomas W. Beasley of Tennessee, CCA co-founder, gave only one contribution in Texas — \$10,000 to Perry in 2002. That put Beasley second on the list of prison-industry contributors to the governor. CCA itself gave Perry an additional \$5,000, while CCA lobbyist Randy K. Haynie gave two contributions totaling \$6,913.

The following table details contributions to Gov. Perry over the four-year period.

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<sup>52</sup> Sarah Moore, "Prisons Edging Toward Overflow," *The Beaumont Enterprise*, June 26, 2005, [newspaper online]; available from [http://www.southeasttexaslive.com/site/news.cfm?newsid=14759623&BRD=2287&PAG=461&dept\\_id=512588&rfti=6](http://www.southeasttexaslive.com/site/news.cfm?newsid=14759623&BRD=2287&PAG=461&dept_id=512588&rfti=6); Internet; accessed Feb. 8, 2005.

<sup>53</sup> John Moritz and Ellena F. Morrison, "House Bill Reduced Terms of Probations," *Fort Worth Star-Telegram*, May 25, 2005, sec. B. p. 1.

**PRISON-INDUSTRY CONTRIBUTIONS TO GOV. RICK PERRY, 2001-2004**

<b>CONTRIBUTOR</b>	<b>POSITION</b>	<b>COMPANY</b>	<b>TOTAL</b>
Hance, Mr. & Mrs. Kent	Lobbyist	GEO Group	\$75,000
Beasley, Thomas W.	Prison Company Executive	CCA	\$10,000
Haynie, Randy K.	Lobbyist	CCA	\$6,913
CCA	Prison Company	CCA	\$5,000
Phillips, Jr., Harry J.	Prison Company Director	Cornell Companies	\$3,000
Eller, Mr. & Mrs. Timothy R.	Construction Company	Centex Construction	\$2,500
Sysco Corp.	Food Service Subcontractor	Sysco Corp.	\$1,500
Burch III, Lucius E.	Prison Company Director	CCA	\$1,000
Chase, Anthony	Prison Company Director	Cornell	\$1,000
McWilliams, Andrea Beynon & Dean	Lobbyist	CiviGenics	\$1,000
<b>TOTAL</b>			<b>\$106,913</b>

**PRIVATE PRISONS IN TEXAS**

In the 1990s, large construction projects costing more than \$2 billion increased the number of beds in Texas correctional facilities. The Texas Department of Criminal Justice (TDCJ) operates and oversees state prisons, as well as state jails, pre-release centers and medical and treatment centers. A TDCJ report issued in 2000 detailed the increasing population in all state-run facilities. According to the report, in order to accommodate an offender population that increased from 48,320 to 146,930 between 1990 and 1999, 70 new facilities were built, adding to the 39 existing facilities.<sup>54</sup> According to Texas Department of Criminal Justice’s Karen Hall, Texas had 39 prisons and private pre-release facilities in 1990.<sup>55</sup>

Today there are 106 facilities — prisons, state jails, pre-release facilities, medical facilities and substance abuse centers, as well as transfer facilities — housing state-level offenders. Any change in the number of facilities is due to assimilation, combining two facilities, or the TDCJ turning jurisdiction of a facility over to another state agency, such as the Texas Youth Commission.

Seven of the prisons are private prisons. The prisoners housed in these private facilities account for a small number of the state’s prison beds. As of Aug. 31, 2003, the private-prison population totaled 4,075, or less than 3 percent of Texas’ offender population.<sup>56</sup>

Although small in comparison to the Texas prison system as a whole, the privatized facilities still attract the giant private-prison firms to the table.

GEO Group, Inc. currently operates four of the seven facilities, while CCA runs two and MTC operates one.

<sup>54</sup> “Closing Of A Millennium: Reviewing the Past Decade,” *Texas Department of Criminal Justice, Financial Services Division*, 2000, p. 8.

<sup>55</sup> Telephone interview with Karen Hall, Texas Department of Criminal Justice, April 4, 2006.

<sup>56</sup> “Agency Strategic Plan for the Fiscal Years 2005-09,” *Texas Department of Criminal Justice*, June 28, 2004, p. 15.

## PRIVATE-PRISON GIVING

Texas candidates and party committees raised \$518,892 from private-prison industry sources, accounting for 16 percent of the \$3.3 million the industry gave during the period studied.

GEO Group and CCA, along with their executives, directors and lobbyists, gave 70 percent of the total contributions attributed to private-prison industry sources during the 2002 and 2004 election cycles. They accounted for a combined total of almost \$363,700 to Texas candidates and party committees. On the other hand, MTC contributions paled in comparison, totaling only \$6,600.

Republican candidate and political party committees fared better than their Democratic counterparts. Private-prison industry contributors overwhelmingly favored Texas' Republican candidates and the Texas Republican Party in the 2002 and 2004 election cycles, giving GOP committees \$465,400, compared with the \$53,500 given to Democrats. The contributions to Republicans — who not only controlled the Texas Legislature, but also held the governor's office and other statewide offices — accounted for nearly 90 percent of the campaign funds that private-prison interests gave in Texas during the 2002 and 2004 election cycles.

Lobbyists were the top private-prison industry contributors.<sup>57</sup> Key lobbyists who gave during the study period included:

- Kent Hance, a retired Texas congressman who is listed with the Texas Ethics Commission as representing the GEO Group in 2004. He is also identified in the press as a lobbyist for Atlantic Shores Healthcare, Inc.,<sup>58</sup> registered as a subsidiary owned by the GEO Group.<sup>59</sup> Hance gave 161 contributions totaling almost \$270,000 to Texas candidates, accounting for nearly three-quarters of the money contributed by lobbyists affiliated with the prison industry. His contributions went to many people in key positions involving corrections issues. Lt. Gov. David Dewhurst, who acts as president of the Senate, received \$30,000 from Hance, while Rep. Tom Craddick, who was elected House speaker in 2003, received \$21,000. In addition, Hance gave \$4,765 to members of the two committees hearing private-prison industry-related legislation, with \$3,000 of that amount going to either the chairman or the vice chairman of the committee.

Hance, arguably one of the best examples of an influential and well-connected lobbyist, has an impressive set of credentials, ranging from his stints as a Democratic congressman and chairman of the Texas

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<sup>57</sup> The lobbyists included in this report do not lobby exclusively for private-prison companies or for prison subcontractors. While their efforts on behalf of the industry are not exclusive, all of their contributions are included in this report because, in some cases, they have unlimited access to policymakers. The visibility they enjoy, because they lobby for other interests, affords them a unique position of access to those individuals making decisions on the fate of any number of legislative issues. In addition, many are trained attorneys or former legislators themselves, extremely experienced in the legislative process. They have familiarity not only with the issues, but also with the massive volumes of law.

<sup>58</sup> Lisa Sorg, "Shortchanged," *San Antonio Current*, May 19, 2005 [newspaper on-line]; available from [http://www.zwire.com/site/printerFriendly.cfm?brd=2318&dept\\_id=484045&newsid=14547782](http://www.zwire.com/site/printerFriendly.cfm?brd=2318&dept_id=484045&newsid=14547782); Internet; accessed Dec. 29, 2005.

<sup>59</sup> "What We Do," *GEO Group, Inc.* [on-line]; available from <http://www.wcc-corrections.com/whatwedo.asp>; Internet; accessed April 12, 2006.

Railroad Commission, “which regulates the oil, gas and transportation industries in Texas,”<sup>60</sup> to his efforts on behalf of Gov. Perry’s re-election campaign and George W. Bush’s presidential campaigns.<sup>61</sup> Hance was a Bush Pioneer, an elite group of donors and fund-raisers responsible for raising a substantial portion of the money for Bush’s presidential contests.<sup>62</sup>

- Andrea Beynon McWilliams and Dean McWilliams, whose firm of McWilliams and Associates lobbies for Civigenics, ranked second among lobbyists, giving a combined total of \$74,550 during the study period. Almost 70 percent of their contributions went to legislative candidates, and 71 percent of those funds went to Republicans. Members of the two committees hearing prison legislation received \$6,000. In 2003, the McWilliams’ were listed as Bush Pioneers.<sup>63</sup>
- Randy K. Haynie, a CCA lobbyist who gave \$6,913 to Gov. Rick Perry’s re-election campaign in 2002.

#### PRISON-INDUSTRY CONTRIBUTIONS IN TEXAS, 2001-2004

CONTRIBUTOR	POSITION	COMPANY	TOTAL
Hance, Mr. & Mrs. Kent	Lobbyist	GEO Group	\$269,963
Floyd, Robert C.	Lobbyist	GEO Group	\$1,500
Calabrese, Wayne H. & Rhonda E.	Prison Company Executive	GEO Group	\$450
Hurley, John M.	Prison Company Executive	GEO Group	\$250
<b>GEO GROUP TOTAL</b>			<b>\$272,163</b>
Wedell, Henri L. & Marsha	Prison Company Executive	CCA	\$49,500
CCA	Prison Company	CCA	\$19,000
Beasley, Thomas W.	Prison Company Executive	CCA	\$10,000
Haynie, Randy K.	Lobbyist	CCA	\$6,913
McDaniel, Demetrius	Lobbyist	CCA	\$1,822
Burch III, Lucius E.	Prison Company Director	CCA	\$1,000
Lingo, Jr., Irving E.	Prison Company Executive	CCA	\$1,000
Puryear Jr., G.A. (Gus)	Prison Company Executive	CCA	\$1,000
Shanblum, Laurie	Lobbyist	CCA	\$1,000
Keel, Lara Laneri	Lobbyist	CCA	\$295
<b>CCA TOTAL</b>			<b>\$91,530</b>
McWilliams, Andrea Beynon & Dean	Lobbyists	CiviGenics	\$74,549
<b>CIVIGENICS TOTAL</b>			<b>\$74,549</b>

<sup>60</sup> “Lobbyists: Hon. Kent Hance,” *Parry, Romani, DeCocini & Symms* [on-line]; available from <http://www.lobbycongress.com/hance.html>; Internet; accessed Dec. 29, 2005.

<sup>61</sup> *Hance, Scarborough, Wright, Ginsberg & Brusilow, L.L.P.* [on-line]; available from [http://www.hswgb.com/att\\_kent.htm](http://www.hswgb.com/att_kent.htm); Internet; accessed Dec. 7, 2005.

<sup>62</sup> “Pioneers for 2004,” *Texans for Public Justice* [on-line]; available from [http://www.tpj.org/docs/pioneers/pioneers\\_search\\_exec.jsp?function=2004Pioneers](http://www.tpj.org/docs/pioneers/pioneers_search_exec.jsp?function=2004Pioneers); Internet; accessed Dec. 7, 2005.

<sup>63</sup> “The Bush Campaign Has Named 538 Pioneers,” *Texans for Public Justice* [on-line]; available from [http://tpj.org/pioneers/newpioneers/all\\_pioneers.html](http://tpj.org/pioneers/newpioneers/all_pioneers.html); Internet; accessed on Feb. 14, 2006.

<b>CONTRIBUTOR</b>	<b>POSITION</b>	<b>COMPANY</b>	<b>TOTAL</b>
Cunningham, Isabella & William	Prison Company Director	Cornell	\$15,750
Cornell Companies	Prison Company	Cornell	\$5,000
Phillips Jr., Harry J.	Prison Company Director	Cornell	\$4,800
Chase, Anthony	Prison Company Director	Cornell	\$2,250
<b>CORNELL TOTAL</b>			<b>\$27,800</b>
Centex Construction	Construction Company	Centex	\$13,000
Eller, Mr. & Mrs. Timothy R.	Construction Company Executive	Centex	\$5,500
Echols, Leldon E.	Construction Company Executive	Centex	\$1,250
Albright, Michael S.	Construction Company Executive	Centex	\$100
<b>CENTEX TOTAL</b>			<b>\$19,850</b>
Place, Allen D. & Tonya	Lobbyists	MTC	\$4,100
MTC	Prison Company	MTC	\$2,500
<b>MTC TOTAL</b>			<b>\$6,600</b>
CSC	Prison Company	CSC	\$1,000
Slattery, James F.	Lobbyist	CSC	\$1,000
<b>CSC TOTAL</b>			<b>\$2,000</b>
Wackenhut Corrections	Prison Company	Wackenhut	\$18,250
Sysco Corp.	Food Service Subcontractor	Sysco	\$3,000
Aramark Corp.	Food Service Subcontractor	Aramark	\$2,700
	Healthcare Subcontractor	U of Texas	
Cooper, Cary	Director	Medical Branch	\$450
<b>TOTAL OTHER CONTRIBUTORS</b>			<b>\$24,400</b>
<b>TOTAL</b>			<b>\$518,892</b>

CCA = Corrections Corporation of America

MTC = Management and Training Corp.

CSC = Correctional Services Corp.

GEO Group formerly operated as Wackenhut Corrections, a unit of Wackenhut Corp.

## INDIANA

By Denise Roth Barber

While states like Florida and Tennessee turned to privatization of state prisons in the 1990s, Indiana is only now taking its cue, or so it would seem if current events — and campaign contributions — are a harbinger of things to come.

From 2001 through 2004, seven private-prison interests gave more than \$226,000 to state-level candidates and party committees in the Hoosier State. Most of their contributions — \$166,604 — were made during the 2004 election cycle, when then-incumbent Gov. Joseph Kernan ran an unsuccessful re-election bid against Republican challenger Mitch Daniels. Hedging their bets, prison interests gave \$52,900 to Daniels and \$48,500 to Kernan.

Shortly after Daniels became governor in January 2005, he began to look for ways to “turn over any area of government to the private sector if it improves state services while cutting costs.”<sup>64</sup> This was good news for the private corrections industry. Over the next several months, the Indiana Department of Correction (DOC) awarded three contracts to private-prison companies:

- Philadelphia-based Aramark Corp., a food service provider, won a contract for food preparation in the state prisons, a service previously provided by the state.<sup>65</sup> The governor hailed this move as saving the state nearly \$12 million per year.<sup>66</sup>
- The DOC then privatized nursing services, also previously provided by state employees,<sup>67</sup> when it awarded its inmate health care contract to St. Louis-based Correctional Medical Services Inc.
- In late August 2005, the Florida-based GEO Group, Inc. won a \$53 million<sup>68</sup> contract for the operation and management of the New Castle Correctional facility, the first private prison for state inmates.<sup>69</sup>

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<sup>64</sup> Mary Beth Schneider, “Private Sector Will Run New Castle State Prison,” *Indianapolis Star*, Aug. 24, 2005 [newspaper on-line]; available from <http://www.indystar.com/apps/pbcs.dll/article?AID=/20050824/NEWS02/508240462>; Internet; accessed Dec. 8, 2005.

<sup>65</sup> Java Ahmed, “Indiana Department of Correction Saves \$11.5 M in Tax Dollars,” *Indiana Department of Correction*, May 17, 2005 [on-line]; available from <http://www.ai.org/indcorrection/news/0505aramark.htm>; Internet; accessed Dec. 30, 2005.

<sup>66</sup> Mary Beth Schneider, “Prisons Go to the 99-Cent Menu,” *Indianapolis Star*, May 18, 2005 [newspaper on-line]; available from <http://www.indystar.com/apps/pbcs.dll/article?AID=/20050518/NEWS02/505180421/10>; Internet; accessed Dec. 7, 2005.

<sup>67</sup> Java Ahmed, “Indiana Department of Correction Announces New Partnership to Save Over \$19 Million,” *Indiana Department of Correction*, Aug. 3, 2005 [on-line]; available from <http://www.ai.org/indcorrection/news/0805medical.htm>; Internet; accessed Dec. 6, 2005.

<sup>68</sup> Political Notebook, “Democrats Rip Daniels on Out-of-State Contracts,” *FortWayne.com*, Nov. 6, 2005 [newspaper on-line]; available from <http://www.fortwayne.com/mld/fortwayne/news/local/13096297.htm>; Internet; accessed Dec. 2, 2005.

<sup>69</sup> Java Amad, “The Indiana Department of Correction Selects GEO Group, Inc. to Begin Contract Negotiations for Operation of the New Castle Facility,” *Indiana Department of Correction*, Aug. 30, 2005 [on-line]; available from <http://www.in.gov/indcorrection/news/083005NewcastleGEO.htm>; Internet; accessed Dec. 30, 2005.

## A CLOSE LOOK AT PRISON-INDUSTRY MONEY IN INDIANA, 2001-2004

Seven private-prison companies gave more than \$226,000 combined during the four-year study period. And they might have given more, were they not restricted by the state's contribution limits. Although individuals and political action committees could give unlimited amounts to candidates, corporations could only give a maximum of \$5,000 to any statewide candidate and \$2,000 to any legislative candidate in any given year.

Thanks to hefty contributions from one of its lobbying firms, Corrections Corporation of America (CCA), the nation's largest owner and operator of private prisons,<sup>70</sup> was the largest contributor among the private-prison interests in Indiana, giving just under \$200,000 over the four-year period.

Barnes and Thornburg, which provided legal and lobbying services for CCA among other clients,<sup>71</sup> gave almost \$175,000 in contributions, or 77 percent of the total given. CCA itself directly contributed \$22,750, and Thomas Beasley, one of the company's founders, gave \$2,000.

### PRISON-INDUSTRY CONTRIBUTIONS IN INDIANA, 2001-2004

CONTRIBUTOR	POSITION	COMPANY	TOTAL
Barnes & Thornburg	Lobbyist	CCA	\$174,554
Beasley, Thomas W.	Prison Company Executive	CCA	\$2,000
CCA	Prison Company	CCA	\$22,750
<b>CCA TOTAL</b>			<b>\$199,304</b>
	Healthcare Mgmt & Counseling Subcontractor	Prison Health Services	\$5,500
Prison Health Services			
Aramark Corp.	Food Service Subcontractor	Aramark Corp.	\$5,000
Correctional Services Corp.	Prison Company	CSC	\$5,000
GEO Group, Inc.	Prison Company	GEO Group	\$5,000
Wackenhut Corrections	Prison Company	Wackenhut	\$5,000
Cornell Companies	Prison Company	Cornell	\$2,000
<b>TOTAL OTHER CONTRIBUTORS</b>			<b>\$27,500</b>
<b>TOTAL</b>			<b>\$226,804</b>

CCA = Corrections Corporation of America

GEO Group formerly operated as Wackenhut Corrections, a unit of Wackenhut Corp.

In addition to CCA, four other private-prison companies made political contributions, as well, although to a significantly smaller degree, and focused their giving entirely on the 2004 governor's race. Correctional Services Corp. gave Democratic Gov. Kernan \$5,000, while the GEO Group Inc., and Wackenhut Corrections gave \$10,000 total to his Republican challenger, Mitch Daniels. Cornell Companies gave \$2,000 to Daniels.

<sup>70</sup> "About CCA," *Corrections Corporation of America* [on-line]; available from <http://www.correctionscorp.com/aboutcca.html>; Internet, accessed Dec. 30, 2005.

<sup>71</sup> "2004 Employer Registered Lobbyist," *Indiana Lobby Registration Commission*, Feb. 10, 2004 [on-line]; available from [http://www.IN.gov/cgi-bin/ilrc/ilrc\\_displayv1.5.pl?file=2004buslis](http://www.IN.gov/cgi-bin/ilrc/ilrc_displayv1.5.pl?file=2004buslis); Internet; accessed Dec. 30, 2005.

Two prison service companies also made contributions to candidates. Prison Health Services Inc., which had a contract with the DOC to provide health care services to the state's prisons and jails, gave \$3,500 to then-Gov. Frank O'Bannon, and \$2,000 to the Indiana Democratic Party. Aramark Corporation, a food service provider, made a \$5,000 contribution to Kernan's re-election campaign in 2004.

#### ON THE RECEIVING END

Candidates running for the governor or lieutenant governor seat received \$129,650 from prison-industry contributors, more than half of all the money given over the four years. Not surprisingly, the 2004 gubernatorial candidates received the lion's share of that money. Democrat Joseph Kernan, who became governor in September 2003 after Frank O'Bannon died, received \$48,500 during his unsuccessful re-election bid in 2004, slightly less than the \$52,900 given to Republican Mitch Daniels, who won the race. During the 2002 cycle, when he was not even up for election, then-Gov. O'Bannon received \$10,500.

The state political parties and legislative caucuses received \$52,800 from prison interests, with the Indiana Democratic Party receiving \$19,050, slightly higher than the \$18,250 given to the state GOP. The four legislative caucuses received a total of \$15,500.

#### PRIVATE-PRISON CONTRIBUTIONS BY RECIPIENT TYPE, 2001-2004

<b>TYPE</b>	<b>DEMOCRATS</b>	<b>REPUBLICANS</b>	<b>TOTAL</b>
Gubernatorial Candidates	\$58,150	\$71,500	\$129,650
Political Party Committees	\$27,400	\$25,400	\$52,800
Other Statewide Candidates	\$7,750	\$29,700	\$37,450
Legislative Candidates	\$3,000	\$3,904	\$6,904
<b>TOTAL</b>	<b>\$109,650</b>	<b>\$117,154</b>	<b>\$226,804</b>

Candidates running for other statewide offices received a collective total of \$37,450, all from CCA's lobby firm, Barnes and Thornburg, which had other clients as well.

State Treasurer Timothy Berry received \$10,000 during his 2002 re-election campaign and an additional \$5,000 in 2003, after he won. Secretary of State Todd Rokita received \$5,000 during his 2002 election campaign and \$2,700 after he took office.

The following table details the amounts that the top recipients of industry contributions received.

## TOP RECIPIENTS OF PRIVATE-PRISON CONTRIBUTIONS, 2001-2004

RECIPIENT	PARTY	OFFICE	TOTAL
Kernan, Joseph E.	Democrat	Governor/Lt. Governor	\$55,000
Daniels, Mitch	Republican	Governor	\$52,900
Indiana Democratic Party	Democrat	Party Committee	\$19,050
Indiana Republican Party	Republican	Party Committee	\$18,250
Berry, Timothy J.	Republican	Treasurer	\$15,000
O'Bannon, Frank L.	Democrat	Governor	\$10,500
Rokita, Todd	Republican	Secretary of State	\$7,700
Carter, Steve	Republican	Attorney General	\$7,000
Davis, Kathy	Democrat	Lt. Governor	\$6,000
Indiana House Democratic Caucus	Democrat	Party Committee	\$6,000

Legislative candidates were apparently not high on the priority list for the correction industry, receiving just \$6,904, or 3 percent of the total. All of these funds came from CCA and those associated with the company. The company was strategic in its giving, however, ensuring its money went to those who held key legislative positions:

- Republican Rep. Jeff Espich, chairman of the House Ways and Means Committee, received \$1,000 during each of the two election cycles.
- Then-Sen. Lawrence Borst, a Republican who served as chairman of the Senate Finance Committee until he lost his re-election bid during the primary election in 2004, received \$1,000 in 2002 and \$904 in 2004.
- House Democratic Leader Pat Bauer received \$1,500 over the two election cycles.
- Democratic Sen. Vi Simpson, ranking minority member of the Appropriations Committee, received \$1,000 during the 2002 cycle.
- Sen. Glenn Howard, a Democrat, received \$500 in 2003. Howard was a member of the Senate Corrections, Criminal & Civil Matters Committee, as well as the state's Sentencing Policy Study Committee, which conducts comprehensive reviews of the state's current sentencing structure and makes recommendations for reform based on the reviews.

### DID IT PAY TO PLAY?

An analysis of the contributions by private-prison interests and ensuing state policies actually showed little to no correlation between the two. For example, CCA also bid on the lucrative DOC contract to operate the New Castle Facility,<sup>72</sup> but lost out to the GEO Group. Yet CCA, along with Barnes and Thornburg and founder Thomas Beasley, gave \$40,900 to Gov. Daniels' campaign —

<sup>72</sup> E-mail correspondence from Java Ahmed, Director of Public & Media Relations, Indiana Department of Correction, Dec. 2, 2005.

almost five times the \$10,000 given by GEO Group in 2004 and in 2003, when it was still called Wackenhut Corrections.

In addition, Prison Health Services Inc. gave \$3,500 to then-Gov. O'Bannon in January 2002 and \$2,000 to the Indiana Democratic Party in June 2001. However, the company lost its bid in 2005 for a renewed contract with the state to provide health care services to Indiana's prisons and jails. Instead, the contract was awarded to the St. Louis-based Correctional Medical Services Inc., which made no contributions to state-level committees during the four-year study period.

Finally, Aramark Corp., chosen by the DOC to provide the food service for the state's prisons, gave \$5,000 in 2004 — to Gov. Daniels' opponent, then-Gov. Kernan.

However, contributions by the prison industry in the Hoosier State may prove to be a sound long-term investment, since the New Castle facility may not be Indiana's last state prison operated by a private company. J. David Donahue, commissioner of the Indiana Department of Correction and a former senior vice president of a private-prison firm, U.S. Corrections Corp.,<sup>73</sup> is considering building the state's first private prison.<sup>74</sup> An Indianapolis Star article on the topic noted that Gov. Daniels, when asked whether other prisons might be turned over to the private sector, said: "We're for what works — what works for taxpayers, the safety of the public and, for that matter, the workers of a place like New Castle."<sup>75</sup>

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<sup>73</sup> Mary Beth Schneider, "Private Sector Will Run New Castle State Prison," *Indianapolis Star*, Aug. 24, 2005 [newspaper on-line]; available from <http://www.indystar.com/apps/pbcs.dll/article?AID=/20050824/NEWS02/508240462>; Internet; accessed Dec. 8, 2005.

<sup>74</sup> "Budget Freeze Spurs Talk of Private Prison," *CERTops.com*, March 22, 2005 [on-line]; available from <http://www.certops.com/certops/news/mar220504.html>; Internet; accessed Dec. 7, 2005.

<sup>75</sup> Mary Beth Schneider, "Private Sector Will Run New Castle State Prison," *Indianapolis Star*, Aug. 24, 2005 [newspaper on-line]; available from <http://www.indystar.com/apps/pbcs.dll/article?AID=/20050824/NEWS02/508240462>; Internet; accessed Dec. 8, 2005.

## OKLAHOMA

By Denise Roth Barber

With incarceration rates consistently among the highest in the world,<sup>76</sup> the state of Oklahoma was notorious for its prison overcrowding. To help address the burgeoning prison population, the state decided in 1995 to utilize private prisons, rather than to build new facilities itself.<sup>77</sup> Less than a decade later, by 2003, nearly 24 percent of the state's inmates were housed in private prisons, significantly higher than the national average of 6 percent.<sup>78</sup>

During the 2004 fiscal year, the Department of Corrections (DOC) contracted with three private-prison companies to house state inmates, at a cost of almost \$71 million in contracts:<sup>79</sup>

- Tennessee-based Corrections Corporation of America (CCA) owns and operates the Cimarron and Davis correctional facilities, each of which had annual contracts with the DOC of nearly \$15 million in 2004. CCA also operates two other private facilities in the state, although neither houses Oklahoma inmates.
- The GEO Group Inc. (GEO) of Boca Raton, Fla., operates the Lawton Correctional Facility, with an annual contract in 2004 of \$27.9 million.
- Houston-based Cornell Corrections operates the Great Plains Correctional Facility in Hinton, with a 2004 contract of \$12.4 million.

In addition, Avalon Correctional Services of Oklahoma City owns and operates several half-way houses under a contract with the state:<sup>80</sup> the Carver Center, the Avalon Correctional Center, the Riverside Intermediate Sanction Facility and the Turley Correctional Center

To protect their vested interests in the Sooner State, these private-prison companies, along with their lobbyists and employees, gave \$170,500 to 130 state-level candidates and four political party committees from 2001 to 2004. And they might have given more, were it not for the state's contribution limits of \$5,000 for individuals and political action committees, as well as an outright prohibition on money coming directly from company coffers.<sup>81</sup>

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<sup>76</sup> The History of Private Prison Contracting in Oklahoma," *Oklahoma Department of Commerce* [on-line]; available from [http://www.doc.state.ok.us/Private%20Prisons/PP\\_history.htm](http://www.doc.state.ok.us/Private%20Prisons/PP_history.htm); Internet; accessed Dec. 15, 2005.

<sup>77</sup> *Ibid.*

<sup>78</sup> Bob Doucette, "Private Prison Use Poses Risk to State, Expert Says," *The Oklahoman*, Jan. 30, 2003 [on-line]; available from <http://www.mapinc.org/drugnews/v03/n155/a05.html>; Internet; accessed Jan. 25, 2006.

<sup>79</sup> "Private Prison Administration FY2004 Annual Report," *Oklahoma Department of Corrections*, p. 10 [on-line]; available from <http://www.doc.state.ok.us/Private%20Prisons/FY2004%20Annual%20Report%204-4-05.pdf>; Internet; accessed Jan. 25, 2006.

<sup>80</sup> Phone Interview with Charity Zamorano, Executive Secretary, Private Prison Administration of the Oklahoma Department of Corrections, Dec. 19 2005.

<sup>81</sup> "Contribution Limits," *National Conference of State Legislatures* [on-line]; available from <http://www.ncsl.org/programs/legman/about/ContribLimits.htm>; Internet; accessed Jan. 25, 2006.

Lobbyists representing these prison companies, among other clients, gave a collective total of \$104,550, or 61 percent of all the money given by private-prison interests. Employees gave \$45,700, while the companies gave \$20,250 through their political action committees (PACs).

Two of the four private-prison companies — Avalon and CCA — were responsible for 80 percent of the contributions made during the four-year period. Avalon’s PAC, its employees and lobbyists gave \$70,950, most of which came from lobbyist Tammie Kilpatrick, who gave \$42,250 during the four-year period. The substantial contributions by the company’s PAC and its employees are not surprising given the fact that the company’s four Oklahoma facilities provided approximately 31 percent of Avalon’s total annual revenue in 2003.<sup>82</sup>

The second-largest contributor was Corrections Corporation of America. The company’s PAC, along with its lobbyists and employees, gave \$65,100 during the four-year period. CCA lobbyists gave \$28,650, or 44 percent of the total, while board member Henri Wedell and his wife, Marsha, gave \$26,050, or 40 percent of the total. The company’s PAC gave \$10,000 in direct contributions.

Although the GEO Group Inc. did not make any direct contributions to state-level committees, the company’s presence was nevertheless made known during the campaign seasons, thanks to contributions from one of the company’s lobbyists, Jim Barker. Barker, who also represented other clients at the Capitol, gave \$31,850, or 95 percent of GEO’s four-year contribution total.

Cornell Companies, in sharp contrast, gave just \$300 during the four-year period — \$50 from one of its lobbyists and \$250 from the company’s PAC.

#### **PRISON-INDUSTRY CONTRIBUTIONS IN OKLAHOMA, 2001-2004**

<b>CONTRIBUTOR</b>	<b>POSITION</b>	<b>COMPANY</b>	<b>TOTAL</b>
Kilpatrick, Tammie T.	Lobbyist	Avalon	\$42,250
Smith, Donald E. & Tiffany D.	Prison Company Executive	Avalon	\$17,100
Avalon Correctional Services	Prison Company PAC	Avalon	\$10,000
Gray, Eric S.	Prison Company Executive	Avalon	\$1,600
<b>AVALON TOTAL</b>			<b>\$70,950</b>
Wedell, Henri L. & Marsha	Prison Company Director	CCA	\$26,050
Adkins, Scott & Angela	Lobbyist	CCA	\$14,400
Fried, Jim & Otie Ann & Bryan	Lobbyist	CCA	\$14,250
CCA	Prison Company PAC	CCA	\$10,000
Bradley, Jody & Barbara	Facility Executive	CCA	\$300
Exell, Robert B.	Prison Company Executive	CCA	\$100
<b>CCA TOTAL</b>			<b>\$65,100</b>
Barker, Jim	Lobbyist	GEO Group	\$31,850
Lee, Tonya	Lobbyist	GEO Group	\$1,050
Hance, Kent	Lobbyist	GEO Group	\$500
Troy, Anthony F.	Lobbyist	GEO Group	\$200
Calabrese, Wayne H. & Rhonda E.	Prison Company Executive	GEO Group	\$100
<b>GEO TOTAL</b>			<b>\$33,700</b>

<sup>82</sup> “Avalon Correctional Services,” *Edgar Online* [on-line]; available from <http://sec.edgar-online.com/2004/04/12/0000872202-04-000008/section2.asp>; Internet; accessed Dec. 16, 2005.

<b>CONTRIBUTOR</b>	<b>POSITION</b>	<b>COMPANY</b>	<b>TOTAL</b>
Miller, David C.	Prison Company Executive	Wackenhut	\$350
Pepeel, Dayton	Prison Company Executive	Wackenhut	\$100
<b>WACKENHUT TOTAL</b>			<b>\$450</b>
Cornell Companies	Prison Company PAC	Cornell	\$250
Nobili, Mark	Lobbyist	Cornell	\$50
<b>CORNELL TOTAL</b>			<b>\$300</b>
<b>TOTAL</b>			<b>\$170,500</b>

CCA = Corrections Corporation of America

GEO Group formerly operated as Wackenhut Corrections, a unit of Wackenhut Corp.

### STRATEGIC GIVING

Corrections-industry interests were quite strategic with their money, directing most of it to those who ultimately determined the fate of policies and legislation benefiting or regulating them. Legislative candidates received the largest portion of contributions.

### PRIVATE-PRISON CONTRIBUTIONS BY RECIPIENT TYPE, 2001-2004

<b>TYPE</b>	<b>DEMOCRATS</b>	<b>REPUBLICANS</b>	<b>TOTAL</b>
Legislative Candidates	\$52,650	\$36,050	\$88,700
Gubernatorial Candidates	\$36,100	\$11,650	\$48,250*
Political Party Committees	\$12,600	\$15,000	\$27,600
Other Statewide Candidates	\$5,500	\$450	\$5,950
<b>TOTAL</b>	<b>\$106,850</b>	<b>\$63,150</b>	<b>\$170,000</b>

\* Total includes \$500 given to an Independent gubernatorial candidate.

Winning candidates received \$91,300, while those in office and not even up for re-election received another \$32,600. In total, state officeholders received 87 percent of the private prison contributions.

In all, 117 legislative candidates received \$88,700, and 107 of them served in the Legislature. Candidates for governor and lieutenant governor received \$48,250, with Gov. Brad Henry and Lt. Gov. Mary Fallin receiving the vast majority — \$41,400. Other statewide officeholders received a total of \$5,550, while four state party committees received \$27,600, or 16 percent of the total.

The top five recipients all held, or had the potential to hold, key positions affecting the corrections industry in the state of Oklahoma:

- Brad Henry, the successful Democratic gubernatorial candidate in 2002, received \$35,750 during the four-year period, including \$25,500 during the 2004 cycle when he was not even up for re-election. Avalon and its lobbyists and employees gave \$17,500, followed closely by CCA, with \$14,500. The GEO Group gave \$3,750.

- Democratic Sen. Cal Hobson, Senate president pro tempore from 2003 to 2005, received \$9,500 from all four private-prison companies. Hobson was an obvious target, since he was widely known as an authority on sentencing, corrections budgeting, prison operations and, at times, as an opponent of private prisons.<sup>83</sup>
- Stephen Michael Largent, the Republican who lost to Henry in the 2002 governor's race, received \$6,000, all from Avalon lobbyists.
- Republican Mary Fallin received \$5,650, with all but \$500 given during her 2002 winning bid for lieutenant governor.
- Republican Rep. Fred Morgan, House minority leader from 1998 to 2002 and chairman of the House Judiciary Committee in 2004, received \$5,250 from lobbyists representing Avalon, CCA and GEO Group.

#### A SOUND RETURN ON THEIR INVESTMENTS?

Private-prison interests gave lawmakers \$82,150, almost half of the money doled out by the corrections industry over the four-year period. To determine if their investment in Oklahoma's lawmakers paid off, the Institute examined 16 pieces of legislation introduced during the 2003, 2004 and 2005 legislative sessions, seven of which would have benefited private-prison operations in the state and nine that would have further regulated or restricted them.

The review showed a mixed bag of results. While all but one of the nine bills adversely affecting private prisons failed to make it through the legislative labyrinth, bills that would have benefited the industry met the same fate as well. In all, just two of the 16 bills studied were signed into law by the governor, one favoring and the other further restricting private prisons.

#### *Legislation Regulating or Restricting Private-Prison Operations*

Although much discussion during the 2003 legislative session "centered on the impact of the rising prison population on the state budget,"<sup>84</sup> three bills designed specifically to reduce the state's prison population failed to become law:

- Senate Bill 832, introduced by Democratic Sen. Frank Shurden, who received no money from the corrections industry, would have reduced the sentences of non-violent offenders to preserve space for violent offenders. Although the bill made it out of the Senate Public Safety and Judiciary Subcommittee on Appropriations, it failed on the Senate floor with a tie vote of 21-21.
- Senate Bill 789 would have allowed for treatment alternatives in lieu of sentencing in certain instances. The bill passed out of the Senate 32-13, but died in the House Appropriations and Budget Committee. Thirty-

<sup>83</sup> Janice Francis-Smith, "Lock-Up Economics: Private Correctional Facilities in Oklahoma," *Journal Record*, July 19, 2005.

<sup>84</sup> "Highlights of Legislation Passed During the First Regular Session of the 49<sup>th</sup> Oklahoma Legislature," *Oklahoma House of Representatives*, July 2003, p. 22 [on-line]; available from <http://www.okhouse.gov/2003%20Session%20Highlights.pdf>; Internet, accessed Dec. 27, 2005.

two members of that 70-member committee received a total of \$16,150 from private-prison interests during the previous 2002 election cycle and another \$500 in early 2003 when the Legislature was in session. The bill's sponsor, Democratic Sen. Dick Wilkerson, received no money from private-prison interests, although co-sponsor Rep. David Braddock, also a Democrat, received \$550 in 2002.

- Sen. Wilkerson and Rep. Braddock also introduced Senate Bill 792 in 2003, which would have created the Capacity Activated Powers Act to provide for emergency time credits, to facilitate early release from prison during periods of prison overcrowding. While the bill made it out of the Senate on a 30-18 vote, it died in the House Corrections Committee at session's end without ever coming to a vote. Three of the nine committee members received \$1,200 from the corrections industry during the preceding 2002 cycle — Democratic Rep. Ron Kirby received \$300, Democratic Rep. Dale Wells received \$700, and Republican Rep. John Nance received \$200.

Several other pieces of sentencing and procedural legislation that would have negatively impacted or further regulated the private prison industry in the state also failed to become law:

- Senate Bill 516, introduced in 2003 by Democratic Sen. Kevin Easley, who received \$3,600 from private prison interests, would have required purchases of prison facilities be subject to a competitive bid procedure. The bill never made it out of the Public Safety and Judiciary Subcommittee on Appropriations.
- After his bill to lower sentences of non-violent offenders failed in 2003, Sen. Shurden attempted to get it passed again in 2004 via Senate Bill 1194. This time, the bill never even made it out of the Senate Public Safety and Judiciary Subcommittee on Appropriations.
- Sen. Shurden also sponsored Senate Bill 1177 in 2004 to create the Relief Credits Act, to "provide immediate relief to the state during periods of inappropriate prison conditions or overcrowding when there are insufficient funds available within the Department of Corrections to immediately relieve the situation." The bill was co-sponsored by Democratic Rep. M.C. Leist, who also received no money from private-prison interests. SB 1177 made it out of the Senate Appropriation's Public Safety and Judiciary Subcommittee but failed on the Senate floor, 18-25.
- Senate Bill 805, sponsored in 2005 by Sen. Keith Leftwich and Rep. Paul Roan, both Democrats, would have required that private-prison companies that house federal or other out-of-state inmates and do not have a contract with the DOC show the DOC that procedures are in place for assumption of operations by the department in the event of the contractor's bankruptcy or inability to perform duties. The bill passed out of the Senate 39-5, but died in the House Appropriations and Budget Committee.

- Senate Bill 687, introduced in 2005 by Sen. Kenneth Corn and Rep. Joe Dorman, both Democrats, would have given county jails priority consideration for future contracts for DOC inmates, as long as they met certain requirements. The bill passed the Senate 39-2, but died in the House Appropriations and Budget Committee.

#### *Legislation Benefiting Private Prisons*

Although lawmakers ultimately rejected several bills to reduce prison sentences, they also rejected bills to increase the amount of time prisoners served, as well. Republican Sen. Owen Laughlin, for example, who received \$250 from CCA lobbyists, sponsored bills in 2003, 2004, and 2005 that would have added the possession or use of firearms during a felony to the list of crimes for which inmates are required to serve a minimum 85 percent of their sentences. The bills were all referred to the Senate Public Safety and Judiciary Subcommittee on Appropriations, where they languished.

House Bill 1459, sponsored by Rep. Jerry Ellis and Sen. Frank Shurden, two Democrats who received no private-prison money, would have added assault and battery of peace officers to the mandatory minimum percentage time served. After sailing through the House by a floor vote of 94-2, the bill languished in the Senate's Public Safety and Judiciary Subcommittee on Appropriations.

However, the same committee did approve Senate Bill 815, a 2005 measure that would have required a mandatory sentence for arson of historical property. However, this bill died on the Senate floor with a tie vote of 21-21. Neither of the bill's Democratic primary sponsors, Sen. Jim Wilson and Rep. Glen Bud Smithson, received any contributions from the corrections industry.

House Bill 1426, authored in 2003 by Democratic Rep. Paul Roan, who received no contributions from private prisons, would have given first priority for new contracts to existing private prisons that already had contracts with the DOC. The bill never made it out of the House Appropriations and Budget Committee.

#### *The Two Bills That Actually Became Law*

Senate Bill 1471, signed into law in 2004, exempts private prisons from restrictions on the types of out-of-state offenders they may house if they were operating at less than 25 percent capacity as of Jan. 1, 2004. According to the House of Representatives 2004 Session Highlights, "it was anticipated that the exemption will enhance the ability of the Sayre facility to compete for out-of-state inmates."<sup>85</sup> The Sayre facility referenced is the North Fork Correctional Facility, owned and operated by CCA but vacant at time of print.

CCA lobbyists gave a total of \$1,850 to four legislators who helped carry the bill through the legislative process. CCA board member Henri Wedell and his wife, Marsha, doled out \$950 — \$250 to Republican Rep. John Smaligo, who sponsored the bill in the House, \$450 to Democratic co-author Rep. Percy Walker, and another \$250 to Democratic co-author Sen. Jay Paul Gumm. Gumm received another \$600 from Scott Adkins, who lobbied for CCA. Jody Bradley, a prison warden at CCA's Sayre facility, and his wife, Barbara, gave \$100 to Rep. Percy Walker and \$200 to co-author Sen. Gilmer Neely Capps, a Democrat.

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<sup>85</sup> "Session Highlights 2004," *Oklahoma House of Representatives*, August 2004, p. 23 [on-line]; available from <http://www.okhouse.gov/2004%20Session%20Highlights.pdf>; Internet; accessed Dec. 27, 2005.

The only other bill to become law was Senate Bill 824, which required private prisons to establish emergency plans and mutual aid agreements with local law enforcement and the DOC. Sponsored by Democratic Sen. Debbe Leftwich and Rep. Paul Roan, also a Democrat, the bill passed out of both chambers unanimously. While Leftwich received \$250 from CCA lobbyist Bryan Fried in December 2003, Roan received nothing from corrections givers.

*A Close Look at the Senate Public Safety and Judiciary Subcommittee*

All but two of the 16 bills studied began their mostly short-lived journeys in the Senate. Of the nine that would have further regulated or restricted the corrections industry, just four made it out of the Senate, only to die in the House, while just one of the five Senate bills that would have benefited private prisons made it over to the House.

One subcommittee and committee, in particular, dealt with a majority of the corrections industry bills. Fourteen of the 16 bills analyzed in the four-year period were referred first to the seven-member Senate Public Safety and Judiciary subcommittee of the full Senate Appropriations Committee, which was made up of all senators. Of the 14 bills, eight bills made it out of the subcommittee and were then passed by the full Appropriations Committee. Two of the bills would have benefited the private-prisons industry, while six were not in their favor.

During the 2005 legislative session alone, five of the six bills reviewed went before the subcommittee. Of those, four that would have further restricted private-prison operations failed, while one, Senate Bill 815, passed.

With such a mixed bag of results, it cannot be said definitively that the contributions by the corrections industry were a sound investment. However, the money ensures at the very least that they are noticed, which goes a long way on any Capitol Hill.

# CALIFORNIA

By Linda Casey

California prisons are bursting at the seams and Gov. Arnold Schwarzenegger's plan for addressing the burgeoning inmate population is "to pursue authority to secure additional inmate capacity through contracts with other providers."<sup>86</sup> The governor's 2006-2007 budget proposes \$12 billion for jail and prison construction, adding 83,000 beds over the next 10 years, some of which would be in two new private prisons.<sup>87</sup> Proponents of private prisons see the increase as a solution to the problem of prison overcrowding. However, the idea has its detractors.

Private-prison advocates and the police unions that organize the correctional officers are on opposite sides of the privatization issue. And both groups walk the halls of the Capitol and give generously to California policymakers.

During the 2002 and 2004 election cycles, campaign contributions from private-prison interests to California candidates and party committees totaled nearly \$153,000, accounting for nearly 5 percent of the \$3.3 million the industry gave across the country.

During the same time period, California legislators tried but failed to ease prison overcrowding by modifying sentencing laws and putting in place programs to reduce the high rate at which prisoners who are released end up returning to prison because of parole violations or because they committed another crime. Private prisons, as well as unions representing state-employed correctional officers, opposed these efforts.

Meanwhile, the California Department of Corrections and Rehabilitation budget increased from nearly \$4.5 million in 2002-2003<sup>88</sup> to \$6.6 million for 2004-2005.<sup>89</sup>

## THE COMPANIES CONTRIBUTING TO CALIFORNIA POLITICS

Two private-prison firms operate California's seven private facilities, called community correctional facilities. The GEO Group, Inc.<sup>90</sup> operates four facilities housing 1,800 inmates, while Cornell Companies operates three facilities housing 822 inmates.

One of the firms operating prisons in California topped the list of private-prison contributors during the study period. Wackenhut Corrections (later known as GEO Group, Inc.) gave \$34,900 to California committees. The other company — Cornell — gave just \$3,000. Meanwhile,

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<sup>86</sup> Andy Furillo, "State Budget Strategy Is To Build Private Prisons," *Alameda Times-Star*, Jan. 16, 2006 [newspaper on-line]; available from [http://www.insidebayarea.com/timesstar/news/ci\\_3407213](http://www.insidebayarea.com/timesstar/news/ci_3407213); Internet; accessed Jan. 31, 2006.

<sup>87</sup> Ibid.

<sup>88</sup> "2002-2003 Final Budget Summary," *California Department of General Services Office of State Publishing*, p.384 [on-line]; available from [http://www.osp.dgs.ca.gov/On-Line+Publications/Governor's\\_Budget\\_Final\\_Budget\\_Summary\\_0203.htm](http://www.osp.dgs.ca.gov/On-Line+Publications/Governor's_Budget_Final_Budget_Summary_0203.htm); Internet; accessed April 11, 2006

<sup>89</sup> "2005-2006 Final Budget Summary," *California Department of General Services Office of State Publishing*, p. 391 [on-line]; available from <http://www.osp.dgs.ca.gov/On-Line+Publications/finalbudsummary0506.htm>; Internet; accessed April 11, 2006

<sup>90</sup> Contributions attributed to Wackenhut Corrections or GEO Group, Inc. for the 2002 and 2004 election cycles are detailed separately in this report. Half-way through the 2004 election cycle, on Nov. 25, 2003, Wackenhut Corrections changed its name to GEO Group, Inc.

Corrections Corporation of America (CCA), which has no contracts, ranked third overall and second among private-prison firms, with contributions of \$23,900.

#### PRISON-INDUSTRY CONTRIBUTIONS IN CALIFORNIA, 2001-2004

CONTRIBUTOR	POSITION	COMPANY	TOTAL
Hensel Phelps Construction Co.	Construction Company	Hensel Phelps	\$66,275
<b>HENSEL PHELPS TOTAL</b>			<b>\$66,275</b>
Wackenhut Corrections*	Prison Company	Wackenhut	\$34,900
<b>WACKENHUT TOTAL</b>			<b>\$34,900</b>
CCA	Prison Company	CCA	\$23,900
<b>CCA TOTAL</b>			<b>\$23,900</b>
CiviGenics	Prison Company	CiviGenics	\$3,200
Argeropoulos, Peter N.	Prison Company Executive	CiviGenics	\$1,500
Ross, Roy I.	Prison Company Executive	CiviGenics	\$1,500
<b>CIVIGENICS TOTAL</b>			<b>\$6,200</b>
Maranatha Private Corrections	Prison Company	Maranatha	\$5,500
Cornell Companies	Prison Company	Cornell	\$3,000
Aramark Corporation	Food Service Subcontractor	Aramark	\$1,000
Community Corrections Corp.	Prison Company	CCC	\$500
Kaites, John P.	Lobbyist	GEO	\$100
<b>TOTAL OTHER CONTRIBUTORS</b>			<b>\$10,100</b>
<b>TOTAL</b>			<b>\$152,960</b>

CCA = Corrections Corporation of America

CCC = Community Corrections Corp.

\* GEO Group formerly operated as Wackenhut Corrections, changing its name in November 2003.

In 2005, GEO Group, Inc. was tentatively awarded a \$20 million contract to operate a San Joaquin Valley correctional facility. Wackenhut gave two Schwarzenegger committees a total of \$58,000 in the latter part of 2003, including \$36,800 to his committee supporting the recall of then-Gov. Gray Davis. According to the *Mercury News*, GEO gave another \$10,000 to a third Schwarzenegger committee. That contribution was made on May 21, 2005, and is not included in the data considered for this study. When asked if the decision to award the contract to a donor was troubling, the governor's chief fund-raiser, Marty Wilson replied: "We do not mix policy, politics and money."<sup>91</sup>

Another private-prison company, CiviGenics, has been among the players in the privatization debate. A \$5.7 million deal between the state and CiviGenics to re-open Mesa Verde Community Corrections Facility near Bakersfield, Calif., was discussed but never went through. Gov. Schwarzenegger's administration called it off in February 2005 when the California Department of Corrections decided it didn't need extra beds.<sup>92</sup>

Gubernatorial candidates received more of the industry's contributions than other types of recipients, due in part to California's 2003 gubernatorial recall election.

<sup>91</sup> Mark Gladstone and Kate Folmar, "Donor Given State Contract," *The Mercury News*, Aug. 6, 2005 [newspaper on-line]; available from <http://www.mercurynews.com/mld/mercurynews/politics/12319326.htm>; Internet; accessed Sept. 6, 2005.

<sup>92</sup> "Conflict Raised Over Corrections Contract," *San Francisco Chronicle*, Sept. 14, 2005, sec. B, p. 3.

## PRIVATE-PRISON CONTRIBUTIONS BY RECIPIENT TYPE, 2001-2004

<b>TYPE</b>	<b>DEMOCRATS</b>	<b>REPUBLICANS</b>	<b>TOTAL</b>
Gubernatorial Candidates	\$3,000	\$68,085	\$71,085
Legislative Candidates	\$26,900	\$30,975	\$57,875
Political Party Committees	\$7,500	\$7,500	\$15,000
Other Statewide Candidates	\$7,750	\$1,250	\$9,000
<b>TOTAL</b>	<b>\$45,150</b>	<b>\$107,810</b>	<b>\$152,960</b>

The gubernatorial recall election attracted contributions from two firms with interests in private prisons. Prison operator Wackenhut Corrections (later known as GEO Group, Inc.), and Hensel Phelps Construction Co., which designs and builds correctional facilities.

Wackenhut gave \$36,800 to Arnold Schwarzenegger's Total Recall Committee, which supported the recall of Gov. Davis in 2003. The recall effort succeeded, leaving an open race for the governor's seat that Schwarzenegger then won.

Wackenhut also gave \$21,200 to Schwarzenegger's gubernatorial campaign committee, while Hensel Phelps Construction gave it \$11,600.

### THE VOICES AGAINST PRIVATIZATION

On the other side of the privatization issue, the California Correctional Peace Officers Association (CCPOA) and the Peace Officers Research Association of California (PORAC) have made their presence known, contributing a combined \$3.66 million in the 2002 and 2004 election cycles.

Longtime critics of privatization, the powerful and influential unions gave campaign contributions to California candidates, state party committees and ballot measures.

PORAC's Web site asserts: "No other organization can claim the legislative victories that PORAC has achieved. PORAC has the clout to tie up and/or kill legislative issues that are detrimental to peace officers."<sup>93</sup>

PORAC favored California Democrats by a ratio of nearly 5-to-1. During the 2002 and 2004 election cycles and including the special election of 2003, PORAC gave \$787,300 to Democratic candidates and party committees. Republican candidates received \$164,550 from the union.

The California Correctional Peace Officers Association (CCPOA) overwhelmingly supported Democrats over Republicans in giving \$2.46 million during the two election cycles. Democratic candidates received nearly \$1.9 million, or about four times the amount CCPOA gave to Republicans.

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<sup>93</sup> "Legislation," *Peace Officers Research Association of California* [on-line]; available at <http://www.porac.org/legislation.html>; Internet; accessed Dec. 19, 2005.

**CORRECTIONAL OFFICERS UNION CONTRIBUTIONS BY RECIPIENT TYPE, 2001-2004**

<b>TYPE</b>	<b>CCPOA</b>	<b>PORAC</b>	<b>TOTAL</b>
Gubernatorial Candidates	\$1,101,000	\$174,670	\$1,275,670
Legislative Candidates	\$483,830	\$547,217	\$1,031,047
Political Party Committees	\$632,600	\$75,000	\$707,600
Other Statewide Candidates	\$159,500	\$165,233	\$324,733
<b>TOTAL</b>	<b>\$2,376,930</b>	<b>\$962,120</b>	<b>\$3,339,050</b>

**SENTENCING AND POLICY CHANGES**

California voters approved Proposition 184 in 1994, better known as the “Three Strikes and You’re Out” law. It imposed longer prison sentences on convicted felons who had previous felony convictions. Proposition 66, submitted to the voters in 2004, would have amended the law to require increased sentences only if the current conviction was for “a violent and/or serious felony.” In addition, it sought to redefine violent and serious felonies and proposed re-evaluating the sentences given to offenders who were prosecuted after the 1994 law went into effect.

The familiar arguments of saving money and reducing prison population were used in favor of Proposition 66. But the measure failed at the ballot box because of a last-minute media blitz paid for by the powerful California Correctional Police Officers Association, which sided with an unlikely ally — Gov. Schwarzenegger — to defeat Proposition 66.<sup>94</sup> In addition to its support of California’s three-strikes law as it stood, CCPOA described Proposition 66 as a “get out of jail free card” that would potentially bring “26,000 felony cases up for review” if sentences were re-evaluated.<sup>95</sup> Judges, according to the union, have always had the ability to determine if the sentence they impose matches the crime.

However, the two objectives of saving money and reducing prison populations remained part of the language used in legislation introduced during all three legislative sessions between 2003 and 2005.

In addition, bills were proposed to address a number of other issues, ranging from enhancing sentences for existing crimes to putting in place rehabilitative programs designed to reduce the rate at which a released prisoner commits another offense and is incarcerated again.

**THE COMMITTEES MAKING THE DECISIONS**

Two committees in each chamber heard the legislation regarding sentencing, crime-related measures and/or changes to the California Penal Code — the Assembly Committee on Appropriations and the Assembly Committee on Public Safety, along with the Senate Committee on Appropriations and the Senate Committee on Public Safety. For the most part, the Appropriations committees in both chambers hear bills relating to fiscal matters.

<sup>94</sup> Andy Furillo, “Prop. 66 Foes Prepare TV Campaign,” *The Sacramento Bee*, Oct. 26, 2004.

<sup>95</sup> “A Vote the Preserve Public Safety,” *California Correctional Police Officers Association* [on-line]; available from [http://www.ccpoanet.org/search/default.php?inc=result\\_view&table=pres\\_msg&id=24](http://www.ccpoanet.org/search/default.php?inc=result_view&table=pres_msg&id=24); Internet; accessed April 2, 2006.

The four committees seated a total of 149 members over the study period, with shifting memberships on the various committees. An analysis of the money they received shows:

- Only 11 of those members received prison-industry contributions for a total of \$29,765 during the study period. The money was split almost evenly between Democrats, who received \$14,150, and Republicans, who received \$15,615.
- No member of the Assembly Appropriations Committee received private-prison industry contributions during the 2004 legislative session.
- One Republican member of the 2005 Assembly Appropriations Committee received private-prison interest money. Assemblywoman Mimi Walters received \$2,125 from Hensel Phelps Construction during the 2004 election cycle.

## LEGISLATION AND CONTRIBUTORS

The study looked at five pieces of legislation between 2003 and 2005. One would have amended California's three-strikes law, one looked at changing the way offenders are sentenced to parole, and three attempted to address the issue of recidivism — the term used when a person released from prison commits another offense and returns to prison. Recidivism is considered one of the contributing factors to the problem of overcrowded correctional facilities in California. California's recidivism rate, which is at 79 percent, is higher than that of any other state.<sup>96</sup>

### *2003 Legislation*

During the 2003 Legislature, Democratic Assemblywoman Jackie Goldberg introduced Assembly Bill 112 to amend the state's three-strikes law by requiring the third strike to be a serious or violent felony offense. She said the bill: "...would take the 'Three Strikes' law back to the people to decide whether or not all strikes should be serious or violent felony convictions, before subjecting people to three strike enhancements."<sup>97</sup> Because AB 112 affected the 1994 Three-Strikes Law, previously enacted through the initiative process, it would need to go back to California voters in the form of an initiative. It would not be a "get out of jail free card,"<sup>98</sup> according to the author, but rather it would "stop wasting tens of millions of taxpayer dollars by not locking persons up for life [for] committing non-serious or non-violent crimes."<sup>99</sup>

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<sup>96</sup> Daniel Macallair, "The Death of Prison Reform," *The San Diego Union-Tribune*, Jan. 18, 2006.

<sup>97</sup> "Comments: AB 112 Bill Analysis to the Assembly Committee on Appropriations Hearing on May 28, 2003," *Official California Legislative Information* [on-line]; available from [http://www.leginfo.ca.gov/pub/03-04/bill/asm/ab\\_0101-0150/ab\\_112\\_cfa\\_20030819\\_172609\\_asm\\_comm.html](http://www.leginfo.ca.gov/pub/03-04/bill/asm/ab_0101-0150/ab_112_cfa_20030819_172609_asm_comm.html); Internet; accessed on Jan. 26, 2006.

<sup>98</sup> *Ibid.*

<sup>99</sup> "Comments: AB 112 Bill Analysis to the Assembly Third Reading on Jan. 13, 2003," *Official California Legislative Information* [on-line]; available from [http://www.leginfo.ca.gov/pub/03-04/bill/asm/ab\\_0101-0150/ab\\_112\\_cfa\\_20030530\\_193839\\_asm\\_floor.html](http://www.leginfo.ca.gov/pub/03-04/bill/asm/ab_0101-0150/ab_112_cfa_20030530_193839_asm_floor.html); Internet; accessed on Jan. 26, 2006.

The bill passed out of two Assembly committees before it died in the “inactive file,” where bills are held as dormant or dead until the sponsor transfers them out of the file for a floor vote by the full chamber.<sup>100</sup>

The Assembly Committee on Public Safety approved Assembly Bill 112 on a 4-3 vote and referred it to the Assembly Committee on Appropriations, where it passed 14-8.

Both committees voted primarily along party lines.

Two of the seven Assembly Public Safety Committee members received prison-industry contributions during the study period. Republican Todd Spitzer, who voted against AB 112, received \$3,000 in the 2002 election cycle and another \$1,000 in 2003 and \$6,200 in 2004. Democrat Rudy Bermudez received \$3,200 in 2003. Both legislators voted against repealing the three-strikes law.

The private-prison industry gave a total of \$6,790 to four members of the Assembly Appropriations Committee — \$5,800 during the 2002 election cycle and \$990 during the 2004 cycle. The committee’s vice chairwoman, Republican Patricia C. (Pat) Bates, voted against AB 112. She received \$2,300. Democrat Marco Antonio Firebaugh voted in favor of the measure and received \$3,000 from Cornell Companies. Assemblyman Firebaugh was the only member who received industry money and voted in favor of the measure. The only Democrat voting against AB 112, Lou Correa, received \$500 from Corrections Corporation of America (CCA). The industry gave Lynn Daucher \$990 during the 2004 election cycle. She voted against AB 112.

Less than a week after the Appropriations Committee approval, Assemblywoman Goldberg, requested that the bill be moved to the inactive file. Her legislative aide, Curtis Notsinneh, said AB 112 was left in the inactive file because “the vote was not there” to pass the measure. He said the California Legislature lacks the will to change the three-strikes law, adding: “That’s unfortunate. People [the legislators] don’t want to seem to be soft on crime.”<sup>101</sup>

No representative of the private-prison industry appeared as a proponent or an opponent of the bill, but the California Correctional Peace Officers’ Association (CCPOA) is listed in opposition to the bill because the CCPOA saw it as a weakening of the three-strikes law it has strongly supported. PORAC did not appear as a proponent nor as an opponent. And in contrast to the private-prison industry, every member of the Public Safety Committee took contributions from either the CCPOA or PORAC or both. CCPOA and PORAC gave a combined \$56,850 to members of the Assembly Public Safety Committee. The committee vice chairman, Republican Jay LaSuer, received more union money than any other member of the Assembly’s Public Safety Committee: \$13,000 from PORAC and \$4,750 from CCPOA. Democrat Rudy Bermudez received the second-highest amount, with \$8,000 from PORAC and \$6,500 from CCPOA.

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<sup>100</sup> “Inactive File,” *California State Legislature Glossary* [on-line]; available from <http://www.legislature.ca.gov/quicklinks/glossary.html#I>; Internet; accessed Jan. 27, 2006.

<sup>101</sup> Telephone interview with Curtis Notsinneh, legislative aide to Assemblywoman Jackie Goldberg, April 12, 2006.

### 2004 Legislation

The California Legislature considered three separate measures to reduce the state's recidivism rate in 2004. Although one of the measures passed, it was vetoed.

Sen. John Vasconcellos, a Democrat, introduced Senate Bill 1399 in the 2004 Legislature. The measure required the Department of Corrections to "evaluate each inmate and prescribe and implement a program that addresses the psychosocial, educational and vocational needs of the inmate in order to prepare him or her to lead a constructive life upon release."

The measure passed both chambers only to be vetoed by Gov. Schwarzenegger.

The private-prison industry did not appear publicly on Senate Bill 1399. The Department of Corrections and the Department of Finance were the only opponents to publicly voice their opposition.<sup>102</sup> In his veto message to the Legislature, Gov. Schwarzenegger said he remained committed to "comprehensive prison reform" but believed SB 1399 would "interfere" with efforts currently being taken.<sup>103</sup>

SB 1399 was approved by the six members of the Senate Public Safety Committee.

Five out of six of the committee members voted in favor of SB 1399, but only two received private-prison contributions, and those contributions were given long before the 2004 session. Sen. Vasconcellos, the bill's author and the Democratic vice chairman of the committee, received a \$3,000 contribution from CCA in May 2001. Democrat Gloria Romero received a \$3,200 contribution from Wackenhut Corrections in June 2003.

The Senate Appropriations Committee voted in favor of SB 1399 on a straight party-line vote, with all eight Democrats voting in favor and four of the five Republicans voting against. One senator, Republican Ross Johnson, did not vote. None of the committee members received contributions from private-prison interests.

Two other bills addressing recidivism did not make it as far as Senate Bill 1399. They were:

- Senate Bill 1468 by Democratic Sen. Jackie Speier. The bill would have required that recidivism rates be reduced within a certain timeframe and would have placed in law a timetable requiring a 5 percent reduction by Jan. 1, 2006, increasing to a 20 percent reduction by Jan. 1, 2009. Sen. Speier said the state's recidivism rate of 67 percent to 80 percent was "unconscionably high," adding: "We need a game plan to reduce recidivism. Education is key. Programs that successfully reduce parolee failures will cut crime and eliminate need to build more prison[s] and hire more employees."<sup>104</sup> Private-prison

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<sup>102</sup> "Bill Analysis for the Senate Rules Committee," *Official California Legislative Information* [on-line]; available from [http://www.leginfo.ca.gov/pub/03-04/bill/sen/sb\\_1351-1400/sb\\_1399\\_cfa\\_20040825\\_093929\\_sen\\_floor.html](http://www.leginfo.ca.gov/pub/03-04/bill/sen/sb_1351-1400/sb_1399_cfa_20040825_093929_sen_floor.html); Internet; accessed Jan. 31, 2006.

<sup>103</sup> "SB 1399 Veto," *Official California Legislative Information*, Sept. 24, 2004 [on-line]; available from [http://www.leginfo.ca.gov/pub/03-04/bill/sen/sb\\_1351-1400/sb\\_1399\\_vt\\_20040924.html](http://www.leginfo.ca.gov/pub/03-04/bill/sen/sb_1351-1400/sb_1399_vt_20040924.html); Internet; accessed Jan. 31, 2006.

<sup>104</sup> "Comments: SB 1468 Bill Analysis to the Senate Committee on Public Safety," *Official California Legislative Information*, April 27, 2004; accessed from [http://www.leginfo.ca.gov/pub/03-04/bill/sen/sb\\_1451-1500/sb\\_1468\\_cfa\\_20040426\\_142621\\_sen\\_comm.html](http://www.leginfo.ca.gov/pub/03-04/bill/sen/sb_1451-1500/sb_1468_cfa_20040426_142621_sen_comm.html); Internet; accessed Jan. 31, 2006.

interests did not testify on the measure, but the CCPOA opposed it because the bill would have prohibited wage increases for prison guards if the recidivism rate did not reach a prescribed level. The bill died in the Senate Appropriations Committee.

- Republican Sen. Chuck Poochigian introduced Senate Bill 1715, which would have required the Department of Corrections to start assessing an inmate's risk of recidivism at the time of incarceration, rather than at the time of parole. The Senate Public Safety Committee approved the measure and referred it to the Senate Appropriations Committee, where it died. No private-prison interests voiced public opposition or support for SB 1715, but the CCPOA was listed as a proponent of the measure.

### *2005 Legislation*

In the 2005 Legislature, Assemblyman Mark Leno introduced a bill aimed at changing the length of time an offender spent on parole. Assembly Bill 505 sought to reduce the number of non-violent offenders being returned to prison for minor technical parole violations such as missing a meeting with a parole officer.

AB 505 passed out of the Assembly Public Safety Committee and the Assembly Appropriations Committee but failed to get enough votes during a vote by the full Assembly.

No private-prison interests voiced public opposition or support for AB 505, and only one Republican member of each committee received contributions from private-prison industry sources. Assemblyman Todd Spitzer received \$6,200, and Assemblywoman Mimi Walters received \$2,125.

The CCPOA is listed as a proponent of the legislation. The union gave \$13,750 to members of the Assembly Committee on Public Safety during the study period. PORAC contributed to every member of the committee for a total of \$31,100. AB 505 sponsor and Committee Chairman Mark Leno received \$3,000 from CCPOA and another \$6,000 from PORAC. Vice Chairman LaSuer received \$17,750. Rep. Spitzer, who received \$6,200 from private-prison industry sources, also received \$4,600 from PORAC.

CCPOA gave a total of \$18,150 to the members of the 2005 Assembly Appropriations Committee, while PORAC gave those committee members a combined \$41,550. Republican Assemblywoman Walters, the only member of that committee to receive a contribution from private-prison sources, also received \$1,000 from CCPOA.

## PENNSYLVANIA

By Denise Roth Barber

Pennsylvania's Department of Corrections (DOC) received \$1.3 billion from the state's general fund for the 2004-2005 annual budget, behind only the education and public welfare agencies. However, that soon may not be enough, if the state's incarceration rates continue to climb. Since 1998, the state's prison population has increased 13 percent.<sup>105</sup>

Although no state prisoners are currently housed in privately owned or operated prisons in Pennsylvania, private firms already operate in the Keystone State. Houston-based Cornell Companies, Inc., for example, operates 20 facilities and treatment centers through contracts with federal and local governments.<sup>106</sup> And Cornell is scheduled to begin operating the Moshannon Valley Correctional Facility, a federally contracted prison, in the spring of 2006.<sup>107</sup>

To protect their current operations in the state and foster potential new ones, private-prison interests gave Pennsylvania state-level candidates and party committees more than \$117,000 from 2001 through 2004. One company and the executive of another firm gave a total of \$56,130, or 48 percent of the total, while lobbyists representing these companies, among other clients, gave just under \$50,000, or 42 percent. Aramark Corp., a Philadelphia-based food service subcontractor, gave the remaining \$11,500.

### PRISON-INDUSTRY CONTRIBUTIONS IN PENNSYLVANIA, 2001-2004

CONTRIBUTOR	POSITION	COMPANY	TOTAL
Cornell Companies	Prison Company	Cornell	\$41,430
Steck, Matthew J.	Lobbyist	Cornell	\$1,662
Rapp, Stanley I.	Lobbyist	Cornell	\$1,381
Keenan, Mary M.	Lobbyist	Cornell	\$1,100
Greenlee, William & Barbara	Lobbyist	Cornell	\$300
Marsico, Andrew	Lobbyist	Cornell	\$100
<b>CORNELL TOTAL</b>			<b>\$45,973</b>
Bradshaw, Paul R.	Lobbyist	CCA	\$30,000
McBrayer, W. Terry	Lobbyist	CCA	\$1,500
<b>CCA TOTAL</b>			<b>\$31,500</b>
Paese, Thomas G.	Lobbyist	Aramark	\$13,050
Aramark Corp.	Food Service Subcontractor	Aramark	\$11,500
Kuller, Laura	Lobbyist	Aramark	\$850
<b>ARAMARK TOTAL</b>			<b>\$25,400</b>
McDougall, Sean D.	Prison Company Executive	Minsec Corrections	\$14,700
<b>TOTAL</b>			<b>\$117,573</b>

CCA = Corrections Corporation of America

<sup>105</sup> Jeffrey A. Beard, "Budget Presentation," *Department of Corrections*, March 2005 [on-line]; available from <http://www.cor.state.pa.us/stats/lib/stats/2005budgetpresentation.pdf>; Internet; accessed Dec. 14, 2005.

<sup>106</sup> "Cornell Facilities Search," *Cornell Companies, Inc.* [on-line]; available from <http://www.cornellcompanies.com/facilities2.cfm?state=PA>; Internet; accessed Dec. 13, 2005.

<sup>107</sup> "Moshannon Valley Correctional Facility," *Cornell Companies, Inc.* [on-line]; available from [http://www.cornellcompanies.com/facilities3.cfm?fac\\_id=17](http://www.cornellcompanies.com/facilities3.cfm?fac_id=17); Internet; accessed March 8, 2006.

## THE RECIPIENTS OF PRIVATE-PRISON MONEY

After facing stiff opposition to private-prison operations by the previous administration,<sup>108</sup> prison interests focused their giving on the open 2002 gubernatorial race, contributing \$52,750 to two of the candidates in that race. Then-State Auditor Bob Casey received \$32,750, and Ed Rendell, who defeated Casey in the Democratic primary, received \$20,000. Rendell's unsuccessful opponent in the general election, then-Attorney General Mike Fisher, received just \$1,000 from prison interests during the entire 2002 election cycle.

Casey received most of his prison money, \$25,500, from Cornell, which made no contributions to Rendell's campaign. One lobbyist for Corrections Corporation of America (CCA) also gave only to Casey, although significantly less, at \$1,500. Aramark Corp., on the other hand, highly favored Rendell, with the company itself giving \$10,000 to his campaign and company lobbyists contributing another \$2,500. Casey received just \$250 from an Aramark lobbyist. Minsec Corrections Corp. another private-prison firm, hedged its bets, with executive Sean McDougall giving \$7,500 to Rendell and \$5,000 to Casey.

During the four-year study period, private-prison interests contributed more heavily to gubernatorial and other statewide candidates than they did to legislative candidates.

### PRIVATE-PRISON CONTRIBUTIONS BY RECIPIENT TYPE, 2001-2004

<b>TYPE</b>	<b>DEMOCRATS</b>	<b>REPUBLICANS</b>	<b>TOTAL</b>
Gubernatorial Candidates	\$52,950	\$1,000	\$53,950
Other Statewide Candidates	\$1,100	\$35,881	\$36,981
Legislative Candidates	\$7,000	\$17,042	\$24,042
Political Party Committees	\$100	\$2,500	\$2,600
<b>TOTAL</b>	<b>\$61,150</b>	<b>\$56,423</b>	<b>\$117,573</b>

The open attorney general's race in 2004 also commanded attention, since Mike Fisher, as attorney general, had previously held up plans to open two privately operated prisons in Clearfield County.<sup>109</sup> As attorney general, Fisher had contended that state law did not allow a private company to run a prison inside the commonwealth and said he would file suit if one tried to open.<sup>110</sup>

Republican Tom Corbett, the victor in the attorney general's race, received \$3,231 from private-prison interests. David Barasch, who lost in the Democratic primary, received \$1,100 from lobbyists representing Cornell. Democrat Jim Eisenhower, who lost to Corbett in the general election, received nothing from private-prison interests.

State Treasurer Barbara Hafer, though not up for election in 2002, nonetheless received more than \$32,000 from prison interests that election cycle, due largely to a one-time contribution of \$30,000

<sup>108</sup> Tom Gibb, "Judge Clears Private Prison; State Still Strongly Opposes It," *Pittsburgh Post-Gazette*, Aug. 11, 2001, sec. D, p. 6.

<sup>109</sup> Tom Gibb, "Clearfield Residents Pan a Plan for County-Owned Private Prison," *Pittsburgh Post-Gazette*, March 5, 2000 [newspaper on-line]; available from <http://www.post-gazette.com/regionstate/20000305prisonreg4.asp>; Internet; accessed Jan. 3, 2006.

<sup>110</sup> *Ibid.*

from Paul Bradshaw, founder of Southern Strategy Group, a lobbying firm which lists CCA among its clients.<sup>111</sup>

The table below shows the industry’s contributions to statewide candidates during the four-year study period.

**PRISON-INDUSTRY CONTRIBUTIONS TO STATEWIDE CANDIDATES, 2001-2004**

<b>RECIPIENT</b>	<b>PARTY</b>	<b>OFFICE</b>	<b>STATUS</b>	<b>TOTAL</b>
Casey Jr., Bob	Democrat	Governor	Lost-Primary Election	\$32,750
Hafer, Barbara	Republican	Treasurer	Did Not Run	\$32,650
Rendell, Ed	Democrat	Governor	Won	\$20,000
Corbett, Tom	Republican	Attorney General	Won	\$3,231
Barasch, David	Democrat	Attorney General	Lost-General Election	\$1,100
Fisher, Mike	Republican	Governor	Lost-General Election	\$1,000
Kukovich, Allen G.	Democrat	Lt. Governor	Lost-Primary Election	\$200
			<b>TOTAL</b>	<b>\$90,931</b>

*Contributions to Legislative Candidates*

Prison interests put somewhat less money into legislative races during the four-year period, but targeted their contributions well. They gave a total of about \$24,000, contributing to 13 candidates in 2002 and 17 candidates in 2004. All but \$500 of the funds went to winning candidates or those already in office but not up for re-election — in other words, those who would decide the fate of bills affecting the private-prison industry over the next two years.

A close look at the legislators who received political contributions from the corrections companies over the two election cycles reveals that the companies’ giving was anything but random. Not only did they give to those in a position to vote up or down on relevant bills, they also ensured their money went to those in powerful positions to determine if legislation would even be enacted upon. For example:

- Republican Rep. Sam Smith, House majority leader since 2003, raised the most money from private-prison interests, receiving \$4,062 during the 2004 election cycle, all from Cornell interests.
- Republican Sen. Jeffrey Piccola, elected majority whip in 2001 and a member of the Senate Judiciary Committee, received \$2,900 during the 2002 cycle, \$2,500 of which came directly from Cornell.
- Republican Sen. Jake Corman, who supported Cornell’s proposed prison to house federal inmates,<sup>112</sup> received \$2,680, all in direct contributions from Cornell over the two election cycles.

<sup>111</sup> “About SSG,” *Southern Strategy Group* [on-line]; available from [http://www.sostrategy.com/page\\_ssg\\_client\\_list.asp](http://www.sostrategy.com/page_ssg_client_list.asp); Internet; accessed Dec. 9, 2005.

<sup>112</sup> Tom Gibb, “Private Prison in Clearfield County Still Has a Big Hurdle to Jump,” *Pittsburgh Post-Gazette*, Jan. 30, 2000 [newspaper on-line]; available from <http://www.post-gazette.com/regionstate/20000130prison4.asp>; Internet; accessed Jan. 3, 2006.

- Republican Rep. John Perzel, speaker of the House since 2003 and majority leader from 1995 to 2002, received \$2,100 over both cycles — \$2,000 from Aramark lobbyist Thomas Paese, who also lobbied for other clients, and \$100 from Minsec Corrections executive Sean McDougall.
- Democratic Rep. H. William DeWeese, House minority leader in 2005, received \$1,000 from Aramark on Nov. 11, several days after the 2004 election.
- Democratic Sen. Vincent Fumo, minority Appropriations Committee chairman since 1995, received \$1,000 from Cornell. Members of the Appropriations Committee are responsible for developing the state budget and all money-related bills must pass through this committee before they are voted upon by the Senate.

#### A RETURN ON THEIR INVESTMENTS

Several pieces of legislation introduced since 2003 were designed to reduce the inmate population and the DOC's budget — some at the expense of the corrections industry. However, most of the bills failed to make it through the legislative labyrinth. For example:

- While the DOC was awarding a contract to a private-prison supply firm, a bill was introduced in the House in late March 2005 that would have prohibited the use of public funds to privatize or outsource the commissary services of state correctional institutions. House Bill 1136 stalled out in the House Appropriations Committee.
- Democratic State Rep. Harold James, who received no money from private-prison interests, sponsored so-called “good time” bills that would have established a system of earned time for deserving prisoners, thus reducing the time they spent behind bars. Although he was minority chairman of the Judiciary's Crime and Corrections Subcommittee, Rep. James was unable to get either of his two bills (House Bills 1121 in 2003 and 1133 in 2005) out of the full House Judiciary Committee.
- Rep. James also sponsored House Bill 751, which would have abolished mandatory minimum sentences for certain non-violent offenses. This bill met the same fate as James' other ones.
- Another piece of legislation, Senate Bill 880, would have prohibited the Department of Corrections from using state money to privatize or outsource nursing services. Introduced in 2003, SB 880 never made it out of the Senate Judiciary Committee. Just one of the 10 senators who sponsored the bill — Sen. Allen Kukovich — received any money from private-prison interests before the bill was introduced in July 2003. Cornell gave Sen. Kukovich \$200 in 2002, the year he ran and lost in the Democratic primary for lieutenant governor.

However, one measure designed to help reduce both the state's prison budget and population was signed into law. Senate Bill 217 provided for alternative drug offense sentencing. Unanimously approved by the House and Senate, the bill was signed into law by Gov. Rendell in November 2004.

## LOOKING DOWN THE ROAD AHEAD

As mayor of Philadelphia, Ed Rendell privatized many services, including some jail services.<sup>113</sup> In keeping with his past, as governor, Rendell implemented a strategic sourcing initiative to address the state's budget woes. As part of this initiative, the state awarded two private contracts in 2005 to provide food and commissary supplies to the state's 26 correctional facilities, previously provided by the state. W.S. Lee and Sons, of Altoona, won the contract to supply food to the state's correctional institutions, among others, in a move estimated to save the state nearly \$14 million, according to the governor's office.<sup>114</sup> Keefe Supply Group was selected to supply inventory to the commissaries in the state's 26 correctional institutions, a move the governor's office estimates will save the state \$3 million.<sup>115</sup> Neither of these two contractors had contributed to state-level committees in Pennsylvania from 2001 through 2004.

In addition, Rendell has also expressed his support for Cornell's private prison to house federal inmates in Clearfield County.<sup>116</sup> Combined, these actions may be seen as green lights for the private prison firms' future prospects in the Keystone State.

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<sup>113</sup> Paul Kengor, "Pennsylvania: The Privatization State," *Pittsburgh Post-Gazette*, Jan. 17, 2003 [newspaper on-line]; available from <http://www.post-gazette.com/forum/comm/20030117edken1117p1.asp>; Internet; accessed Dec. 13, 2005.

<sup>114</sup> "Savings From Governor Rendell's Strategic Sourcing Program Top \$118 million," *Pennsylvania Governor's Office* [on-line]; available from <http://www.governor.state.pa.us/governor/cwp/view.asp?a=3&q=439211>; Internet; accessed March 21, 2006.

<sup>115</sup> "Strategic Sourcing Savings Reach \$138.5 Million With Medical Services Contract," *Pennsylvania Governor's Office* [on-line]; available from <http://www.governor.state.pa.us/governor/cwp/view.asp?a=3&q=441234>; Internet; accessed Dec. 14, 2005.

<sup>116</sup> "Cornell Companies Announces Start of Construction of the Moshannon Valley Correctional Facility," *Cornell Companies, Inc.*, Oct. 7, 2004 [on-line]; available from <http://www.cornellcompanies.com/news2.cfm?nid=12>; Internet; accessed Dec. 12, 2005.

## COLORADO

By Linda Casey

Similar to other states, Colorado is faced with an increasing number of inmates and not enough prison beds to go around. And like other states, policymakers are looking to the private sector for one part of the solution — increasing the number of private-prison beds.

However, a 2005 private-prison performance report conducted by Colorado's State Auditor produced a lengthy list of recommendations to the Department of Corrections (DOC) regarding the five private prisons already operating in the state. The recommendations ranged from ensuring adequate inmate medical and nutritional services to staffing issues and sufficient monitoring of the operations of the private facility

Despite that report, the state will award a bid in 2006 to begin construction of private facilities to house 2,250 male inmates, with the expectation of having the first 750 beds available by February 2008 and completing the project in August 2009. The DOC also is seeking an additional bid for 750 private beds for female inmates.<sup>117</sup>

Two firms currently operate the five private prisons in Colorado. Corrections Corporation of America (CCA) runs four of the prisons, while GRW Corp. operates one.

CCA is already ahead of the competition in the bidding process for the new facilities, because it "already has the land and the necessary zoning."<sup>118</sup> And any concerns brought about by the 2005 audit have been addressed to the DOC's satisfaction, according to CCA spokesman, Steve Owen.<sup>119</sup>

During the 2005 legislative session, when a bill was introduced prohibiting Colorado's private prisons from housing out-of-state prisoners, "a representative of ... Corrections Corporation of America warned it might have to close a prison for lack of funds if the bill passed."<sup>120</sup>

The plan to prohibit out-of-state prisoners was rejected in a telling example of the influence a special interest can have on the legislative process.

As of April 2005, 2,800 of Colorado's 18,000 inmates were incarcerated in private prisons. However, not all of them were in Colorado. According to the 2005 audit, Colorado's prisons haven't had enough room since the 1980s. So in 2004, the Department of Corrections sent 128 male inmates to a Mississippi prison.

For this report, the Institute looked at four different pieces of legislation relevant to private prisons in Colorado. One dealt with easing prison overcrowding, and another sought to prohibit out-of-state inmates. The other two measures directly affected private prisons: one sought to make

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<sup>117</sup> Ann Imse, "Crowley Prison Owner Has Bidding Edge," *Rocky Mountain News*, March 6, 2006, [newspaper on-line]; available from [http://www.rockymountainnews.com/drmn/cda/article\\_print/0,1983,DRMN\\_15\\_4517540\\_ARTICLE-DETAIL-PRINT,00.html](http://www.rockymountainnews.com/drmn/cda/article_print/0,1983,DRMN_15_4517540_ARTICLE-DETAIL-PRINT,00.html); Internet; accessed March 7, 2006.

<sup>118</sup> Ibid.

<sup>119</sup> Ibid.

<sup>120</sup> Jim Tankersley, "States May Pull Inmates; Private Prisons Hurt by Scandal Over Sexual Misconduct," *Rocky Mountain News*, June 21, 200, sec. A, p. 4.

private-prison contractors more financially accountable and the other dealt with the bidding process for private facilities. Only the latter was signed into law. But the private-prison industry fared well, because the outcome of all four measures was beneficial to the industry.

Along with the two firms operating in the state, three other private-prison interests contributed to Colorado's candidates and political party committees. Probably aware of the fact Colorado is facing serious overcrowding, these private-prison companies are letting their presence be known and are getting in line for possible contracts to increase the number of private-prison beds.

Industry-related companies, their executive, directors and lobbyists who gave to Colorado candidate and/or party committees are shown in the following table.

#### PRISON-INDUSTRY CONTRIBUTIONS IN COLORADO, 2001-2004

CONTRIBUTOR	POSITION	COMPANY	TOTAL
Hensel Phelps Construction Co.	Construction Company	Hensel Phelps	\$35,000
<b>HENSEL PHELPS TOTAL</b>			<b>\$35,000</b>
CCA	Prison Company	CCA	\$23,200
Christiansen, Margaret M.	Lobbyist	CCA	\$3,625
Burch III, Lucius E.	Prison Company Director	CCA	\$2,500
Beasley, Thomas W.	Prison Company Executive	CCA	\$1,000
Ferguson, John D.	Prison Company Executive	CCA	\$500
Grande, Anthony	Lobbyist	CCA	\$400
Wedell, Henri L. & Marsha	Prison Company Director	CCA	\$400
<b>CCA TOTAL</b>			<b>\$31,625</b>
Community Corrections Corp.	Prison Company	CCC	\$9,600
Wackenhut Corrections	Prison Company	Wackenhut	\$5,000
Walker, G.R. (Gil)	Prison Company Executive	GRW Corp.	\$300
<b>TOTAL OTHER CONTRIBUTORS</b>			<b>\$14,900</b>
<b>TOTAL</b>			<b>\$81,525</b>

CCA = Corrections Corporation of America

Wackenhut Corrections now operates as the Geo Group, Inc.

Contributors associated with the two private-prison companies holding Colorado contracts gave nearly \$32,000. CCA accounted for \$23,200 of the total, while its executives, directors and lobbyists combined for the other \$8,425. The \$300 attributed to GRW Corp. came from GRW's founder, Gil R. Walker, who gave \$300 to Republican Rep. Diane Hoppe. Interestingly, that contribution is the only contribution GRW or its founder gave during the 2002 and 2004 election cycles, in spite of the fact GRW has facilities in eight states, including Colorado.<sup>121</sup>

As the top-contributing industry interest, Hensel Phelps Construction Co. gave \$25,000 to the Colorado Republican Party and \$10,000 to the gubernatorial team of Bill Owens and Jane Norton. The construction company, whose projects include several facilities for the Federal Bureau of Prisons, lists two Colorado projects it has completed, but neither are among the five private prisons operating in Colorado at this time. Hensel Phelps' portfolio includes a wide range of projects across the country.

<sup>121</sup> "Project Experience," *GRW Corp.* [on-line]; available from <http://www.grwcorporation.com/experien.html>; Internet; accessed Dec. 12, 2005.

## WHERE THE MONEY WENT

The pattern of prison-industry giving in Colorado is similar to that of other states. Republican candidates and party committees received more than Democrats.

Like Florida, state political party committees in Colorado received the largest share of private-prison interest funds. Also like Florida, Colorado places tight limits on the contributions candidates can receive. The state political parties can use the money to support candidates or pay for such as expenses as advertising, mailings and staff. Both political party committees in Colorado received private-prison contributions, but the donations to the party in power, the Republicans, eclipsed those given the Democrats by a ratio of nearly 19-to-1. Republicans received \$34,050, compared with the \$1,800 given to the Democratic Party.

All contributions to gubernatorial candidates went to Republican Bill Owen and his running mate, Jane Norton, during the 2002 election cycle.

### PRIVATE-PRISON CONTRIBUTIONS BY RECIPIENT TYPE, 2001-2004

<b>TYPE</b>	<b>DEMOCRATS</b>	<b>REPUBLICANS</b>	<b>TOTAL</b>
Political Party Committees	\$1,800	\$34,050	\$35,850
Gubernatorial Candidates	\$0	\$28,500	\$28,500
Legislative Candidates	\$3,000	\$14,025	\$17,025
Other Statewide Candidates	\$0	\$150	\$150
<b>TOTAL</b>	<b>\$4,800</b>	<b>\$76,725</b>	<b>\$81,525</b>

## SENTENCING AND POLICY CHANGES

Colorado joined several other states in the mid-1990s by enacting its version of the so-called three-strikes legislation. The habitual-offender law, as it's referred to in Colorado, triples the maximum sentence for a crime if it's the third felony an offender has committed. It also requires life sentences for habitual offenders who commit a violent crime.<sup>122</sup>

Six legislative committees typically hear legislation dealing with prisons, sentencing laws and criminal justice issues. The House and the Senate each has an Appropriations Committee, a Judiciary Committee and a State, Veterans and Military Affairs Committee.

During three legislative sessions, lawmakers tried to hold private prisons more accountable, as well as ease overcrowding, by increasing the amount of time non-violent offenders could earn toward reducing their sentences. All but one of the efforts failed, however. The only measure that won approval was House Bill 1100 in 2004, which set out specific guidelines for competitive bidding on private-prison construction.

Following is a look at some of the key bills considered by the Legislature.

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<sup>122</sup> Anne Imse, "Colorado's Prison Space to Run Out This Year," *Rocky Mountain News*, Jan. 4, 2006, sec. Local.

2003 Legislative Session

Senate Bill 328 sought to reduce the amount of time certain prisoners convicted of non-violent offenses would have to serve, by changing the so-called “earned time” computations. The measure would have increased earned time from 10 days to 12 days per month for inmates who demonstrated consistent progress to their case manager or parole officer, were serving a sentence in the Colorado DOC for the first time and were serving time for an offense that was a non-violent felony offense.

The bill, introduced by Republican Senate Appropriations Chairman David T. Owen, passed both chambers of the Legislature but was vetoed by Gov. Bill Owens. Gov. Owens, having vetoed similar bills in the past, had promised to “take a serious look” at SB 328 but in the end rejected the measure.<sup>123</sup> In the following legislative session, he stopped just short of promising to veto any measure that sought to save money by reducing sentences.<sup>124</sup>

The governor received \$28,500 from private-prison sources during the 2002 election cycle — \$15,000 from three private-prison firms and \$3,500 from their executives. Another \$10,000 came from the Hensel Phelps Construction Co.

Both the Senate and House Appropriations committees approved the measure. The following tables detail contributions to committee members and their votes on the bill.

**CONTRIBUTIONS TO 2003 SENATE APPROPRIATIONS COMMITTEE MEMBERS**

<b>RECIPIENT</b>	<b>PARTY</b>	<b>VOTE ON SB 03-328</b>	<b>TOTAL</b>
Hillman, Mark D.	Republican	Yes	\$1,100
Teck, Ronald J. (Vice Chairman)	Republican	Excused	\$750
Owen, David T. (Chairman)	Republican	Yes	\$500
Lamborn, Doug	Republican	No	\$250
Chlouber, Ken	Republican	Yes	\$0
Dyer, Jim	Republican	Excused	\$0
Grossman, Dan	Democrat	Yes	\$0
Keller, Walter	Democrat	Yes	\$0
Phillips, John R.	Democrat	Yes	\$0
Reeves, Peggy	Democrat	Yes	\$0
<b>TOTAL</b>			<b>\$2,600</b>

<sup>123</sup> John J. Sanko, “Senate Considers Bills to Reduce Prison Time; Lawmakers Back Lighter Penalties for Drug Possession,” *Rocky Mountain News*, April 26, 2003, sec. A, p. 19.

<sup>124</sup> John J. Sanko, “Don’t Skimp On Prisons, Owens Says,” *Rocky Mountain News*, Feb. 28, 2004, sec A, p. 16.

## CONTRIBUTIONS TO 2003 HOUSE APPROPRIATIONS COMMITTEE MEMBERS

RECIPIENT	PARTY	VOTE ON SB 03-328	TOTAL
Young, Brad (Chairman)	Republican	Yes	\$1,250
Hoppe, Diane	Republican	Yes	\$1,200
Berry, Gayle A.	Republican	Yes	\$850
Plant, Tom	Democrat	Yes	\$750
Fairbank, Rob	Republican	Yes	\$250
Stengel, Joe	Republican	Yes	\$50
Butcher, Dorothy B.	Democrat	Yes	\$0
Garcia, Michael	Democrat	Yes	\$0
Weissmann, Paul	Democrat	Yes	\$0
Williams, Tambor	Republican	Yes	\$0
Witwer, John (Vice Chairman)	Republican	Yes	\$0
<b>TOTAL</b>			<b>\$4,350</b>

### *2004 Legislative Session*

In 2004, lawmakers considered and approved House Bill 1100, providing specific guidelines for competitive bid proposals on the construction of private prisons. The bill specifically required the DOC to request competitive proposals and gave the agency authority to plan for the construction of private prisons and seek proposals for private facilities if the state's building fund did not have enough money to pay for the cost of a state prison that would be needed to handle projected inmate populations.

This bill was sponsored by Sen. Owen, who told the Senate Judiciary Committee that he was trying to "deal with the lack of state funds to build prisons by implementing a planning process for building new private prisons."<sup>125</sup>

The only recorded support for the bill came from the Colorado Department of Corrections. Opponents, meanwhile, included the Criminal Justice Reform Coalition, whose mission is "to reverse the trend of mass incarceration in Colorado,"<sup>126</sup> and AFSCME Council 76, a union representing government workers.

Stephen Raher of the Criminal Justice Reform Coalition told the committee that "private beds are generally not much cheaper than state-built beds."<sup>127</sup> AFSCME representative Dave Childs expressed concern for jobs held by the government workers his organization represents.<sup>128</sup>

<sup>125</sup> "Final Bill Summary for HB04-1100 for the Senate Committee on Judiciary," *Colorado General Assembly* [on-line]; available from <http://www.leg.state.co.us/Clics2004a/commsumm.nsf/db6b21d4aa40b66b87256815005e23be/7a54901434b3f3fa87256e30007194fa?OpenDocument>; Internet; accessed Feb. 6, 2006.

<sup>126</sup> "About Us," *Criminal Justice Reform Coalition* [on-line]; available from [http://www.ccjrc.org/index\\_mem.html](http://www.ccjrc.org/index_mem.html); Internet; accessed March 6, 2006.

<sup>127</sup> "Final Bill Summary for HB04-1100 for the Senate Committee on Judiciary," *Colorado General Assembly* [on-line]; available from <http://www.leg.state.co.us/Clics2004a/commsumm.nsf/db6b21d4aa40b66b87256815005e23be/7a54901434b3f3fa87256e30007194fa?OpenDocument>; Internet; accessed Feb. 6, 2006.

Gov. Owens signed HB 1100 into law in 2004. In 2002, private-prison interests were more generous to the governor's re-election campaign than they were to members of either committee hearing HB 1100. The governor received \$28,500, compared with the combined total of \$650 the industry gave to House committee members.

The Legislature and the governor believed Sen. Owen's assertion that the state could save money by using private prisons. Cherie Greco from the Department of Corrections told the Senate Judiciary Committee that state-run facilities for medium-security prisons cost \$62.66 to \$88.18 per prisoner per day compared with private-prison costs of \$50.37 per day.<sup>129</sup>

In the end, HB 1100 benefited the private-prison industry, in spite of the fact it called for competitive bidding and a closer eye on the bidding process, because the bill required the DOC to begin taking bids on the construction of new private prisons.

**PRISON-INDUSTRY CONTRIBUTIONS TO GOV. OWENS, 2001-2004**

<b>CONTRIBUTOR</b>	<b>POSITION</b>	<b>COMPANY</b>	<b>TOTAL</b>
Hensel Phelps Construction Co.	Construction Company	Hensel Phelps	\$10,000
Community Corrections Corp.	Prison Company	CCC	\$5,000
CCA	Prison Company	CCA	\$5,000
Wackenhut Corrections	Prison Company	Wackenhut	\$5,000
Burch III, Lucius E.	Prison Company Director	CCA	\$2,500
Beasley, Thomas W.	Prison Company Executive	CCA	\$1,000
<b>TOTAL</b>			<b>\$28,500</b>

HB 1100 was heard in the House Judiciary Committee and the Senate Judiciary Committee. Only House committee members received private-prison industry contributions for a combined total of \$650. Democratic Rep. Betty Boyd and Republican Rep. Lauri Clapp received \$150 each from Community Corrections Corp. (CCC).

That same firm gave two Republicans, Chairwoman Lynn Christian Hefley and Rep. Richard D. Decker, \$100 each. And CCA lobbyist Margaret M. Christiansen gave \$100 to Rep. Cheri Jahn and \$50 to Rep. Joe Stengel; both are Democrats.

The vote in the House Judiciary Committee was 10-0, with member Rep. McGihon excused. The measure unanimously passed the seven-member Senate Judiciary Committee.

<sup>128</sup> "Final Bill Summary HB04-1100 for the House Committee on Judiciary," *Colorado General Assembly* [on-line]; available from <http://www.leg.state.co.us/Clics2004a/commsumm.nsf/db6b21d4aa40b66b87256815005e23be/752c632e557a326687256e1c0073a643?OpenDocument>; Internet; accessed Feb. 6, 2006.

<sup>129</sup> "Final Bill Summary for HB04-1100 for the Senate Committee on Judiciary," *Colorado General Assembly* [on-line]; available from <http://www.leg.state.co.us/Clics2004a/commsumm.nsf/db6b21d4aa40b66b87256815005e23be/7a54901434b3f3fa87256e30007194fa?OpenDocument>; Internet; accessed Feb. 6, 2006.

### 2005 Legislative Session

Two efforts to place limits on private prisons failed during the 2005 legislative session.

House Bill 1353 tried to place some of the financial burden for prison costs on private-prison providers that contract with the Department of Corrections. It required the contract to “specify the department’s maximum financial obligation to the provider” and put a maximum cap of \$61 million on any contract. If total reimbursements by the state exceeded that limit, the prison provider would have to house additional inmates without cost to the state.

The measure won approval in the House Appropriations Committee on a 7-6 vote.

Three of the 13 committee members received money from private-prison industry interests and only one of them voted against the measure — Chairman Tom Plant, a Democrat, who received \$250 from Community Corrections Corp. and \$500 from CCA.

The other two recipients, both Republicans, voted in favor of the measure: Rep. Keith King received \$250 from CCA, while Rep. Diane Hoppe received \$1,200: \$500 from CCA, \$150 from Community Corrections Corp., \$250 from CCA lobbyist Margaret M. Christiansen, and \$300 from GRW Corp. founder Gil R. Walker.

In addition, 10 other representatives received a total of \$1,175 from private-prison interests. Nine of the 10 voted in favor of HB 1353 when it came to the full House for a vote; it passed that chamber on a 43-22 vote.

However, it didn’t fare as well in the seven-member Senate Committee on State, Veterans and Military Affairs. Only one committee member voted in favor: Republican Sen. Doug Lamborn. He also was the only committee member to receive industry contributions; CCA gave Sen. Lamborn \$250.

The only public opposition recorded on HB 1353 came from CCA representative Scott Spendlove, who told the Senate Committee on State, Veterans and Military Affairs that the bill placed a lower cap on the reimbursement rate than the rate set in the general appropriation bill approved earlier in the session.<sup>130</sup>

A second measure, House Bill 1212, would have prohibited all out-of-state inmates from being housed in any Colorado prison. The measure was introduced by Democratic Rep. Buffie McFadyen, who told the *Rocky Mountain News* “it’s in the state’s best interest not to have criminals from other states housed in Colorado facilities.”<sup>131</sup> Some of McFadyen’s concerns centered around two riots at the privately operated Crowley County Correctional Facility, one in 1999 when Correctional Services Corp. operated the facility and one in 2004 when it was run by CCA.

Colorado has contracted to house out-of-state prisoners from Washington, Hawaii and Wyoming to alleviate overcrowding issues in those states. Faced with its own overcrowding problems, Colorado’s Department of Corrections asked Washington and Wyoming to move the balance of

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<sup>130</sup> “Final Bill Summary for HB05-1353 for the Senate Committee on State, Veterans and Military Affairs,” *Colorado General Assembly* [on-line]; available from <http://www.leg.state.co.us/clics2005a/commsumm.nsf/b4a3962433b52fa787256e5f00670a71/61aeba55b26b419b87256ff8006f5329?OpenDocument>; Internet; accessed April 13, 2006.

<sup>131</sup> Jim Tankersley, “States May Pull Inmates,” *Rocky Mountain News*, June 21, 2005, sec. A, p. 4.

their prisoners by summer's end in 2005. Both states have moved prisoners back to their state of origin or to other states. Wyoming had begun moving female inmates out of Colorado when allegations of sexual misconduct between the inmates and guards surfaced. Hawaiian officials are being pushed by a number of lawmakers who want Hawaiian female inmates who are housed in Colorado to be moved "immediately."<sup>132</sup>

HB 1212 failed to make it out of the House Judiciary Committee. Testimony in opposition came from county officials concerned about the economic impact of private prisons on counties. They feared the loss of the property and sales taxes paid by the private-prison firms. The Department of Corrections also testified against the bill.<sup>133</sup>

CCA representative Josh Brown told the committee that CCA had incurred all the costs for damages to the prison during the 2004 riot and has taken steps to correct the factors that led to the riot.

The plan to prohibit out-of-state prisoners was rejected, "after a representative of ... Corrections Corporation of America warned it might have to close a prison for lack of funds if the bill passed."<sup>134</sup>

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<sup>132</sup> Ibid.

<sup>133</sup> "Final Staff Summary of Meeting for the House Committee on Judiciary," *Colorado General Assembly*, Feb. 24, 2005 [on-line]; available from <http://www.leg.state.co.us/Clics2005a/commsumm.nsf/b4a3962433b52fa787256e5f00670a71/9477010422c8aa7587256fb20068448d?OpenDocument>; Internet; accessed on Feb. 6, 2006.

<sup>134</sup> Ibid.

## TENNESSEE

By Rachel Weiss

One of the largest private prison-operators in the country — the Corrections Corporation of America (CCA) — calls Tennessee home. CCA also owns one and operates all three of the private prisons housing state prisoners in Tennessee. West Tennessee Healthcare also provides prison healthcare at the Whiteville Correctional Facility as part of its services. Whiteville Correctional Facility is owned and managed by CCA.

These two companies and individuals associated with them donated to Tennessee candidates and political parties in the 2002 and 2004 election cycles, giving almost \$81,350. CCA and its executives and lobbyists gave 92 percent, or \$75,225, of this money. West Tennessee Healthcare executives contributed \$6,125. CCA also donated \$125,000 to help restore the Tennessee governor's mansion in Nashville.<sup>135</sup>

Often, industries contributing to state-level candidates wish to have some influence over legislation that will affect their businesses. In the 103<sup>rd</sup> and 104<sup>th</sup> legislative sessions, held between 2003 and 2006, lawmakers considered legislation to expand state oversight of the private-prison industry, as well as legislation designed to make the contracting and review process easier for the industry. Both proposals were rejected

### PRISON-INDUSTRY CONTRIBUTIONS IN TENNESSEE, 2001-2004

CONTRIBUTOR	POSITION	COMPANY	TOTAL
Wedell, Henri L. & Marsha	Prison Company Executive	CCA	\$24,750
Ferguson, John D.	Prison Company Executive	CCA	\$16,975
Beasley, Thomas W.	Prison Company Executive	CCA	\$10,075
Grande, Anthony	Lobbyist	CCA	\$3,000
Puryear Jr., G. A. (Gus)	Prison Company Executive	CCA	\$3,000
CCA	Prison Company	CCA	\$2,950
Brown, Joshua N.	Lobbyist	CCA	\$2,750
Carr, Anne	Lobbyist	CCA	\$2,750
Beasley, Wendy	Prison Company Executive	CCA	\$2,000
Lingo Jr., Irving E.	Prison Company Executive	CCA	\$2,000
Andrews, William F.	Prison Company Executive	CCA	\$1,700
Burch III, Lucius E.	Prison Company Director	CCA	\$1,000
Quinlan, J. Michael	Prison Company Executive	CCA	\$1,000
Bouldin, Kenneth A.	Prison Company Executive	CCA	\$800
Smith, J. Cleve	Lobbyist	CCA	\$250
Poss, Nathan	Lobbyist	CCA	\$225
<b>CCA TOTAL</b>			<b>\$75,225</b>
Arnold, Sammie	Healthcare Subcontractor Trustee	West TN Healthcare	\$6,025
Bledsoe, Bruce	Healthcare Subcontractor Trustee	West TN Healthcare	\$100
<b>WEST TENNESSEE HEALTHCARE TOTAL</b>			<b>\$6,125</b>
<b>TOTAL</b>			<b>\$81,350</b>

CCA = Corrections Corporation of America

<sup>135</sup> "Big Money Fixing Up Executive Mansion," *Associated Press*, Feb. 6, 2006.

Democrats received 55 percent of the money, including \$5,500 that went to the House and Senate caucus committees that work to elect Democratic legislative candidates. Republicans received 45 percent. About 57 percent of the contributions went to candidates who won their races, while 36 percent went to losing candidates. The remainder went to the caucus committees and one incumbent candidate who did not run for re-election; that candidate received \$125.

#### PRIVATE-PRISON CONTRIBUTIONS BY PARTY, 2001-2004

<b>CONTRIBUTORS</b>	<b>DEMOCRATS</b>	<b>REPUBLICANS</b>	<b>TOTAL</b>
CCA	\$44,675	\$30,550	\$75,225
West Tennessee Healthcare	\$100	\$6,025	\$6,125
	<b>\$44,775</b>	<b>\$36,575</b>	<b>\$81,350</b>

In Tennessee, individuals may give \$2,500 to gubernatorial and other statewide candidates, and \$1,000 to legislative candidates per primary and general election. Political action committees (PACs) may give \$7,500 to gubernatorial, statewide, and state Senate candidates per election. However, candidates for statewide office may accept only 50 percent of their total campaign funds from PACs. State House candidates can accept \$5,000 per election from PACs. Both House and Senate candidates are limited to \$75,000 from PACs.

#### PRIVATE-PRISON CONTRIBUTIONS BY RECIPIENT TYPE, 2001-2004

<b>TYPE</b>	<b>DEMOCRATS</b>	<b>REPUBLICANS</b>	<b>TOTAL</b>
Legislative Candidates	\$28,425	\$13,125	\$41,550
Gubernatorial Candidates	\$10,850	\$23,450	\$34,300
Political Party Committees	\$5,500	\$0	\$5,500
<b>TOTAL</b>	<b>\$44,775</b>	<b>\$36,575</b>	<b>\$81,350</b>

#### GUBERNATORIAL RACE ATTRACTS CONTRIBUTIONS

Forty-two percent of the money, or \$34,300, went to four candidates for governor in 2002. Almost 87 percent, or \$29,800, came from CCA executives and lobbyists. Private-prison contributions to the two general-election candidates, Democrat Phil Bredesen and Republican Van Hilleary, represented less than 1 percent of the amount each raised for his campaign. CCA lobbyists and executives favored Hilleary, giving him \$15,200, while Bredesen, the eventual winner, received \$10,600.

#### CONTRIBUTIONS TO TENNESSEE GUBERNATORIAL CANDIDATES, 2001-2002

<b>RECIPIENT</b>	<b>PARTY</b>	<b>STATUS</b>	<b>CCA</b>	<b>WEST TN HEALTHCARE</b>	<b>TOTAL</b>
Hilleary, Van	Republican	Lost-General Election	\$15,200	\$4,500	\$19,700
Bredesen, Phil	Democrat	Won	\$10,600	\$0	\$10,600
Henry, James M.	Republican	Lost-Primary Election	\$3,750	\$0	\$3,750
Smith, Charles E.	Democrat	Lost-Primary Election	\$250	\$0	\$250
		<b>TOTAL</b>	<b>\$29,800</b>	<b>\$4,500</b>	<b>\$34,300</b>

## OTHER RECIPIENTS OF PRISON-INDUSTRY MONEY

Legislative candidates received \$41,550 from private-prison interests during the study period. The two companies and their executives and lobbyists gave \$13,975 in 2002 and \$27,575 in 2004.

Almost 93 percent — or \$38,475 — went to incumbents. These contributors also gave heavily to candidates who won their races. Twenty-three of the 32 candidates to whom the industry contributed money in 2002 won their races, or 72 percent; one candidate did not run for re-election. In 2004, the percentage was even greater: 85 percent. The industry gave to 48 candidates, 41 of whom won their races.

## CONTRIBUTIONS TO LEGISLATIVE CANDIDATES BY PARTY, 2002-2004

<b>YEAR</b>	<b>DEMOCRATS</b>	<b>REPUBLICANS</b>	<b>TOTAL</b>
2002	\$8,975	\$5,000	\$13,975
2004	\$19,450	\$8,125	\$27,575
	<b>\$28,425</b>	<b>\$13,125</b>	<b>\$41,550</b>

Contributions from the prison industry favored Democratic legislative candidates over their Republican counterparts. Democratic candidates received 68 percent of the total contributions to legislative candidates. Most of the money was given in the 2004 election cycle, when Democrats received two times as much as Republicans.

John D. Ferguson, a prison executive with CCA, also gave \$5,500 to Democratic state party committees. The House Senate Democratic Caucus received \$3,000, and the Senate Democratic Caucus received \$2,500. No Republican committees received contributions.

The Democrats controlled both houses of the General Assembly after the 2002 elections; in 2004, the Republicans won a narrow margin in the Senate, while Democrats retained control in the House. All but \$1,000 of Ferguson's money to party committees was given in 2002.

## COMMITTEE CONNECTIONS

The Select Oversight Committee on Corrections is a joint legislative committee made up of seven senators and seven representatives. According to the Tennessee Blue Book — the official manual of state government — the committee is responsible for reviewing Department of Correction operations, programs and expenditures for prison construction. The committee also issues a written comment on any piece of legislation that might impact the corrections system. It may not, however, make recommendations on whether the bill should pass or not.

In 2002, when elections were held for the 103<sup>rd</sup> General Assembly that met in 2003 and 2004, five of the 14 members of the committee received a total of \$1,850 from CCA and its executives. In the 2004 elections for the 104<sup>th</sup> General Assembly (2005 and 2006), nine of the 14 eventual members received a total of \$4,500 from CCA executives and lobbyists.

In addition, the top legislative recipients of industry funds were in high-level positions.

## TOP LEGISLATIVE RECIPIENTS OF PRISON MONEY, 2002-2004

<b>RECIPIENT</b>	<b>PARTY</b>	<b>OFFICE</b>	<b>TOTAL</b>
Ramsey, Ron	Republican	Senate	\$2,700
Henry, Douglas	Democrat	Senate	\$2,200
Jones Jr., Ulysses	Democrat	House	\$2,000
Wilder Sr., John S.	Democrat	Senate	\$2,000
DeBerry, Lois	Democrat	House	\$1,750

In fact, the legislators who received the most money from prison-industry contributors during the 2002 and 2004 election cycles were those who held leadership positions within the Legislature as a whole and in committees, as well.

- Sen. Ron Ramsey became the Senate Majority Leader in 2004 and has been chairman of the Senate Republican Caucus since 2002.
- Sen. Douglas Henry is the chairman of the Senate Finance, Ways & Means Committee.
- Rep. Ulysses Jones Jr. is chairman of the House State and Local Government Committee, which hears many of the bills affecting the Department of Correction and the prison industry.
- Sen. John Wilder, a Democrat, is speaker of the Senate and in that position, not only appoints members and officers of committees but also serves as lieutenant governor. Although the Senate was controlled by Republicans after the 2004 election, Wilder remained the speaker after two Republicans voted for him over the Republican candidate.<sup>136</sup>
- Rep. Lois DeBerry serves as House speaker pro tempore for the 104<sup>th</sup> General Assembly and sits on the Select Oversight Committee on Corrections.

## LEGISLATIVE HIGHLIGHTS

In Tennessee, most bills relating to corrections go through the House and Senate Judiciary committees or the State and Local Government committees. Legislators with seats on committees that control the state's purse strings, such as the Finance and Ways and Means Committees, are also powerful. In Tennessee, the House Calendar and Rules Committee schedules when and if bills will be debated on the House floor. If the committee decides a bill has no merit, it can refuse to let it come for a vote on the floor, even if the bill has been through the committee process. Members of this committee wield enormous power over a bill.

Although many bills pertaining to prisons and the private corrections industry were introduced in both the 103<sup>rd</sup> and 104<sup>th</sup> legislative sessions in Tennessee,<sup>137</sup> three proposed changes stand out: one

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<sup>136</sup> Richard Locker, "Wilder Keeps Speaker Post With GOP Help," *The Commercial Appeal*, Jan. 12, 2005, sec. B, p. 1.

<sup>137</sup> The 104<sup>th</sup> General Assembly will end in late April or mid-May of 2006.

to remove from state law the requirement that private prisons must provide a savings of at least 5 percent, compared to a similar state-run facility, a second to create a reporting and monitoring process for private institutions holding out-of-state prisoners, and a third to revise Tennessee's sentencing laws in the wake of the U.S. Supreme Court ruling in *Blakely v. Washington*.

Tennessee legislators also faced numerous bills relating to health care during the 103<sup>rd</sup> and 104<sup>th</sup> legislative sessions because of a financial crisis with TennCare, the state's unique and extensive Medicaid program.<sup>138</sup> Executives of West Tennessee Healthcare, a not-for-profit health system, contributed \$6,125 in the 2002 and 2004 cycles. The bulk of the cash — \$4,500 — went to the Republican gubernatorial candidate in 2002, Van Hilleary. Five legislative candidates received the rest of the money.

#### *The 5 Percent Cost Rule*

The fate of this legislation over both legislative sessions demonstrates that although the private-prison industry contributes to members of key legislative committees, money does not always equal success in getting favorable legislation passed. Currently, Tennessee law requires that any proposed contract between the state and a prison contractor cost at least 5 percent less than the state's estimated cost for providing the same service. According to the Select Oversight Committee on Corrections, changing this law would affect only the South Central Correctional Facility in Clifton. The other two private prisons in Tennessee operate under contracts with individual counties and are not affected by this provision.<sup>139</sup>

Bills in both sessions would have allowed prison proposals to be accepted as long as the cost estimate from the private-prison contractors was less than the state's cost, with no minimum savings. In the 103<sup>rd</sup> session, Democratic Reps. Randy Rinks and Ulysses Jones Jr. introduced HB534. In the 2002 election cycle, they received \$250 and \$1,000 respectively from an executive with CCA. Democratic Sen. Jim Kyle, who was not standing for re-election in 2002 and did not receive money from the industry that election cycle, introduced the Senate version, SB738. The bills were assigned to their respective State and Local Government Committees, where they died.

The 104<sup>th</sup> General Assembly saw a similar bill: SB1283 authored by Republican Sen. Ron Ramsey. During the 2004 election cycle, Sen. Ramsey received \$2,500 from CCA executives and \$200 from a West Tennessee Healthcare executive. Rep. Rinks, who received \$500 during the 2004 election cycle from one CCA executive, introduced the House version of the bill: HB1818. Although the bill originally contained language to eliminate the 5 percent rule, it generated controversy after it was amended to eliminate the legislative review of private prison services. The job of oversight would then fall solely to the Department of Correction and the governor.<sup>140</sup>

One amendment to the bill re-inserted the 5 percent requirement for any state contracts with private prisons. A later amendment required the state to establish performance and cost criteria for

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<sup>138</sup> William M. Welch and Julie Appleby, "States Watching Tennessee's Health Care Plan for the Poor," *USA Today*, July 5, 2004 [newspaper on-line]; available from [http://www.usatoday.com/news/nation/2004-07-05-medicaid-cover\\_x.htm](http://www.usatoday.com/news/nation/2004-07-05-medicaid-cover_x.htm); Internet; accessed March 13, 2006.

<sup>139</sup> Comment on SB1283/HB1818, *Select Oversight Committee on Corrections*, March 7, 2005 [on-line]; available from <http://www.legislature.state.tn.us/Joint/Committees/socc/corr.htm>; Internet; accessed March 21, 2006.

<sup>140</sup> Judith R. Tackett, "Morgan: State Poor at Watching Contracts," *The Nashville City Paper*, May 10, 2005 [newspaper on-line]; available from [http://www.nashvillecitypaper.com/index.cfm?section=9&screen=news&news\\_id=41345](http://www.nashvillecitypaper.com/index.cfm?section=9&screen=news&news_id=41345); Internet; accessed March 20, 2006.

proposals and contracts for private prisons prior to awarding any contract but was far less specific than the original language in Tennessee law.

On March 7, 2006, the amended SB1283 finally passed the Senate State and Local Government Committee on a 5-4 party line vote, with all the Republicans voting for it and all the Democrats against it.<sup>141</sup> Sen. Ramsey, who not only sponsored the bill but also was serving as Senate majority leader, pulled the bill from the Senate floor on March 9, 2006, and it has not seen action since.<sup>142</sup> SB1283 has generated some controversy, with the Tennessee State Employees Association vowing to kill it.<sup>143</sup>

*State Oversight of Private Prisons*

According to the Select Oversight Committee on Corrections, Tennessee has no law to regulate privately owned prisons when they bring in prisoners from other states.<sup>144</sup> The company does not have to provide information to the state about the type or number of prisoners being moved into Tennessee. In the 103<sup>rd</sup> session, Republican Sen. Jeff Miller introduced SB542, which would have required the comptroller of the treasury and the commissioner of correction to develop a plan to monitor private-prison management contracts not involving Tennessee prisoners, as well as a reporting process. Sen. Miller did not receive any prison-industry contributions.

The House version of this bill was HB547, introduced by Republican Rep. Bob McKee, who received \$250 from a CCA executive in the 2002 election cycle. The bills were assigned to the State and Local Government committees in their respective chambers; both bills died in committee without seeing any action.

**CONTRIBUTIONS TO MEMBERS OF STATE & LOCAL GOVERNMENT COMMITTEES, 2001-2004**

<b>RECIPIENT</b>	<b>PARTY</b>	<b>OFFICE</b>	<b>TOTAL</b>
Ramsey, Ron	Republican	Senate	\$2,700
Jones Jr., Ulysses*	Democrat	House	\$2,000
DeBerry, Lois	Democrat	House	\$1,750
Cohen, Steve*	Democrat	Senate	\$1,500
Todd, Curry	Republican	House	\$1,250
Tindell, Harry	Democrat	House	\$1,050
Rinks, Randy (Bear)	Democrat	House	\$750
Langster, Edith Taylor	Democrat	House	\$600
Miller, Larry J.	Democrat	House	\$600
Burchett, Tim	Republican	Senate	\$500
Kent, Joe	Republican	House	\$500
Kurita, Rosalind	Democrat	Senate	\$500
Yokley, Eddie	Democrat	House	\$500

<sup>141</sup> Beth Rucker, "CCA Wants to Eliminate Comparison with State Prison System," *Knoxville News Sentinel*, March 6, 2006 [newspaper on-line]; available from [www.knoxnews.com/kns/state/article/0,1406,KNS\\_348\\_4521914,00.html](http://www.knoxnews.com/kns/state/article/0,1406,KNS_348_4521914,00.html); Internet; cached version accessed March 20, 2006.

<sup>142</sup> "State Workers Oppose Bill Easing Private Prison Oversight," *Associated Press*, March 12, 2006.

<sup>143</sup> *Ibid.*

<sup>144</sup> "Comment on HB547/SB542," *Select Oversight Committee on Corrections*, March 10, 2003 [on-line]; available from <http://www.legislature.state.tn.us/Joint/Committees/socc/corr.htm>; Internet; accessed March 21, 2006.

RECIPIENT	PARTY	OFFICE	TOTAL
Bunch, Dewayne	Republican	House	\$450
Haynes, Joe M.	Democrat	Senate	\$300
Hensley, Joey	Republican	House	\$250
Litz, John	Democrat	House	\$250
Pruitt, Mary	Democrat	House	\$250
Vincent, Jim	Republican	House	\$200
<b>TOTAL</b>			<b>\$15,900</b>

\*Rep. Ulysses Jones Jr. and Sen. Steve Cohen both were chairmen of their respective State & Local Government Committees during the 103<sup>rd</sup> and 104<sup>th</sup> General Assemblies.

In the 104<sup>th</sup> Assembly, Sen. Jeff Miller again introduced a bill to require the state to develop an oversight process to regulate the prison industry and out-of-state prisoners. The bill is SB315. Again, it was referred to the Senate State and Local Government Committee, where it still sits at the time of this report.

#### *Sentencing Laws*

The U.S. Supreme Court ruled on June 24, 2004, in *Blakely v. Washington* that judges could no longer increase a defendant's sentence based on facts established after a jury trial.<sup>145</sup> Before this ruling, judges could sentence a defendant to a longer prison term than was set out by state guidelines if the judge found there were aggravating factors that justified the increased sentence.<sup>146</sup> Aggravating factors in Tennessee include a previous criminal history, using a gun in a crime, violation of parole terms, and a victim who was vulnerable because of age or disability.<sup>147</sup> Although the lawsuit focused on Washington state laws, the effects of the ruling were felt nationwide. Because Tennessee had similar guidelines to those in Washington, officials had to make changes to their sentencing policies. Gov. Bredesen established a panel of judges, lawyers and state legislators to decide how the state should respond to the ruling.<sup>148</sup>

SB2249 and its House counterpart, HB2262, started as bills revising DUI statutes. However, an amendment to the bill gutted the original language and enacted the panel's solution to the demands of *Blakely*. In effect, the bill allowed judges more flexibility for sentencing defendants. Before the ruling, Tennessee had presumptive sentencing guidelines, which meant the state legislature set out sentences that judges must impose.<sup>149</sup> SB2249 gave judges discretion on how much time they could add or subtract from the base sentences required by state law.<sup>150</sup>

<sup>145</sup> Kathleen Hunter, "Ruling Casts Doubt on Some State Sentencing Systems," *Stateline.org*, Aug. 18, 2004 [on-line]; available from <http://www.stateline.org/live/ViewPage.action?siteNodeID=136&languageID=1&contentId=15742>; Internet; accessed March 16, 2006.

<sup>146</sup> Don Stemen and Daniel F. Wilhelm, "Supreme Decision Focuses State Attention on Sentencing Regimes," *State News* (a Council of State Governments publication), June/July 2005.

<sup>147</sup> "Amendment No. 1 to SB2249," *Tennessee General Assembly* [on-line]; available from <http://www.legislature.state.tn.us/bills/currentga/billLookUp.asp>; Internet; accessed March 17, 2006.

<sup>148</sup> Duncan Mansfield, "Governor Forms Panel on Sentencing Change – Bredesen Opposes Ruling Vacating Longer Terms," *The Commercial Appeal*, July 23, 2004, sec. B, p. 2.

<sup>149</sup> Don Stemen and Daniel F. Wilhelm, "Supreme Decision Focuses State Attention on Sentencing Regimes," *State News* (a Council of State Governments publication), June/July 2005

<sup>150</sup> "Bill Summary for SB2249/HB2262," *Tennessee General Assembly* [on-line]; available from <http://www.legislature.state.tn.us/bills/currentga/Summary.aspx?BillNumber=SB2249>; Internet; accessed March 16, 2006.

## TENNESSEE DEPARTMENT OF CORRECTION BUDGET, 2002-2005<sup>151</sup>

From fiscal year 2002-2003 to fiscal year 2004-2005, the Department of Correction budget grew more than 9 percent. Although the state faced a fiscal crisis in early 2003 and many state departments saw their budgets cut under Gov. Bredesen's first budget proposal for fiscal year 2004,<sup>152</sup> the Department of Correction saw a slight 4.2 percent increase in its operating budget. The increase was due in no small part to the rise in the number of prisoners housed in Tennessee prisons. Some neighboring states chose to release certain nonviolent felons early, but Tennessee lawmakers were not enthused about that idea to help balance their state's budget.<sup>153</sup> As another step to reduce department expenses, Tennessee cut reimbursement rates for county facilities holding state prisoners.<sup>154</sup>

According to Tennessee Department of Correction annual reports for each fiscal year, state prison population levels rose from a daily average of 17,372 prisoners in FY2001-2002 to 19,141 in FY2004-2005. The Department expected it could meet demand for prison space until at least 2008 by adding 2,000 beds to the system.<sup>155</sup> These beds will be used for federal prisoners, in addition to state inmates. From 1995 to August 2002, the percentage of felons receiving parole fell from 34.9 percent to 24.7 percent,<sup>156</sup> increasing the number of prisoners to be housed.

## TENNESSEE DEPARTMENT OF CORRECTION BUDGET, 2001-2005

<b>FISCAL YEAR</b>	<b>OPERATING BUDGET</b>	<b>TOTAL EXPENDITURES</b>	<b>PRIVATE PRISON CONTRACT LIABILITY*</b>
2001-2002	\$504,307,300	\$449,708,900	\$52,526,147
2002-2003	\$522,091,100	\$475,685,500	\$60,629,323
2003-2004	\$543,903,100	\$497,569,600	\$79,124,311
2004-2005	\$570,745,200	\$526,280,600	\$80,058,800

\* This figure represents the maximum amount for which the department may contract for private-prison services. However, the actual amount spent may be less, depending on prisoner populations in a given fiscal year.

<sup>151</sup> Unless otherwise footnoted, all budget numbers were collected from Annual Reports made available on the Department of Correction Web site, <http://www.tennessee.gov/correction>, or from contacts with the DOC staff. Contract liability represents the state's estimated cost of private prisons to the state, not the actual expenditures made during that fiscal year.

<sup>152</sup> Richard Locker, "Broad Cuts Balance Bredesen's \$21.4 Billion Budget — But Cities, Highways, Even St. Jude Would Take Hits," *The Commercial Appeal*, March 11, 2003, sec. A, p. 1.

<sup>153</sup> Duren Cheek, "Early Inmate Release Gets Cool Response," *The Tennessean*, Jan. 27, 2003 [newspaper on-line]; available from [http://www.tennessean.com/government/archives/03/01/28133470.shtml?Element\\_ID=28133470](http://www.tennessean.com/government/archives/03/01/28133470.shtml?Element_ID=28133470); Internet; accessed March 24, 2006.

<sup>154</sup> Skip Cauthorn, "State Inmates Crowd Jail," *The Nashville City Paper*, Feb. 26, 2004 [newspaper on-line]; available from [http://www.nashvillecitypaper.com/index.cfm?section=9&screen=news&news\\_id=31015](http://www.nashvillecitypaper.com/index.cfm?section=9&screen=news&news_id=31015); Internet; accessed March 17, 2006.

<sup>155</sup> "Tennessee Prisons' Head Count Up 4.7%," *Associated Press*, June 2, 2004.

<sup>156</sup> Duren Cheek, "Early Inmate Release Gets Cool Response," *The Tennessean*, Jan. 27, 2003 [newspaper on-line]; available from [http://www.tennessean.com/government/archives/03/01/28133470.shtml?Element\\_ID=28133470](http://www.tennessean.com/government/archives/03/01/28133470.shtml?Element_ID=28133470); Internet; accessed March 24, 2006.

In Gov. Bredeesen's first two budgets after the 2002 election — FY2003-2004 and FY2004-2005 — the Department of Correction received about \$13.7 million each year in additional funds to increase prison capacities. In FY2001-2002, budget increases totaled \$14.6 million, but the total was not itemized to provide insight into how much might go to expand the number of available prison beds. The same is true for the more than \$2.6 million in budget increases in FY2002-2003.

The estimated maximum cost of the contracts the state has with private prisons grew from 11.6 percent of the departmental budget in 2002-2003 to 14.5 percent in 2003-2004. The maximum liability for prison contracts in 2004-2005 was 14 percent of the operating budget.

In addition, the Department of Correction reorganized its management structure to place more emphasis on rehabilitating prisoners to reduce recidivism rates and prison populations.<sup>157</sup>

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<sup>157</sup> "Tennessee Prisons' Head Count Up 4.7%," *Associated Press*, June 2, 2004.

## ARIZONA

By Linda Casey

Private-prison interests — primarily lobbyists — gave \$77,267 to Arizona candidates during the 2002 and 2004 election cycles. The contributions largely went to legislative candidates, 74 percent of whom won their seats.

Private prisons have a strong interest in Arizona. Two companies operate prisons within the state, while three hold Arizona inmates in facilities in other states. Their interests were clear in legislation considered in recent sessions, including a 2003 proposal that increased the number of private-prison beds in the state and a 2005 measure that called for a constitutional amendment to cap the population in state-run prisons and transfer any prisoners above that cap to privately run facilities.

Contributors favored Republican candidates — not surprising in a state where 62 percent of the lawmakers are Republicans and the Democratic governor has termed private prisons “an option of last resort,” questioning whether they cost the state less “than a well-run (public) system.”<sup>158</sup> Republicans received nearly 90 percent of the industry contributions.

Interestingly, like Colorado and Florida, Arizona’s contribution limits are among the lowest in the country, at \$270 per legislative candidate per election in 2002 and \$280 in 2004. However, unlike other states in this report, including Colorado and Florida, neither of Arizona’s major state party committees received money from the industry or its representatives.

### PRIVATE-PRISON CONTRIBUTIONS BY RECIPIENT TYPE, 2001-2004

<b>TYPE</b>	<b>DEMOCRATS</b>	<b>REPUBLICANS</b>	<b>TOTAL</b>
Legislative Candidates	\$7,315	\$57,582	\$64,897
Other Statewide Candidates	\$165	\$6,725	\$6,890
Gubernatorial Candidates	\$220	\$5,260	\$5,480
<b>TOTAL</b>	<b>\$7,700</b>	<b>\$69,567</b>	<b>\$77,267</b>

Lobbyists registered as representatives of the private-prison industry gave 84 percent of the money Arizona candidates received from private-prison sources. Twenty lobbyists from 10 firms represented, among other clients, five private-prison firms and one food service subcontractor, Aramark Corp. Their contributions totaled almost \$65,500.

The top-contributing lobbyist was John P. Kaites with Public Policy Partners. According to the Arizona Secretary of State, the GEO Group, Inc. is among the organizations and businesses for which Public Policy Partners lobbies. A former Arizona legislator, Kaites is currently an attorney with Ridenour Hienton. He received the American Legislative Exchange Council’s (ALEC) Outstanding Legislator of the Year Award in 1998.<sup>159</sup> ALEC backed many of the tougher

<sup>158</sup> Bill Hart, “Private-Prison Push Stalls in State,” *The Arizona Republic*, Oct. 18, 2003.

<sup>159</sup> “Professionals: John P. Kaites,” *Ridenour, Hienton, Kelhoffer, Lewis & Garth PLLC* [on-line]; available from <http://www.rhklaw.com/professionals/kaites.html>; Internet; accessed April 13, 2006.

sentencing policies that helped increase state prison populations in the past decade and made model legislation available to legislators.

Ron Ober and Jason E. Isaak with Policy Development Group, Inc. ranked second and fourth among the lobbyists contributing during the study-period. The Secretary of State lists Corrections Corporation of America (CCA) among that firm's clients. Kristen R. Boilini was the third-largest giver among lobbyists. Boilini, with KRB Consulting, is listed with the Secretary of State as a lobbyist for Correctional Services Corp. (CSC).

#### THE COMPANIES

Four private prisons in Arizona house 2,900 offenders. In addition, the state to house 2,936 inmates in out-of-state, private facilities.

Both firms operating prisons in Arizona gave contributions. CSC executives and lobbyists gave \$18,920 to rank second among private-prison contributors, while Management and Training Corp. and its lobbyists gave almost \$6,900. CSC also housed Arizona inmates at its Newton, Texas, facility during the study period. Individuals affiliated with CCA gave \$21,500. Until recently, CCA held Arizona inmates at two of its out-of-state facilities; currently, it houses Arizona inmates only at its Watonga, Okla., facility. GEO Group, Inc. lobbyists gave \$16,500; the company contracts with Arizona to hold prisoners at its Pecos, Texas, facility.

The following table details industry contributions during the study period.

#### PRISON-INDUSTRY CONTRIBUTIONS IN ARIZONA, 2001-2004

<b>CONTRIBUTOR</b>	<b>POSITION</b>	<b>COMPANY</b>	<b>TOTAL</b>
Ober, Ron & Gail Gordon	Lobbyist	CCA	\$8,234
Isaak, Jason E. & Cynthia E.	Lobbyist	CCA	\$6,653
MacDonald, John D. & Vanessa	Lobbyist	CCA	\$2,410
Hush, Gary A. & Cara	Lobbyist	CCA	\$1,660
Sanchez, Edward J.	Lobbyist	CCA	\$750
Regner, Janet K.	Lobbyist	CCA	\$745
Walker, Paul J.	Lobbyist	CCA	\$470
McBrayer, W. Terry	Lobbyist	CCA	\$270
Wedell, Henri L. & Marsha	Prison Company Director	CCA	\$250
Senseman, Paul C.	Lobbyist	CCA	\$150
		<b>CCA TOTAL</b>	<b>\$21,592</b>
Boilini, Kristen R. & Robert W.	Lobbyist	CSC	\$7,320
Slattery, James F. & Diane L.	Prison Company Executive	CSC	\$7,205
Lambert, Michael T. & Mary E.	Prison Company Executive	CSC	\$1,790
Rau, Russell S. & Denise	Prison Company Executive	CSC	\$665
Wagner, Bernard A.	Prison Company Executive	CSC	\$600
Cotler, Ira M. & Denise M.	Prison Company Executive	CSC	\$540
Matthews, Robert	Prison Company Executive	CSC	\$380
Mentzer III, John R.	Prison Company Executive	CSC	\$220
Garretson, Michael C.	Prison Company Executive	CSC	\$100
Hall, Elizabeth	Prison Company Executive	CSC	\$100
		<b>CSC TOTAL</b>	<b>\$18,920</b>

<b>CONTRIBUTOR</b>	<b>POSITION</b>	<b>COMPANY</b>	<b>TOTAL</b>
Kaites, John P.	Lobbyist	GEO Group	\$13,972
Duger, Meghaen M.	Lobbyist	GEO Group	\$2,434
Dellartino, Marcus	Lobbyist	GEO Group	\$100
<b>GEO TOTAL</b>			<b>\$16,506</b>
Barnes, Stan	Lobbyist	Cornell	\$3,960
Calkins, Ian H.	Lobbyist	Cornell	\$2,350
Lara, Alice L.	Lobbyist	Cornell	\$1,000
McGerty, Sarah Elizabeth	Lobbyist	Cornell	\$350
<b>CORNELL TOTAL</b>			<b>\$7,660</b>
Dorn, Thomas C.	Lobbyist	MTC	\$6,370
MTC	Prison Company	MTC	\$256
Stokes, Spencer F.	Lobbyist	MTC	\$250
<b>MTC TOTAL</b>			<b>\$6,876</b>
Williams, G. Michael	Lobbyist	Aramark	\$5,662
Ihrke, Jay D.	Prison Company Executive	Wackenhut	\$50
<b>OTHER CONTRIBUTIONS TOTAL</b>			<b>\$5,712</b>
<b>TOTAL</b>			<b>\$77,267</b>

MTC = Management & Training Corp.

CCA = Corrections Corporation of America

CSC = Correctional Services Corp.

GEO Group formerly operated as Wackenhut Corrections, a unit of Wackenhut Corp.

## LEGISLATION AND POLICY CHANGES

Five pieces of legislation considered in recent legislative sessions sought to either modify Arizona's sentencing laws, increase the number of private-prison beds in the state, address overcrowding by requiring the Department of Corrections to transfer prisoners to private prisons, or prohibit out-of-state prisoners from being housed in Arizona's private prisons.

### *2003 Legislation*

Introduced during a special session of the legislature held in part to address prison overcrowding, House Bill 2019 increased the number of prison beds and created a fund, derived from driving under the influence (DUI) fines, to finance the construction and operation of prisons. Through a series of twists and turns not uncommon for some pieces of legislation, HB 2019 made its way through House and Senate committees, as well as conference committees appointed to iron out differences between the versions approved by the two chambers. Eventually, after a number of changes, the measure made its way to the governor's desk and was signed into law.

The original measure called for 3,000 private-prison beds with 1,600 beds going to two private prison facilities — Phoenix West and Florence West, both operated by Correctional Services Corp. The remaining 1,400 beds were to go to out-of-state contractors.

The final version signed into law provided for 1,000 new state-operated beds and 1,000 new private beds and did not specify the location of the private beds. In addition, funding was authorized for temporary out-of-state beds; the Department of Corrections estimated the funding would provide for an additional 2,064 beds.

And the portion of the bill dealing with funds derived from DUI fines took an interesting turn, as well. It initially called for the funds to be deposited in what was called the “Prison Overcrowding Fund.” That language was amended to the less harsh “Prison Construction and Operations Fund.”

Arizona Department of Corrections Director Dora Schriro opposed HB 2019, questioning — among other things — the original proposal to expand existing private facilities without going through a competitive bidding process and to limit the expansion to sites the state felt were unsuitable for the proposed size of the expansion. She also said the proposal did not provide enough additional housing to deal with the overcrowding situation.<sup>160</sup>

Russell Rau, CSC senior vice president, testified in support of the original proposal and told the House Judiciary Committee that Phoenix West and Florence West “were constructed with infrastructure in place to support future expansion.”<sup>161</sup>

And Joe Masella with the Arizona Correctional Peace Officers Association opposed HB 2019 saying “this plan will cost the state money in the long run ... private companies are in the business to make money.”<sup>162</sup>

The Arizona Correctional Peace Officers Association made no campaign contributions during the 2002 and 2004 election cycles.

The bill passed the House Judiciary and Appropriations committees, the Senate Appropriations Committee and conference committees in both chambers before becoming law.

Twenty-nine of the 42 members of the committees that heard this legislation received a combined \$23,276 from private-prison interests during the 2002 and 2004 election cycles.

Eight of the 12 members of the House Judiciary Committee received contributions from private-prison industry sources for a combined \$3,820. Topping the list was Republican Rep. Bob Robson, who signed on to HB 2019 as a sponsor. His contributions, totaling \$1,845, came from seven lobbyists representing one of four firms and from Aramark Corp., a food-service subcontractor.

The vote in the House Judiciary Committee was 8-3, with one member excused. All of the votes in favor came from Republicans. The three dissenting votes came from the two Democrats, Steve Gallardo and Wally Straughn, and from Libertarian Yuri Downing. Only Rep. Straughn received an industry-related contribution — \$110 from Aramark lobbyist G. Michael Williams.

The following table shows those committee members who received contributions, as well as their vote on HB 2019.

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<sup>160</sup> “Minutes of a Special Meeting: Arizona House Committee on Judiciary,” *Arizona State Legislature*, Nov. 13, 2003, [on-line]; available from [http://www.azleg.state.az.us/FormatDocument.asp?inDoc=/legtext/46leg/2S/comm\\_min/House/1113JUD+2SS%2EDOC.htm](http://www.azleg.state.az.us/FormatDocument.asp?inDoc=/legtext/46leg/2S/comm_min/House/1113JUD+2SS%2EDOC.htm); Internet; accessed Feb. 16, 2006.

<sup>161</sup> *Ibid.*

<sup>162</sup> *Ibid.*

## CONTRIBUTIONS TO 2003 HOUSE JUDICIARY COMMITTEE MEMBERS

RECIPIENT	PARTY	HB 2019	2002	2004
		VOTE		
Robson, Bob	Republican	Yes	\$440	\$1,405
Pierce, Gary	Republican	Yes	\$500	\$455
Gray, Chuck	Republican	Yes	\$0	\$350
Graf, Randall J.	Republican	Yes	\$250	\$0
Straughn, Wally	Democrat	No	\$0	\$110
Yarbrough, Steve	Republican	Yes	\$0	\$110
Miranda, Ben R.	Democrat	Absent	\$0	\$100
Hubbs, Carole (Vice Chairwoman)	Republican	Yes	\$0	\$100
<b>TOTAL</b>			<b>\$1,190</b>	<b>\$2,630</b>

Nine of the 17 members of the House Appropriations Committee received private-prison industry contributions for a combined total of \$7,378. Another member, Rep. John Huppenthal, received a \$110 contribution from CCA lobbyist Jason Isaak while running for Senate in 2004; he returned the contribution.

Contributions to the chairman and vice chairman of the House Appropriations Committee accounted for the largest portion of private-prison donations to Appropriations Committee members. Chairman Russell K. Pearce and Vice Chairman Bill Konopnicki, both Republicans, received \$3,280 and \$1,038, respectively. CSC executives gave a combined \$1,670 to Rep. Pearce, including a \$220 contribution from CSC Senior Vice President Russell S. Rau.

The House Appropriations Committee amended HB 2019 on a voice vote, striking the section dealing specifically with the private facilities at Phoenix West and Florence West. It then passed the amended bill on a straight 9-5 party-line vote, with three members absent.

The following table details contributions to committee members and their votes on the amended version of the bill. Seven other committee members received no industry contributions; three voted in favor of HB 2019, two voted against and two were absent. And Rep. Huppenthal, who voted in favor, returned a contribution from a CCA lobbyist in 2004, as noted above.

## CONTRIBUTIONS TO 2003 HOUSE APPROPRIATIONS COMMITTEE MEMBERS

RECIPIENT	PARTY	HB 2019	2002	2004
		VOTE		
Pearce, Russell K. (Chairman)	Republican	Yes	\$880	\$2,400
Johnson, Karen S.	Republican	Yes	\$385	\$905
Konopnicki, Bill (Vice Chairman)	Republican	Yes	\$0	\$1,038
Biggs, Andy	Republican	Yes	\$0	\$675
Hart, Joe	Republican	Yes	\$270	\$225
Gray, Linda	Republican	Yes	\$300	\$0
Lopez, Linda	Democrat	No	\$0	\$150
Barnes, Ray	Republican	Absent	\$0	\$110
Lopes, Phil	Democrat	No	\$0	\$40
<b>TOTAL</b>			<b>\$1,835</b>	<b>\$5,542</b>

The measure also passed through the Senate Appropriations Committee, where 12 of the 13 members received a combined total of just over \$12,000 from private-prison interests. Topping the list of recipients were Chairman Robert Burns and Vice Chairman Jim Waring. Republican Sen. Slade Mead, who voted in favor of the bill, received no industry contributions during the study period.

#### CONTRIBUTIONS TO 2003 SENATE APPROPRIATIONS COMMITTEE MEMBERS

RECIPIENT	PARTY	HB 2019		
		VOTE	2002	2004
Burns, Robert (Chairman)	Republican	Yes	\$1,735	\$736
Waring, Jim (Vice Chairman)	Republican	Yes	\$650	\$1,595
Martin, Dean	Republican	Yes	\$650	\$1,185
Giffords, Gabrielle	Democrat	Not Voting	\$900	\$350
Verschoor, Thayer	Republican	Yes	\$0	\$1,130
Anderson, Mark	Republican	Yes	\$300	\$350
Harper, Jack W.	Republican	Yes	\$0	\$625
Soltero, Victor	Democrat	No	\$350	\$200
Bee, Timothy S.	Republican	Yes	\$270	\$252
Cannell, Robert	Democrat	No	\$0	\$375
Rios, Pete	Democrat	Not Voting	\$0	\$275
Arzberger, Marsha	Democrat	No	\$100	\$50
<b>TOTAL</b>			<b>\$4,955</b>	<b>\$7,124</b>

Before becoming law, HB 2019 went to conference committees in both chambers. Only the Republican members of the three-member conference committees — Robert Burns, Timothy Bee, Bill Konopnicki and Russell K. Pearce — received private-prison contributions. All four voted in favor of the measure. The two other members received no industry money and did not vote.

#### *2004 Legislation*

In 1993, Arizona passed a truth-in-sentencing law requiring inmates to serve 85 percent of their sentences. For the remaining time, eligible inmates can earn credit toward an early release at the rate of one day for each six days they serve with good behavior.<sup>163</sup>

House Bill 2320, described in its title as parole eligibility for non-violent offenders, sought a change in the calculation of early release credits from one day for each six days served to one day for each two days served, thus providing the possibility of earlier release. The bill's sponsor, Republican Rep. Marian A. McClure, told the House Committee on Public Institutions and Counties that the bill dealt with prison overcrowding, but the questions and testimony centered around the definition of a violent crime.

HB 2320 never made it out of committee. The last action taken on the measure shows it as being "discussed and held" in committee.

<sup>163</sup> House Bill Summary of HB 2320, *Arizona House of Representatives*, [on-line]; available from [http://www.azleg.state.az.us/FormatDocument.asp?inDoc=/legtext/46leg/2r/summary/h.hb2320\\_01-29-04\\_pic.doc.htm](http://www.azleg.state.az.us/FormatDocument.asp?inDoc=/legtext/46leg/2r/summary/h.hb2320_01-29-04_pic.doc.htm); Internet; accessed Feb. 16, 2006.

While representatives of the private-prison industry did not appear publicly in support or opposition to HB 2320, four members of the eight-member committee received private-prison interest contributions, including the bill’s sponsor, Rep. McClure. She received \$1,020, while Republican Rep. Gary Pierce received \$955, Republican Rep. Phil Hanson received \$512, and Democratic Rep. Wally Straughn received \$110.

*2005 Legislation*

On the other side of the issue was stricter sentencing. House Bill 2447 would have been Arizona’s version of the so-called “three-strikes” law, increasing the sentences for repeat offenders and, theoretically, increasing the prison population. After amendments in the House Appropriations Committee, HB 2447 called for sentencing offenders who had two or more previous serious offenses to 35 years in prison.

But the measure, held after it passed out of the 15-member House Appropriations Committee, never made it out of the House. HB 2447 was approved in committee on a party-line vote of 10-4, with one Democratic member, Rep. Amanda Aguirre, absent. The four votes in opposition came from the other Democratic members of the committee.

The bill’s primary sponsor, Republican Rick Murphy, did not receive contributions from the private-prison industry. But nine of the 12 Republican sponsors did, totaling \$11,435. Of that, \$8,755 came from lobbyists and \$2,480 from prison companies and their executives.

Private-prison interests also contributed to six of the House Appropriations Committee members, with the largest amount going to committee Chairman Russell K. Pearce.

For the most part, contributions to these six members came during the 2004 election cycle from private-prison industry lobbyists. However, Rep. Pearce received \$1,670 of his total from CSC and CSC executives, as well as \$200 from Management and Training Corp. The rest came from industry lobbyists. Rep. Pearce received \$880 of his private-prison contributions during the 2002 election cycle.

The following table shows those committee members who received contributions.

**CONTRIBUTIONS TO 2005 HOUSE APPROPRIATIONS COMMITTEE MEMBERS**

<b>RECIPIENT</b>	<b>PARTY</b>	<b>HB2447 VOTE</b>	<b>TOTAL</b>
Pearce, Russell K. (Chairman)	Republican	Yes	\$3,280
Knaperek, Laura	Republican	Yes	\$850
Farnsworth, Eddie	Republican	Yes	\$830
Biggs, Andy	Republican	Yes	\$675
Weiers, Jim	Republican	Yes	\$350
Brown, Jack A.	Democrat	No	\$325
		<b>TOTAL</b>	<b>\$6,310</b>

Two other bills dealing specifically with private prisons in 2005 never made it through the process.

Senate Bill 1268 would have prohibited the transfer of prisoners from another state to private prisons in Arizona without the approval of the Department of Corrections director.

According to Amy Eichsteadt of the Arizona Senate Resource Center, Senate Bill 1268 “didn’t get anywhere. There is no documentation on why. It could have been for any number of reasons. It was either held in committee or maybe there was no time.”<sup>164</sup>

Three of the five Democratic sponsors of SB 1268 received contributions from private-prison industry lobbyists. Sen. Gabrielle Giffords received \$1,250, Sen. Robert Cannell received \$375 and Sen. Harry Mitchell received \$275.

Senate Concurrent Resolution (SCR) 1003 originally called for an amendment to the Arizona Constitution “requiring any increase in the prison population to be transferred to private prisons.” Heard in the Senate Government Accountability and Reform Committee, the measure received a 3-2 vote on a motion to “do pass as amended/strike everything.”

The “strike everything” amendment is exactly as it sounds. The bill was gutted of its original intent and passed on to the House with new intentions and a new title, dealing no longer with prisons but with trust lands and airport leases.

Four of the five members of the committee received contributions from the private-prison industry. The measure’s sponsor, Republican Sen. Jack W. Harper, received \$625 from lobbyists for private-prison interests; Harper also was chairman of the Senate Government Accountability and Reform Committee.

Committee Vice Chairman Robert Burns, a Republican, received \$2,471, with \$1,640 coming from lobbyists.

One of the two senators voting against the motion to strike everything was Democrat Richard Miranda, who received \$1,570, including \$1,060 from five different CSC executives. The balance came from industry lobbyists.

Republican Sen. Thayer Verschoor received \$1,130 from industry lobbyists.

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<sup>164</sup> Telephone interview with Amy Eichsteadt of the Arizona Senate Resource Center, Feb. 16, 2006.

# MISSISSIPPI

By Rachel Weiss

The private-prison industry in Mississippi has long been a source of monetary contributions to candidates and political parties, as well as of political strife. During the waning days of the 2001 session, Mississippi legislators passed a bill to provide \$6 million dollars for empty prison space, arguing they were saving jobs at public prisons and private facilities. Then-Gov. Ronnie Musgrove vetoed the bill, but the Senate and House overrode the veto.<sup>165</sup> Although the years following have not been as contentious, the prison industry still wields influence over Mississippi lawmakers and the political process.

After Haley Barbour became governor in 2004, he increased emphasis on private prisons as one way to save the state money. Legislation passed in 2004 and 2005 juggled budget and public safety priorities. Some new laws loosened Mississippi's truth-in-sentencing rules that require certain felony offenders to serve at least 85 percent of their sentences before being eligible for parole; at the same time, other laws qualified new offenses for the 85-percent standard.

Mississippi is home to three state-run prisons, 11 regional or county-run prisons and six private prisons. The Corrections Corporation of America (CCA) operates three of these private prisons. The GEO Group, Inc. (formerly Wackenhut Corrections) operates two, and Cornell Companies operates a youth facility.

## WHERE THE CASH GOES

In 2002 and 2003, prison-industry contributors gave \$63,250 to 27 Mississippi candidates and the Mississippi Democratic Party. Of this money, \$28,850 went to Democratic candidates and causes, while \$31,900 went to Republican candidates.

Mississippi holds elections for state-level offices every four years, so it held only one election during the study period, in 2003. Candidates could receive contributions during the two-year period of 2002 and 2003.

The following table shows how industry contributors apportioned their funds.

## PRIVATE-PRISON CONTRIBUTIONS BY RECIPIENT TYPE, 2002-2003

<b>TYPE</b>	<b>DEMOCRATS</b>	<b>REPUBLICANS</b>	<b>NONPARTISANS</b>	<b>TOTAL</b>
Legislative Candidates	\$20,350	\$10,100	\$0	\$30,450
Gubernatorial Candidates	\$7,500	\$21,300	\$0	\$28,800
Other Statewide Candidates	\$0	\$500	\$2,500	\$3,000
Political Party Committees	\$1,000	\$0	\$0	\$1,000
<b>TOTAL</b>	<b>\$28,850</b>	<b>\$31,900</b>	<b>\$2,500</b>	<b>\$63,250</b>

<sup>165</sup> Edwin Bender, "A Contributing Influence: The Private Prison Industry and Political Giving in the South," *Institute on Money in State Politics*, April 30, 2002, pgs. 16-19.

Four companies and individuals associated with them contributed to Mississippi candidates and party committees during the study period, as detailed below.

**PRISON-INDUSTRY CONTRIBUTIONS IN MISSISSIPPI, 2002-2003**

<b>CONTRIBUTOR</b>	<b>POSITION</b>	<b>COMPANY</b>	<b>TOTAL</b>
Carothers, Sean B.	Construction Company Executive	Carothers Construction	\$14,000
Carothers, Arnold Wayne	Construction Company Executive	Carothers Construction	\$6,750
Carothers Construction	Construction Company	Carothers Construction	\$2,500
<b>CAROTHERS TOTAL</b>			<b>\$23,250</b>
Wackenhut Corrections	Prison Company	Wackenhut	\$19,600
Sage, Al & Leanne	Prison Company Executive	Wackenhut	\$1,650
<b>WACKENHUT TOTAL</b>			<b>\$21,250</b>
Hester, Clare L.	Lobbyist	CCA	\$5,450
Lundy, John	Lobbyist	CCA	\$4,500
Medlin, Spencer E. (Buddy)	Lobbyist	CCA	\$3,750
CCA	Prison Company	CCA	\$2,000
Burch III, Lucius E.	Prison Company Director	CCA	\$1,000
Wedell, Henri L.	Prison Company Director	CCA	\$1,000
<b>CCA TOTAL</b>			<b>\$17,700</b>
Hargett, Edward	Prison Company Executive	CMS	\$1,050
<b>TOTAL OTHER CONTRIBUTORS</b>			<b>\$1,050</b>
<b>TOTAL</b>			<b>\$63,250</b>

CCA = Corrections Corporation of America

CMS = Correction Management Services

Wackenhut Corrections now operates as the Geo Group, Inc.

These four companies have a vested interest in who controls Mississippi’s purse strings. The two private-prison firms want to ensure money continues to flow to their prisons in the form of payments for state prisoners held there. Carothers Construction, a large construction firm that builds prisons in addition to its other general contractor work, could benefit from the state deciding to open additional prisons or expand existing facilities. The company has built or expanded six facilities in Mississippi to date, two of which were prisons operated by CCA. Three other prisons were operated by regional or county authorities, while one renovation occurred at the Mississippi State Penitentiary at Parchman.<sup>166</sup> And Corrections Management Services, run by a former warden, provides substance abuse counseling, adult education class and other prisoner education services in Mississippi.<sup>167</sup>

The companies’ desire to continue or to increase state investment in the prison industry is reflected in their campaign contributions. At least five of the top 10 recipients of money were running for offices in which they would wield influence over the state’s budget processes. Republican Haley Barbour, who defeated incumbent Democratic Gov. Ronnie Musgrove, was the top recipient of money from these companies. He received \$10,800 from Carothers Construction and its executives, as well as from executives with CCA and Corrections Management Services.

<sup>166</sup> “Project Experience: Correction/Detention,” *Carothers Construction* [on-line]; available from <http://www.carothersconstruction.com/home/experience/correction>; Internet; accessed Dec. 12, 2005.

<sup>167</sup> Patrice Sawyer, “PEER: Jail Costs Too High,” *The Clarion-Ledger*, July 17, 2001 [newspaper-online]; available from <http://orig.clarionledger.com/news/0107/17/a02.html>; Internet; accessed March 29, 2006.

Musgrove, meanwhile, received \$7,500 from Carothers Construction and its executives, as well as from executives with CCA and Wackenhut.

Private-prison interests gave a total of \$18,300 to two gubernatorial candidates in the 2003 election cycle, accounting for 29 percent of the total that prison interests gave to all candidates in the cycle. The governor proposes a spending package to the legislature for consideration and also holds veto power over any legislation the body sends back.

### TOP RECIPIENTS OF PRISON INDUSTRY MONEY, 2002-2003

RECIPIENT	PARTY	OFFICE	STATUS	TOTAL
Barbour, Haley	Republican	Governor	Won	\$10,800
Tuck, Amy	Republican	Lt. Governor	Won	\$10,500
Reynolds, Thomas U. (Tommy)	Democrat	House	Won	\$10,000
Musgrove, Ronnie	Democrat	Governor	Lost-General Election	\$7,500
Gordon, Jack	Democrat	Senate	Won	\$2,750
Dickinson, Jess	Nonpartisan	Supreme Court	Won	\$2,500
Robertson, Tommy	Republican	Senate	Won	\$2,500
Flaggs Jr., George	Democrat	House	Won	\$2,050
Carmichael, F. Videt	Republican	Senate	Won	\$1,700
Huggins, Robert G. (Bunky)	Republican	Senate	Won	\$1,500
Malone, Bennett	Democrat	Senate	Won	\$1,300

Lt. Gov. Amy Tuck received slightly less than Barbour from the prison interests: \$10,500. Re-elected in 2003, Tuck holds a powerful position in Mississippi. The lieutenant governor acts as president of the Senate, appointing all Senate committee members, as well as committee chairmen and vice-chairmen. She also sits on the Joint Legislative Budget Committee, which she heads on a rotating basis with the speaker of the House.

During the study period, Rep. Thomas U. Reynolds — who collected \$10,000 from executives of Carothers Construction to rank third among recipients of prison-interest funds — held seats on several committees, including Judiciary A and Ways and Means. The House Judiciary Committee has two divisions: Judiciary A deals with the committee’s civil justice issues and Judiciary B with the criminal justice topics.<sup>168</sup>

Sen. Jack Gordon was chairman of the Senate Appropriations Committee, while Sen. Tommy Robertson was chairman of the Senate Finance Committee. Each chamber of the legislature has an Appropriations Committee to handle bills that would spend the state’s money. The Senate Finance Committee and the House Ways and Means Committee handle bills to raise money, such as tax measures, exemptions and bond issues.

Several more top recipients served on House and Senate committees reviewing budget matters during the 2004 and 2005 sessions. Reps. George Flaggs Jr. and Bennett Malone and Sen. Robert G. Huggins figured prominently on the top recipient list and served on their respective House and Senate Appropriations committees. Sen. F. Videt Carmichael was on the Senate Finance Committee. In addition, all four held positions on House and Senate committees that exercise

<sup>168</sup> Carole Cannon, “Let the Games Begin,” *Jackson Free Press*, Jan. 13, 2004 [on-line]; available from [http://www.jacksonfreepress.com/cover\\_more.php?id=2252\\_0\\_9\\_210\\_M](http://www.jacksonfreepress.com/cover_more.php?id=2252_0_9_210_M); Internet; accessed Feb. 14, 2006.

control over legislation affecting the Department of Corrections and private prisons. Flaggs was chairman of the House Juvenile Justice Committee, Malone was chairman of the House Corrections Committee, Huggins was chairman of the Senate Corrections Committee, and Carmichael served on the Corrections Committee.

Another three candidates who held places on Corrections or Appropriations committees each received \$1,000 from prison industry contributors. Clearly, prison contributors carefully doled out the largest checks to those candidates they believed would be able to wield the most influence over matters of importance to them, including spending and corrections policy.

Very little money went to party committees; only the Mississippi Democratic Party received prison-industry contributions. Wackenhut Corrections gave the party \$1,000.

## WHAT THE CASH CAN INFLUENCE

### *The State Budget*

When Gov. Barbour's office released the FY2005 budget proposal in early 2004 — covering the period from July 1, 2004, to June 30, 2005 — it reflected the priority he put on using more private prisons to save money.<sup>169</sup> It was consistent with the priorities he set out in his first State of the State address on Jan. 26, 2004. Those priorities included “controlling spending” and increasing use of private prisons to control costs while still combating crime.<sup>170</sup> Although the Department of Corrections Fiscal Year 2005 budget decreased 4 percent from the 2004 levels — the first decrease since FY 2001 — the scheduled private-prison payments jumped more than 30 percent from Fiscal Year 2004. In fact, from FY 2000 through FY2004, private-prison payments held steady at 13.9 to 14.5 percent of the budget. In FY 2005, the payments totaled almost 20 percent of the department's budget.<sup>171</sup>

### MISSISSIPPI PRISON SPENDING, FISCAL YEARS 2003-2005

<b>FISCAL YEAR</b>	<b>CORRECTIONS BUDGET</b>	<b>PRIVATE PRISON PAYMENTS</b>	<b>% OF TOTAL</b>
2003	\$276,713,877	\$41,185,139	14.8%
2004	\$289,195,791	\$41,982,087	14.5%
2005	\$277,222,758	\$54,823,422	19.8%

### *The Legislation*

The first bill Gov. Haley Barbour signed into law after taking office in 2004 was designed to keep open a private prison operated by CCA.<sup>172</sup> House Bill 544 allowed the Tallahatchie County Correctional Facility to house maximum-security inmates. Previously, it had housed only

<sup>169</sup> Emily Wagster Pettus, “Barbour's Plan Would Cut Jobs, Governor Aims to Close Budget Gap,” *Associated Press*, Jan. 29, 2004.

<sup>170</sup> “State of the State Address,” *Governor Haley Barbour*, Jan. 26, 2004 [on-line]; available from <http://www.governorbarbour.com/StateoftheState04.htm>; Internet; accessed Dec. 5, 2005.

<sup>171</sup> “Mississippi Department of Corrections Schedule of Costs By Category (All Programs) FY 1992-2005,” *Mississippi Department of Corrections* [on-line]; available from <http://www.mdoc.state.ms.us>; Internet; accessed Dec. 5, 2005. Includes all data in the paragraph and the following table.

<sup>172</sup> Andy Kanengiser, “Barbour Signs Bill to Keep Prison Open,” *The Clarion-Ledger*, Feb. 4, 2004 [newspaper on-line]; available from <http://www.clarionledger.com/news/0402/04/m02.html>; Internet; accessed Dec. 5, 2005.

minimum- and medium-security inmates. Wisconsin and Alabama both sent prisoners to Tallahatchie during this time.<sup>173</sup> After the bill passed, inmates from Hawaii and Colorado filled the spaces left by Alabama inmates returning to their own state.<sup>174</sup>

House Bill 544 was co-authored by Rep. Thomas U. Reynolds, who received \$10,000 from Carothers Construction executives in 2003 during his re-election campaign. Although the prison is located near his district,<sup>175</sup> CCA did not contribute to Reynolds' 2003 campaign. Henri Wedell, a director with CCA, did contribute \$1,000 to Gov. Barbour's campaign.

Barbour signed House Bill 544 into law on Feb. 3, 2004.

Shortly after HB 544 expanded the capacity of Tallahatchie County Correctional Facility, Sen. Robert G. (Bunky) Huggins introduced Senate Bill 2676, which authorized the Department of Corrections to place state prisoners in private facilities in Tallatachie County. Huggins received a total of \$1,500 from Wackenhut Corrections and from a CCA executive. While HB 544 took only 12 days to become law, SB 2676 took about three months. In late 2004, Mississippi signed a contract with CCA to house more than 100 maximum-security prisoners at Tallahatchie,<sup>176</sup> to replace the out-of-state inmates.

## RECENT SENTENCING REVISIONS IN MISSISSIPPI

Sentencing laws in Mississippi are complex. For crimes committed before June 30, 1995, a convicted offender is required to serve 25 percent of the sentence before becoming eligible for parole. For crimes committed from July 1, 1995, to Dec. 31, 1999, an offender must serve 85 percent of the sentence before becoming eligible for parole. If the parole board grants parole to an offender, he or she must serve the remaining 15 percent of the sentence under state supervision. After Jan. 1, 2000, certain nonviolent, first-time offenders are eligible for parole after serving 25 percent of their sentences.<sup>177</sup>

In recent years, legislators have introduced numerous bills to change the current 85 percent "truth in sentencing" requirements to reduce Mississippi's high incarceration rate.<sup>178</sup> For instance, in 2004, HB654 by Rep. Bennett Malone won approval. It allowed prisoners with permanent medical conditions for which there is no hope of recovery to be released after serving at least one year of the sentence if the state believes it will "incur unreasonable expenses" by keeping the prisoner locked up. These offenders will remain under the supervision of the state through the Department of Community Corrections. Sex offenders do not qualify for release under this bill.

Other sentencing changes approved in 2004 and 2005 included:

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<sup>173</sup> Ibid.

<sup>174</sup> Andy Kanengiser, "Barbour Signs Bill to Keep Prison Open," *The Clarion-Ledger*, Feb. 4, 2004 [newspaper on-line]; available from <http://www.clarionledger.com/news/0402/04/m02.html>; Internet; accessed Dec. 5, 2005, and Holbrook Mohr, "State Moving Inmates to Private Prison," *Memphis Commercial Appeal*, Oct. 27, 2004, p. 5.

<sup>175</sup> Emily Wagster Pettus, "House OK's Bill to Aid Prison – Tallahatchie Facility Stands to Lose Inmates," *Memphis Commercial Appeal*, Jan. 24, 2004, p. 4.

<sup>176</sup> Holbrook Mohr, "State Moving Inmates to Private Prison," *Memphis Commercial Appeal*, Oct. 27, 2004, p. 5.

<sup>177</sup> This summary is from "What is Parole?" *Mississippi Parole Board* [on-line]; available from <http://www.mpb.state.ms.us>; accessed Feb. 14, 2006.

<sup>178</sup> Shelia Hardwell Byrd, "Mississippi Has Second-highest Incarceration Rate in Nation," *Associated Press*, Nov. 13, 2003.

- HB686, also introduced by Rep. Malone in 2004. It tripled the number of days by which certain inmates could reduce their sentences by participating in approved educational or instructional programs.
- SB2680 in 2004. This measure added to the types of offenses that require an offender to serve 85 percent of the sentence before being eligible for parole. SB2680 required certain people convicted of DUI offenses that resulted in the death or serious injury of another person to serve 85 percent of their sentences
- The Prison Overcrowding Emergency Powers Act (HB1734), which would allow the governor to move up parole dates for certain nonviolent offenders if the state's prisons became too crowded or if the Department of Corrections experienced a budget deficit. The measure, approved in 2005, had been law once. But it lapsed in 2004 when legislators allowed it to die under a sunset clause. The provision allowing the governor to release prisoners to alleviate a deficit was added to the 2005 bill and was not in the earlier version of the law.<sup>179</sup>
- SB2988 in 2005, allowing parole for certain first-time offenders sentenced for possession of drugs. In it, however, were provisions that denied eligibility for parole to offenders serving time for certain felony child abuse crimes or certain sex crimes against children.

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<sup>179</sup> John Fuquay, "Early Release Program for Inmates Weighed," *The Clarion-Ledger*, March 30, 2005 [on-line]; available from <http://www.clarionledger.com/apps/pbcs.dll/article?AID=/20050330/NEWS010504/503300368/1205>; Internet; accessed Feb. 14, 2006.

## APPENDIX A

### PRIVATE-PRISON CONTRIBUTIONS BY STATE, 2000-2004

The following table details private-prison giving in each of the 50 states and indicates the 23 states with so-called “three-strikes” laws currently in place. The table includes the total contributions from all private-prison industry interests by state for the 2002 and 2004 election cycles, which includes contributions going back as far as 2000 for states that held elections in 2001. The 10 states studied in depth are in bold.

<b>STATE</b>	<b>3-STRIKES LAW</b>	<b>TOTAL</b>
<b>Florida</b>	<b>Yes</b>	<b>\$647,608</b>
<b>Texas</b>	<b>No</b>	<b>\$518,892</b>
New Jersey*	Yes	\$322,700
<b>Indiana</b>	<b>Yes</b>	<b>\$226,804</b>
Georgia	Yes	\$173,793
<b>Oklahoma</b>	<b>No</b>	<b>\$170,500</b>
<b>California</b>	<b>Yes</b>	<b>\$152,960</b>
<b>Pennsylvania</b>	<b>Yes</b>	<b>\$117,573</b>
New Mexico	Yes	\$108,350
<b>Colorado</b>	<b>Yes</b>	<b>\$81,525</b>
Hawaii	No	\$81,450
<b>Tennessee</b>	<b>Yes</b>	<b>\$81,350</b>
<b>Arizona</b>	<b>No</b>	<b>\$77,267</b>
<b>Mississippi</b>	<b>No</b>	<b>\$63,250</b>
Alaska	No	\$62,045
Illinois	No	\$56,100
Idaho	No	\$49,300
Louisiana*	Yes	\$45,882
New York	No	\$38,625
Wisconsin	Yes	\$22,546
Ohio	No	\$20,545
Connecticut	Yes	\$19,725
Utah	Yes	\$18,733
Minnesota	No	\$17,339
Kentucky	No	\$14,485
Alabama	No	\$13,950
Virginia*	Yes	\$12,300
Maryland	Yes	\$11,420
Vermont	Yes	\$9,970
Montana	Yes	\$9,580
Rhode Island	No	\$9,025
West Virginia	No	\$8,758
Kansas	No	\$8,250

<b>STATE</b>	<b>3-STRIKES LAW</b>	<b>TOTAL</b>
Wyoming	No	\$6,700
Michigan	No	\$6,600
Washington	Yes	\$6,225
Missouri	No	\$5,000
North Carolina	Yes	\$4,875
Massachusetts	No	\$3,500
Arkansas	Yes	\$2,000
South Carolina	Yes	\$1,100
Nevada	Yes	\$1,000
Maine	No	\$500
Oregon	No	\$125
Delaware	No	\$0
Iowa	No	\$0
Nebraska	No	\$0
New Hampshire	No	\$0
North Dakota	Yes	\$0
South Dakota	No	\$0
<b>TOTAL</b>		<b>\$3,310,226</b>

\* State held elections in 2001, so its two-year election cycle would include contributions made in 2000 and 2001.