THE PRISON INDUSTRY
How it started. How it works. How it harms.
Worth Rises

Worth Rises is a non-profit advocacy organization dedicated to dismantling the prison industry and ending the exploitation of those it touches. Partnering deliberately with directly impacted people, we work to expose the commercialization of the legal system and advocate and organize to protect and return the economic value extracted from affected communities.

We envision a society in which no entity or individual relies on human caging or control for their wealth, operation, or livelihood. Through our work, we strive to help pave the road toward a world without police and prisons.

As part of our public education strategy, we conduct research, collect data, and perform innovative analyses aimed at unmasking the harms caused by the prison industry. Understanding the mobilizing power of knowledge, we transform our analyses into accessible and compelling content designed to increase awareness and shift discourse around the commercialization of the criminal legal system.

Acknowledgements

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INTRODUCTION

We are living in a watershed moment. In the wake of brutal police killings, people in more than 2,000 cities and towns, across all 50 states, have responded by demanding the defunding of the police and the abolition of the carceral state. To observers, and to those of us who have done this work for years, it is truly remarkable to hear abolition—a word that felt far from mainstream only months prior—discussed in forums, teach-ins, boardrooms, and media. In moments like this, one easily forgets the decades of work that shaped this moment.

But to do so would be to lose sight of the truth that meaningful victories are won not in days, but through generations of principled struggle. We stand on the shoulders of giants and their tireless work—Black, Brown, and Indigenous people like Angela Davis, George Jackson, Jalil Mutaquim, Assata Shakur, Mumia Abu-Jamal, Joy James, Michelle Alexander, and countless others.

If we are truly to abolish police and prisons, we must understand the systems we wish to destroy. The prison industry is comprised of a vast matrix of public-private partnerships that undergird the nation’s commitment to human caging and control. It is a seemingly amorphous system of more than 4,100 corporations, and their government conspirators, that profit from the incarceration of mothers, and fathers, and nieces, and cousins, and grandparents. It is a system built on bleeding people and communities of their resources, and then even further exploiting their devastation.

This report maps the twelve sectors of the prison industry and details the extraction of wealth from the families that have been most disproportionately brutalized by over-policing, mass criminalization, mass incarceration, and mass surveillance. This report details how the carceral state has metastasized with the help of the private sector across our economy and evolved to maintain systems of oppression in the face of shifting public opinion.

With this report, we hope to offer a blueprint for the constantly changing prison industry we seek to dismantle. In each chapter, we share the origin story of privatization for that sector, how much money is in it for the corporations involved, the methods they use to extract resources from public coffers and communities, which corporations are most active, and the harm they cause people, families, and communities. We also share powerful first-person narratives that are critical to understanding the impact privatization has had on people.

We must know where we came from to change the course of where we are going, especially as corporations and their correctional partners pivot to new forms of shackling, such as electronic monitoring and other forms of community surveillance, to profit from mass human control. By mapping the past and present, we hope that readers can imagine and design a better future because abolition, as the formidable geographer Ruth Wilson Gilmore reminds us, is not only about the dismantling of systems, but also about the visioning of what we collectively build in its place.

We hope this report in its conveyance of information serves as a tool in the dismantling of the prison industry and destruction of this wholly oppressive system; and that from there, we can create a world built on care not cages.
This [layout] improves security and floods the facility with natural light, making the white-painted cells feel more spacious.

_HOK, architecture and engineering firm_¹

Following the civil rights movement of the 1960s, state-sponsored deindustrialization and suburbanization supported white flight and hollowed out urban centers. In 1971, U.S. President Richard Nixon launched the war on drugs to intentionally disrupt urban Black communities.⁶ Incarceration quickly swelled, and jails and prisons began popping up all over the country, particularly in rural areas that were struggling to replace jobs in waning industries like farming and mining.⁷

By the 1990s, the racist war on drugs and rising crime rates stemming from increased structural inequities had spurred the vilification of Black people in the media and bipartisan consensus on “tough-on-crime” policies. The 1994 Omnibus Crime Bill represented the culmination of these ideologies, dramatically escalating jail and prison expansion by offering states federal subsidies – totaling $9 billion – to enact harsh sentencing laws, including mandatory minimums.⁸ Consequently, between 1984 and 2005, a new prison or jail was built every 8.5 days in the U.S.⁹ – 70 percent of which were in rural communities continuing to suffer job loss that eagerly bought into exaggerated promises of economic prosperity.¹⁰ All the while, jail and prison architects, designers, and contractors raked in billions of dollars.

| Description: Government agencies contract with corporate architects, designers, engineers, and contractors to design, construct, renovate, and maintain prisons, jails, immigration detention centers, and youth facilities. |
| $4.6 billion |
| Annual spending on correctional construction² |
| > 7,000 |
| Correctional facilities across the U.S.³ |
| 277% |
| Jail capacity growth 1970 - 2017⁴ |
| 907,000 |
| Jail beds across the U.S.⁵ |
While correctional facilities are no longer being built with such haste, there is still plenty of business for those who build them. Despite bipartisan efforts to drive down carceral populations in recent years, old and decaying facilities continue to be restored or replaced with larger, more modern structures. Across the country, law enforcement and policy makers alike have extolled the notion of modernization as a means to make prisons and jails more humane, sinking millions and sometimes billions of dollars into projects that do nothing to address the harms of the institutions themselves.

And architecture and construction firms are chomping at the bit to design and build this next iteration of cells, boasting of innovation like window slats that allow natural light to pass through. Architects, designers, and contractors that erect prisons and jails eagerly lay the foundation and framework for mass incarceration, literally.

**HOW MUCH MONEY IS AT STAKE?**

Federal, state, and local governments infuse the correctional construction industry with billions of dollars every year. Government spending on correctional construction peaked at $8.0 billion in 2008 but fell to $4.6 billion by 2018 as public spending constricted after the market crash and the carceral population began to fall. Though some players exited the market amid concerns that it would never bounce back to pre-2008 recession levels, many firms consolidated operations to capitalize on economies of scale and pressed on.

Current spending is enough to grow bed capacity every year, particularly in rural jails where debunked economic arguments still control the expansion narrative and architecture, engineering, and construction firms fund sheriff races. In fact, nationally, in the past decade, the jail population has declined by roughly 40,000 while the number of jail beds has climbed by more than 86,000. Many of the largest correctional constructions projects today are new jails, ranging from $130 million for a county jail in Land O’Lakes, Florida to $8.7 billion for the plan to close the Rikers Island jail complex in New York City and build four community-based jails in its stead.
WHAT CORPORATIONS ARE INVOLVED?

Architecture, engineering, and construction firms work hand-in-hand to design and build correctional facilities. The largest architecture players in the market are also some of the nation’s largest firm: HDR and HOK. HDR has designed over 275 correctional facilities and HOK has designed more than 100,000 correctional beds.

While there are similarly dominant construction companies, construction contracts are often split among large national corporations and regional firms in order to meet local job creation goals. Still, the largest construction players in the correctional market include Turner Construction Company, Gilbane Building Company, and Hensel Phelps, which together hold roughly 30 percent of the market. Turner, a subsidiary of HOCHTIEF, the German company that built public infrastructure for the Nazi party using forced labor, generated $1.4 billion in revenue on prison and jail construction between 2007 and 2012.

Gilbane boasts of being one of the top five correctional builders for over a decade now. Hensel Phelps has built nearly 100 million square feet of correctional space. Other major players in the field include the Clark Construction Group, which has completed over $4.5 billion in correctional and judicial projects round the country, and McCarthy Building Companies, which was contracted by Los Angeles County in 2019 to build a $2.2 billion new jail until activists forced the county to cancel the project.

CORRECTIONAL DESIGN

A well-designed, humane prison is a perverse fallacy. No number of architectural bells and whistles can change the fact that a more modern cage is still a cage.

The average size of a correctional cell – the closest thing to personal space an incarcerated person has and must, at times, still share with one or two others – is not much larger than the size of a parking space. Walls, floors, doors, and gates are constructed with the coldest building materials, an assortment of stone, cement, cinder, iron, and steel.

Natural light is limited to what passes through barred windows even in facilities with no outdoor spaces. Toilet and shower stalls are built without doors or curtains. Visit rooms are designed to prohibit contact with loved ones. And all these indignities are explained away with one claim: security.

The worst manifestation of this torture architecture is a solitary confinement cell, a box the size of an elevator in which people are confined for 22 to 24
hours a day. On any given day, between 61,000 and 100,000 people nationwide are tortured in solitary, and many will spend weeks, months, years, and even decades in solitary.

These cells are designed to remove human contact; a single slot in a metal door serves as the pass through for food, mail, sound, and even light. The use of solitary confinement in the U.S. has been condemned by the United Nations and human rights organizations for its severe psychological effects, and yet private architects, engineers, and contractors continue to design and build these spaces.

In recent years, architecture, engineering, and construction firms have changed their narrative about their role in prison construction, moving from silence to hyperbolic claims that they design facilities that minimize dehumanization and promote rehabilitation. They gloat about wall murals of naturescapes and floor glazing that extends the reach of natural light as they design expansion projects meant to facilitate incarceration.

**Comparison of solitary cell to average one-bedroom apartment**

"Here is the inside view of my solitary cell door. Two windows look onto the tier where staff escort other prisoners. But the real show happens in the slot below them. Everything passes through the slot: mail, clothes, commissary, food, light."
JOHNNY’S STORY

During the 13 years I was incarcerated, I spent three years in solitary confinement in increments of anywhere from three to ten months — all for minor infractions. Solitary is devoid of human contact, and so much more: light, sound, and color. My gray cells had just one interior-facing window with frosted glass. It was the same window through which guards served me the meals that helped me assess whether it was morning or night — breakfast was at 7 a.m. and dinner at 4 p.m.

In solitary, it was quiet — so quiet that you could hear your thoughts, your heartbeat, even small animals outside in the yard. I found inspiration any way I could. I read the Bible — the only text I was allowed — at least ten times over the course of my sentence. Other times, I read the ingredients on my toothpaste and the few other products I could have. Desperate for human connection, I shouted through vents to others in my solitary units, forging deep bonds with people whose faces I never saw.

When I was younger, I sat in solitary blaming myself with a sense of hostility. As I grew older, those thoughts morphed into anger, and I questioned how such a space could even exist? Who conceived of it? Who designed it? Who built it? Who condemned me to it?

I am home now, but years later, I am still acclimating to life outside. Small spaces like public bathrooms trigger memories of solitary. Nightmares about being incarcerated again sometimes creep into my sleep. Despite it all, hope drives my dedication to criminal justice advocacy. As the National Director of U.S. Prison Programs at the National Religious Campaign Against Torture, today, I advocate for an end to solitary confinement and train other solitary survivors to do the same.

ENVIRONMENTAL HAZARDS

Nearly 600 prisons have been built on or in close proximity to Superfund sites, contaminated land zones identified by the U.S. Environmental Protection Agency as toxic to human and environmental health and requiring the sustained removal of hazardous materials. The toxins in these locations have been linked to cancer, heart disease, pulmonary disease, birth defects, depression, and tooth decay. Despite decades of environmental justice advocacy originating from inside prisons with the Black Liberation Political Prisoners in the late 1980s, government agencies and complicit architects and contractors continue to build prisons and jails on Superfund sites and other environmentally hazardous areas with blatant disregard for the health and wellbeing of incarcerated people and correctional staff.

However, fights for environmental safety are starting to see modest returns. In 2015, Escambia County, Florida sought to build a jail on a Superfund site in Pensacola. Advocates successfully demanded a different site, though the county went on to build the jail in a hazardous flood zone. In 2016, the Federal Bureau of Prisons (BOP) planned to build a $444 million facility in Whitesburg, Kentucky, located atop an old mine, next to a coal processing plant and sludge pond. After vigorous challenges by incarcerated people and allied advocates, the BOP withdrew its plan for the new facility. While the environmental justice efforts of advocates in these two instances proved successful, many are not.
For instance, people incarcerated at the Pennsylvania State Correctional Institution - Fayette have been exposed to hazardous pollution for decades due to the dumping of millions of tons of coal ash near the prison. Toxic dust filled with mercury, lead, and arsenic runs off into the prison water. Advocates have wrestled for years with the Pennsylvania Department of Corrections for legal relief but have repeatedly been told that exposure levels are safe, an assertion plainly contradicted by the stories of the ailing people inside.

Architecture, engineering, and construction firms are not just complicit in the building of prisons on toxic land, they also often introduce health hazards through their design and construction. For example, in Texas, where temperatures routinely exceed 100°F, architects, engineers, and contractors designed and built state prisons without air conditioning; 23 people have died from overheating in those facilities. In California, someone died in a correctional medical facility from Legionnaires’ disease caused by bacteria in the building’s water system. The facility was built by McCarthy Building Companies in 2010. By 2016, it was receiving failing grades from the state inspector general. Through their indifference to and exacerbation of environmental hazards in correctional facilities, architecture, engineering, and construction firms have devalued the lives of incarcerated people.

Government agencies typically consider several factors when deciding whether to build a new or replacement facility: overcrowding, dilapidation, need for specialized services, economic impact, job creation, and revenue opportunities. However, jail and prison construction has not always panned out as expected. In fact, in many cases, it has been a financial sinkhole for taxpayers — and windfall for architects, engineers, and contractors — with projects running over in cost and time estimates even with the grossly underpaid labor of incarcerated people.

For instance, a recent prison project in Salt Lake City, Utah, a joint venture between Layton Construction and Oakland Construction, ran 18 months behind schedule and 20 percent over its original $650 million budget. In Santa Barbara, California, a new jail build that was originally estimated to cost $77 million and slated for completion in the spring of 2019 culminated in a lawsuit against contractor Rosser International after it went out of business in the summer of 2019 and abandoned the project what it was only 80 percent completed and nearly 40 percent over budget.

And in Eureka, California, the construction of a youth jail was due to be completed in 2018, but a year past the due date, the county was forced to release the contractor, Hal Hays Construction, for failure to make adequate progress and go after its bond agent, Western Surety Company, to demand the project be completed.

These projects only scratch the surface of the fiscal waste in the construction of cages for incarcerated people that has diverted billions of tax dollars from the community investments in education, mental health care, substance use treatment, affordable housing, and restorative justice.
MAINTENANCE

Construction firms are not just contracted for new construction projects, but also for renovations and simple maintenance projects. While the firms contracted by government agencies for these projects are often smaller, local firms, their role is nevertheless critical to the upkeep on facilities – which is often questionable at best. In fact, the staff at these corporations regularly see the atrocity of conditions in our nation’s prisons and jails, and yet they do little more than the bare minimum to keep their walls standing. Notably, much like they do with new construction projects, these corporations often use prison labor to complete contracted work, allowing them to save on staffing costs and increase their profit margins on even small projects. Incarcerated people are also employed directly by facilities to do everyday grounds maintenance from painting walls to mowing the grass. Maintenance jobs are actually the most common jobs offered to incarcerated people without whom facilities simply could not operate.

While architects, engineers, and contractors masquerade as reformists and claim to design better and more humane facilities, human rights advocates have seen through their guises.

No matter how much natural light reflects off a polyurethane floor or how many beautiful naturescapes are painted on visit room walls, a building designed to cage and hide people will not address the divestment from Black, Brown, and Indigenous communities that feeds mass incarceration or heal the mass trauma caused further perpetuated by it.

Social justice architect Raphael Sperry explains that communities do not need “better prison design, but better community design, and especially funding for community development.”  

LEARN MORE

- Deadly Delays in Jail Construction Cost Lives and Dollars Across California, ProPublica (2019)
- We Need to Rethink the Rikers Island Replacement Jails, The Architect’s Newspaper (2019)
- County Failures, Not State Reforms, are Killing People in California Jails, The Appeal (2019)
- How Prisons are Poisoning Their Inmates, The Outline (2018)
- Is There Such Thing as “Good” Prison Design?, Architectural Digest (2018)
- Prisons as Panacea or Pariah? The Countervailing Consequences of the Prison Boom on the Political Economy of Rural Towns, Bryan L. Skyes (2016)
- Architects are Part of the Prison Industrial Complex, Too, City Lab (2013)
- A Billion Dollars and Growing: Why Prison Bonding is Tougher on Florida’s Taxpayers than on Crime, Collins Center for Public Policy and Florida Tax Watch (2011)
You just sell [prison beds] like you were selling cars or real estate or hamburgers.

Thomas W. Beasley, founder of CoreCivic

The first private prison corporation, CoreCivic (then known as Corrections Corporation of America), was founded in 1983. The founding executives included a former Chairman of the Tennessee Republican Party and a former warden of the Ramsey Prison Farm in Texas who had used incarcerated Black men as personal servants on his plantation. The new corporation hastily signed its first contract to build and operate a federal immigration detention center in Texas, but things did not start smoothly. When construction took longer than expected, executives rented a motel, put up barbed wire, and opened the nation’s first private immigration detention center. CoreCivic’s largest competitor, The GEO Group (GEO) (then known as Wackenhut), got its start the following year with a federal contract for an immigration detention center in Colorado.

Through the 1990s and 2000s, the industry built up its business by pushing draconian criminal laws that drove incarceration across the U.S. Until 2010, CoreCivic played a prominent role in the American Legislative Exchange Council (ALEC), a conservative trade organization through which state lawmakers and corporations work together to draft model legislation. As an active member, and at times even corporate chair, of ALEC’s Criminal Justice Task Force, CoreCivic executives helped draft and champion model legislation for mandatory minimum, “three strikes,” and “truth-in-sentencing” laws in the early 1990s.
The notorious 1994 Omnibus Crime Bill codified these and other severe sentencing laws at the federal level, and included billions of dollars in prison construction grants for states that passed similar legislation. Within a year, 25 states passed “truth-in-sentencing” laws alone. In 1995, ALEC members drafted the Private Correctional Facilities Act to expand the use of private prisons state by state and the Prison Industries Act to expand the private sector’s access to prison labor. And the following year, thanks to a proposed amendment and testimony by executives at GEO, the Appropriations Act of 1996 amended the original crime bill, which was silent on private prisons, to authorize states to use federal grants issued under the bill to privatize prisons.

Banking on the quick uptake of all this new legislation, CoreCivic began borrowing huge sums to build prisons before securing contracts to fill them. When the growth rate of incarceration temporarily slowed in the late 1990s, the corporation struggled to fill its new prisons and make interest payments on the debt it used to build them. Making matters worse for the corporation, a federal investigation in 1998 sparked public outrage when it revealed brutal conditions in a CoreCivic prison in Youngstown, Ohio. The corporation’s costly speculative construction and poor financial management, as well as public uproar about facility conditions came to a helm in 1999, causing its stock to fall to mere pennies per share and putting it on the verge of bankruptcy. Marred by CoreCivic’s performance and general concerns about the industry, GEO’s stock followed and its survival was similarly compromised.

Working with its creditors to restructure its debt, CoreCivic staved off bankruptcy just in time. A few years prior, in 1996, U.S. Congress passed the Illegal Immigration Reform and Immigrant Responsibility Act, which significantly expanded the demand for immigrant detention and deportation. The federal Bureau of Prisons responded with requests for proposals that CoreCivic and GEO quickly jumped at. Doling out several contracts in the early 2000s, the federal government gave the private prison industry the boost it needed to survive.

The industry thrived again until 2016, when the Obama Administration announced it would phase out private prison contracts in the Federal Bureau of Prisons after a study revealed that private facilities were less safe than public facilities. The Department of Homeland Security followed by announcing a review of immigration detention centers, but eventually decided it would continue its use of private prisons, citing a lack of alternative options. Still, overnight, the stock price of the largest two private prison operators, CoreCivic and GEO, tanked 40 percent and 35 percent, respectively.

Panicked executives moved to pay their way to survival. Within days, GEO contributed $250,000 to pro-Trump super political action committees. After the election, CoreCivic and GEO curried favor with the incoming administration by donating an additional $250,000 each to the Trump inauguration fund. As a further sign of support, GEO also moved its annual meeting to a Trump resort.

This patronage paid off: the Trump Administration rescinded the phase out policy just weeks after taking office, going as far as to instruct Federal Bureau of Prisons officials to identify incarcerated people for transfer to private facilities. GEO’s donations forced campaign finance watchdogs to sue the Federal Election Committee for allowing the corporation to circumvent the ban on contributions from federal contractors, a claim still being investigated by regulators. But the Administration continued its support of the industry with passage of the First Step Act, which funneled millions into new reentry services provided by private prison operators among other things.

Though it faces potential state bans, the industry remains stubbornly entrenched in the federal system today with roughly half of its revenues each year coming from federal contracts. But in the past two decades, CoreCivic and GEO spent billions diversifying their business lines to ensure their survival.
How Much Money is at Stake?

Private prisons hold about 120,000 people in the correctional system, or roughly 8 percent of the total U.S. prison population. The immigration detention system is significantly more reliant on private prisons with more than 35,000 people, or 75 percent of detained immigrants, in private facilities in 2019 – up from 72 percent in 2017. And, altogether, private prisons bring in $5.8 billion annually.

Private prison corporations are paid a fixed daily rate for each person they incarcerate, also known as a “man-day” in the industry. In this compensation structure, every empty bed represents lost revenue. However, private prison corporations have insulated themselves from oscillations in occupancy rates by incorporating occupancy guarantees in their contracts typically ranging from 80 percent to 90 percent, meaning that if a facility falls below the guaranteed occupancy rate, the contracting agency is still required to pay as if the occupancy rate was met. In 2019, CoreCivic and GEO were paid for 23.4 million and 28.8 million man-days, respectively.

Since their start, private prison corporations have faced significant volatility at the hand of political swings. And again, their industry is under threat as the criminal justice movement gains traction to decarcerate prisons and jails and end mass incarceration. While these corporations are spending hundreds of millions of dollars to protect their current business, they are also diversifying their business by turning to community corrections and other correctional services that open up new market opportunities for them.

What Corporations Are Involved?

Two massive corporations dominate the private prison and immigration detention industry: CoreCivic and GEO. Based on revenue, these two corporations control more than 57 percent of the U.S. private prison market, but they hold the vast majority of people in private facilities.

As the nation’s oldest private prison corporation, CoreCivic brings in $2.0 billion in annual revenues. It remains heavily dependent on the federal government with roughly 51 percent of its revenue coming from federal contracts, including 29 percent from ICE. In the 1990s, CoreCivic acquired many of its smaller competitors in the industry. In recent years, it has focused its acquisition activity in the community corrections space with the hopes of diversifying its business lines. In 2015, it acquired Avalon Correctional Services for $158 million to build out its residential reentry and day reporting business.

Competing neck and neck for contracted beds in the U.S., GEO is the largest private prison corporation in the world with additional operations in the U.K., Australia, and South Africa and $2.5 billion in global revenues. Over the past decade, the corporation has aggressively pursued acquisition growth. In 2010, it purchased Cornell Companies, then the third-largest private prison operator in the country, for $685 million. GEO has also spent $1.0 billion diversifying beyond prison management into transportation, residential reentry facilities, day reporting centers, and electronic monitoring.

Management and Training Corporation (MTC) is a smaller operator that still has a significant presence in both the criminal and immigration systems. Unlike CoreCivic and GEO, MTC is not publicly traded and thus its financials are not available, but industry estimates put the corporation’s annual revenues at roughly $840 million, though only about half is expected to come from the operation of U.S. prisons.
and jails. While their competitors use acquisitions in community corrections to protect their bottom lines from decarceration, MTC is expanding its existing workforce training programs.

### Top Market Players

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<th>GEO</th>
<th>CoreCivic</th>
<th>Management &amp; Training Corp</th>
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<td><strong>Annual Global Revenue</strong></td>
<td>$2.5 Bn</td>
<td>$2.0 Bn</td>
<td>$841 Mn</td>
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<tr>
<td><strong>Annual U.S. Revenue</strong></td>
<td>$2.2 Bn</td>
<td>$2.0 Bn</td>
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<td><strong>States</strong></td>
<td>50</td>
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<td><strong>U.S. Prisons</strong></td>
<td>67</td>
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<td><strong>U.S. Prison Beds</strong></td>
<td>75,173</td>
<td>73,000</td>
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<td><strong>U.S Residential Reentry Centers</strong></td>
<td>45</td>
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<tr>
<td><strong>U.S Residential Reentry Beds</strong></td>
<td>10,952</td>
<td>5,000</td>
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With CoreCivic, GEO, and MTC essentially swallowing up the field, the remaining private prisons operators are regional outfits that only operate a handful of facilities each. These include LaSalle Corrections, a family-run operation that manages prisons in Louisiana, Texas, and Georgia, and Akima Global Services, a defense contractor that staffs and operates immigration detention centers.

There is also a handful of large private prison corporations operating facilities in other countries with a limited presence in the U.S. G4S, one of the world’s largest employers, operates private prisons in the U.K. and staffs immigration detention facilities and transports detained immigrants in the U.S. Sodexo, a French multinational conglomerate, operates private prisons in Australia and the U.K., which it bought from CoreCivic, and provides foods services in U.S. prison.

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### PRISON AND JAILS

Compensated for each day a person spends in one of their beds, private prison corporations drive profitability in just two ways: by increasing the number of people in their facilities or cutting costs related to their care. Since their start, these corporations have done both with dire consequences.

For decades now, private prison corporations have spent millions of dollars on campaign contributions and lobbying to advance policies that keep more people in prison for longer and promote the unregulated use of private prisons. It is a story that has been written about often. Less known is the way in which they expand their market share by maintaining a revolving door of informal influence with departments of corrections by regularly hiring former correctional administrators into high-paying roles – often just days after leaving their government posts. These new corporate executives use their government experience and relationships to usher in and negotiate lucrative contracts for their new employers.
But these corporations also have even more direct ways to increase prison stays in their facilities or further extract value from incarcerated people, and they exercise them liberally. Disciplinary infractions are just one example. Corrections officers in private prisons, like those in public prisons, can issue disciplinary infractions, hold review hearings, determine guilt or innocence, and hand down punitive sentences. In private prisons, these sentences often involve the loss of good time credit, lengthening a person’s stay and padding their bottom lines. Unsurprisingly, the rate of guilty findings in disciplinary review hearings is quite high – easily over 95 percent in many private prisons. In one such disciplinary hearing in a CoreCivic prison, a man lost thirty days of good time because he used a broom to sweep the area in front of his cell without permission, which generated an extra $2,000 for the corporation.

Yet, the easiest way that private prison corporations stretch their profit is by lowering operational costs, particularly staff pay, their largest expense. By offering below market wages and weak benefits, they attract underqualified staff. Making matters worse, they spend on average 58 fewer hours training staff than publicly operated facilities, and what little training they offer emphasizes the use of force—rather than de-escalation—as a response to every situation, including mental health crises. The outcomes are frustrating for officers set up to fail and detrimental for incarcerated people at their whim. At one CoreCivic facility in Tennessee, for example, poorly trained officers pepper-sprayed a man who had attempted suicide before trying to help him.

Unsurprisingly, private prisons have high staff turnover, but this constant churn of employees exacerbates another common cost cutting measures: understaffing. In Idaho, for example, CoreCivic did not just routinely understaff its facilities but it also then falsified records to make critical positions appear filled. In 2012, the corporation paid $1 million to the state to settle fraud claims. Audits of federal and state prisons have revealed similar understaffing levels at private prisons around the country operated by CoreCivic, GEO, and MTC alike.

Understaffed with corrections officers ill-suited or prepared to perform their duties effectively, let alone safely, private prisons have created breeding grounds for flagrant human rights violations against those in their custody. In Mississippi, for instance, the average hourly wage for corrections officers in public prisons is $14.83 per hour, the lowest in the country. And yet, MTC, which operates three prisons in the state, pays its officers as little as $9.50 per hour, amounting to an annualized salary of just $19,760. Predictably, MTC regularly reports vacancies as high as 31 percent in its facilities. Unable to effectively manage its facilities, MTC prison administrators often lockdown entire facilities, sometimes for months at a time: trapping people in their cells, prohibiting family visits and phone calls, preventing doctor visits, and more. Unable to go to commissary, people go without soap, blankets, and even food. This has led to understandable tensions at these facilities that have erupted violently time and time again.
I spent seven months incarcerated at George W. Hill Correctional Facility, a local jail in Pennsylvania privately operated by The GEO Group. The day I arrived, they charged me a $100 processing fee – I’d never heard of such a thing, a fee to be booked. I didn’t have it, so they took 50 cents out of every dollar my family put in my commissary account until it was paid.

The jail has a history of death – a lot of suicides – and when I walked in, it made sense. The facility was understaffed and mismanaged, and the conditions were filthy and unsanitary. Imagine what crawls in and what seeps out of a commercial kitchen with doors left wide open all day. Almost every morning, I went without breakfast. What they served was inedible. Wednesdays were the worst – they served grits that smelled and tasted like vomit.

A health inspector once stopped by my cell during a facility inspection. I shared my concerns with her about the cruelty and neglect I had experienced at the jail – all to profit a few executives sitting in Florida. She was unphased.

But it wasn’t just the conditions, it was also how they were preparing people for release, or not. While the facility held primarily people who were awaiting trial, there was no resources or programs for people inside who had not been sentenced. The limited resources and programs that existed were only available to the small number of sentenced individuals.

On my part, I longed for substance treatment. I wanted to be sober and I was willing to fight for my sobriety, but I couldn’t do it alone. Against all odds, despite my incarceration, I made it. Today, out of jail, I’m 21 months sober. Among other things, I spend my time speaking with local elected officials and the public about the harm caused by private prisons. And thankfully, they’ve started to listen. The most recently elected county council has committed to deprivatizing George W. Hill Correctional Facility.

The private prison model does not change moving from the correctional to immigration detention landscape. Business is still driven by more bodies, longer stays, and low costs. So, much like it does in the correctional system, the private prison industry pushes for harsh policies in the immigration system intended to drive up immigration detention. And private immigration detention centers suffer from many of the same problems as private prisons and jails, but the people held in them have even fewer rights and thus, at times, can suffer even more abuse.
As they do in their prisons and jails, private prison corporations cut corners on staffing and training in immigration detention centers. In fact, given the lower risk population, they can drive costs down even more significantly and produce even greater human rights violations. For instance, in 2017, Omar Rivera, an asylum-seeker from El Salvador, led a hunger strike to protest poor conditions at the Adelanto ICE Processing Center run by GEO. In response, staff beat him, pepper sprayed him, and placed him in solitary confinement for nearly two weeks, according to a lawsuit filed by Rivera and seven others who were detained at the facility. The lawsuit, which is still awaiting trial, is one of several against GEO involving assaults and deaths at the Adelanto facility.

Importantly, the privatization of the Adelanto facility is itself an impropriety, but a common one in the space. Looking to circumvent rigorous federal procurement procedures, ICE and their private prison contractors often look to intergovernmental service agreements (IGSA) to indirectly contract through counties. In these agreements, ICE contracts with counties for immigration detention beds, and the county in turn subcontracts the operation of their facility to a private prison corporation. The county and private prison corporation then split the per diem ICE pays for each person held in the facility. Interested in seeing more money flow into their districts, county officials have also pushed for harsher immigration laws. IGSAs represents a win, win, win for ICE, counties, and private prison corporations all at the expense of the people detained.

DIVERSIFICATION

Amidst growing backlash, private prison corporations have tried to both whitewash the narrative around their industry and diversify beyond traditional prison operation.

With profit on their mind and the criminal justice movement on their heels, in 2013, executives at both CoreCivic and GEO restructured their corporations as real estate investment trusts (REITs). In exchange for keeping their assets primarily in real estate and paying out most of their earnings to investors, REITs pay significantly lower taxes. But the move also had important brand implications for the corporations, which were trying to reframe themselves as merely government “landlords,” as one CoreCivic executive put it. But the marketing ploy failed and had an unintended consequence: illiquidity – which activists quickly exposed.

After years of advocacy, public opinion has finally synonymized private prisons with corporate greed and amorality. In the past year alone, nearly all major banks withdrew their financial support for private prisons, credit agencies downgraded their ratings, and lawmakers passed laws intended to ban private prisons in their states. As a result, CoreCivic and GEO have experienced considerable market volatility and suffered financially.

In a last-ditch effort to discredit public protest, the industry has banded together to spread misinformation in support of their practices. In 2020, CoreCivic, GEO, and MTC created the Day1 Alliance, an industry trade group that claims to educate the public on the “valued role” private prisons play in the U.S. After recruiting veterans from far-right political organizations, the group launched an offensive that supported weak reforms like the First Step Act, which funneled money into their coffers, while trying to veil the industry’s history of abuse.

But it is too late, their access to capital has dried up. Past debt has begun to mature, and the corporations are finding themselves having to take out more expensive new debt to pay off cheaper old debt. They also have no capital for growth projects. The predicament led CoreCivic to announce that it will drop its REIT status.
However, there is still another strategy that private prison corporations have been deploying to save their business and it seems to be working out better: expanding into community corrections, or the growing industry of community-based control mechanisms like halfway houses, day reporting centers, and electronic monitoring. Since 2004, both CoreCivic and GEO have spent billions acquiring smaller competitors in this space and marketing it as the solution to mass incarceration. While many have unfortunately bought into these so-called “alternatives to incarceration,” criminal justice advocates are actively rejecting the transformation of communities into carceral analogues. At the very least, certainly those who helped to create our carceral crisis should not be trusted to solve it.

Private prisons are a uniquely U.S. export, which emerged in the 1980s as the perfect encapsulation of the decade’s embrace of greed and Reagan-era privatization. Prisons in the U.S. had always been used to generate revenue, but this was something new: the complete outsourcing of the criminal legal system to the highest bidder. And the corruption of money in politics allowed them to help decimate families in disproportionately Black, Brown, and Indigenous communities.

Since then, private prisons have embedded themselves in every facet of the criminal and immigration systems. While people have begun to challenge private prison corporations, there must be vigilant attention paid to the industry’s attempt to change its toxic image and expand into adjacent business lines. After all, whether walls are built out of concrete, wire, or WiFi, a prison is still a prison, and a private prison still needs more bodies to grow. No matter their form, private prison corporations have no place in any system that claims to bring about justice.

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**LEARN MORE**

- “These People Are Profitable”: Under Trump, Private Prisons Are Cashing in on ICE Detainees, USA Today (2019)
- An Examination of Private Financing for Correctional and Immigration Detention Facilities, In the Public Interest (2018)
- The Banks that Finance Private Prison Companies, In the Public Interest (2016)
- A Brief History of America’s Private Prison Industry, Mother Jones (2016)
- Community Cages: Profitizing Community Corrections and Alternatives to Incarceration, American Friends Service Committee (2016)
If they don’t fit the criteria, put them there anyway and we will weed them out and fire them later.

Former manager at a third-party staffing firm

Private security corporations were the first to enter the third-party staffing market in correctional facilities. These corporations began as private detective agencies at the turn of the 20th century, often hired by factory owners to forcibly end labor disputes. When the private prison industry emerged in the 1980s, multinational security corporations like G4S began purchasing these private detective agencies as an entryway into the U.S. market. Arming a large fleet of its staff with firearms, G4S took contracts that its major competitors would not, including contracts to staff youth detention centers and drive prison transportation vans. Other security conglomerates followed suit with their own acquisitions—Securitas, for example, acquired the notorious strikebreaking Pinkerton National Detective Agency in 1999—and quickly, third-party security corporations established a foothold in the U.S. carceral system.

Third-party staffing quickly spilled over into non-security roles as correctional administrators sought to address staffing shortages related to the rapidly growing prison population. Vacancies continue to be a grave concern in medical positions as the prison population has aged and incarcerated elders require more care. Officials stretch budgets by turning to part-time and temporary healthcare workers. Agencies have even turned to temporary healthcare providers to fill gaps left by their own private correctional healthcare providers.

As prisons began to pop up across the country in the 1990s, there were also legal developments in staff training. In 1989, in The City of Canton v. Harris, the U.S. Supreme Court held that a government agency could be held liable for providing inadequate training to an employee that results in the deprivation of a person’s constitutional rights so long as the failure to train amounted to deliberate indifference. The holding was applied to the correctional environment by several federal courts in the

Description: Correctional agencies contract with personnel corporations to hire and train staff and implement workforce management systems. Commonly referred to as third-party staffing firms, personnel corporations that hire and place staff are often tapped to fill vacancies in security, medical services, and transportation.

Personnel
This led correctional agencies to reconsider not just their training programs but also how participation was documented and made standardized training curricula attractive. In 2003, Lexipol emerged as the leading provider of training resources. And with the broad adoption of internet services in the years that followed, the corporation began pushing online training instead of in-person training to officials trying to cut costs. Enticed by the increase in corrections bureaucracy, technology corporations entered the space with specialized workforce software intended to help officials track everything from trainings to attendance.

### HOW MUCH MONEY IS AT STAKE?

The U.S. private security industry generates about $9 billion per year from government contracts, but what portion the corrections and immigration detention systems is responsible for is unclear. Security corporations have contracts to patrol borders, shuttle people between facilities, and even staff facilities and detention centers themselves.

G4S alone has been awarded hundreds of federal contracts related to immigration detention, at times for providing violent border security and at others for operating deadly transport services. In 2019, there was a record 510,854 arrests made by U.S. Immigration and Customs Enforcement (ICE) and Customs and Border Patrol (CBP) and 50,922 people detained at the end of the year. Not only were both figures up substantially year-over-year, but the breakdown between the two agencies showed disproportionate spikes in arrests and detention by CBP, which awarded a non-competitive contract to G4S at the beginning of the year for border security among other things.

Beyond security, data is scarce about third-party staffing in the correctional and immigration detention landscapes, but the understaffing of critical positions across prisons and jails, including those medical units, suggests demand is strong. And while there is also no information about the size of the market for private correctional training or workforce management systems, the nation’s 415,000 corrections officers represent a sizable and stable market.

### WHAT CORPORATIONS ARE INVOLVED?

Third-Party Staffing

A handful of mega multinational corporations dominate the market for outsourced security in correctional and immigration detention facilities. G4S is the world’s largest private security staffer in prisons, jails, youth detention centers, and immigration detention facilities, and, in fact, the world’s third-largest private employer. It currently has lucrative federal contracts for guards and transportation services valued at more than $500 million, earning $20 million per year on a single contract with ICE to transport detained immigrants between facilities in just California. G4S’ biggest
competitor, Securitas, generates about $10 million per year transporting people detained by the U.S. Marshals Service between hospitals and courthouses.  

Unable to compete with G4S and Securitas in security staffing, smaller third-party staffing firms have specialized in other correctional roles, most commonly medical positions. For example, Supplemental Health Care provides short-term and temporary nurses to correctional facilities across the country but, like its competitors, does not report how many contracts it has or how many facilities it serves. 

Staff Training
While correctional agencies manage much of their own physical and hands-on training, they often rely on private corporations such as Lexipol for classroom and online courses. Through its training brand, CorrectionsOne Academy, Lexipol boasts of 1.9 million completed courses in 2017. National trade associations like the American Correctional Association and the National Institute of Corrections, which evaluate and accredit facilities, also provide training resources. Niche corporations, such as Mock Prison Riots, offer violent tactical and situational training. Notably, these corporations do not just train correctional staff—they also establish the policies that govern their behavior. Lexipol has drafted staff policies for 3,400 police, fire, and correctional agencies.

Workforce Management Systems
Workforce management services in corrections is dominated by broader workforce management corporations that serve a host of industries. For example, Kronos, which brings in $1.4 billion annually for workforce management services, provides payroll management for government agencies, including correctional departments like the California Department of Corrections and Rehabilitation. Other big players include Orion, which has a tailored corrections product, and InTime, which only works in the law enforcement space.

Third-party staffing firms provide contracted labor to public and private correctional facilities and immigration detention centers and correctional service contractors, often on a temporary basis to fill vacancies. Driven to cut costs, these corporations have a history of lax hiring standards and poor results. They often hire people without diligently reviewing their employment histories or hire candidates who are clearly unqualified to fill vacancies. From security staff to medical practitioners, unqualified and untrained staff can present a significant threat to the lives of the incarcerated people entrusted to their care.

For example, in 2006, the Georgia Department of Corrections hired Dr. Yvon Nazaire as a temporary physician, relying on the vetting of Physician Providers, a third-party staffing firm. However, Physician Providers failed to uncover that, in New York, Nazaire was on probation, had admitted to gross negligence in the treatment of five emergency room patients, and was the subject of four malpractice
death claims, though the information was widely available online. Nazaire stayed with the agency until 2015, when he was terminated after a media investigation exposed the painful deaths of nine incarcerated women under his care – at least three died from substandard medical treatment.

### STAFF TRAINING

While most correctional agencies, particularly state prison systems, still manage their own officer training programs, many use private training resources and some entirely outsource officer training to private corporations. The largest correctional training corporation, Lexipol, markets online training courses comprised of videos and quizzes under the brand CorrectionsOne Academy. Designed to be cheap for correctional agencies and easy for officers, Lexipol’s online courses are increasingly replacing in-person trainings.

Lexipol claims that officers can learn complex tasks, like negotiating a hostage standoff or deciding whether to use deadly force, by watching a series of short videos. But, quite obviously, an online course cannot adequately prepare officers to deal with such crises. The corporation is setting officers up for failure in such situations and threatening the lives of the incarcerated people in their custody. And Lexipol is not the only private corporation teaching critical coursework online. The National Institute of Corrections lists “Inmate Suicide Prevention” and “Responding to Sexual Abuse” as popular online courses.

Lexipol also drafts policies for correctional agencies – at times the very policies that govern officer training and proper protocols. Unsurprisingly, their boilerplate policies are very popular. They prioritize the interest of their customer, the corrections agency, focusing more on protecting correctional administrators from civil liability than on protecting the civil rights of incarcerated people. Putting litigation risk above humane policy, Lexipol claims to save agencies money in settlement payouts. But should things go awry, Lexipol disclaims any liability for the impact of its policies.

But the most bizarre spectacle in correctional training is the West Virginia Mock Prison Riot. Held at a vacant prison, this yearly exhibition brings together hundreds of officers for a series of combat competitions. The organizers bill it as a training program to correctional agencies but sell it to arms manufacturers as an opportunity to market weapons. The conference is so lucrative that corporations pay up to $25,000 to be sponsors and even more for exhibit booths. Some even hand out free samples of chemical weapons like pepper spray and tear gas. Filmmakers also sell footage of the riot to corporations seeking “intense, realistic footage” to use in their correctional advertisements.

The event encourages corrections officers to view incarcerated people as targets, not people. Egged on by arms manufacturers, officers practice using tear gas on protestors, subduing mentally ill people using pepper spray, and raiding school buses with shotguns. There is no discussion of when to use force – only which weapons to use. Events like these demonstrate how staff training corporations encourage, perpetuate, and commodify the violence that people face behind bars every day.
TALIB’S STORY

It was 3 a.m. early one morning when I was violently snatched from the top bunk of my cell at Soledad Correctional Training Facility in California and slammed head-first into the wall by a corrections officer. I thought I was dreaming.

They zip-tied my hands and dragged me from my cell by the throat. I could see my cell mate, a diabetic 55-year-old man with degenerative disc disease in his spine and a chronic shoulder injury, crying out as he was also dragged from his bunk, head-slammed and zip-tied. I remember two men, equipped with night vision goggles and wearing helmets and fatigues, with black marks covering their faces.

Wearing nothing but boxer briefs, I and the others were forced to walk on the filthy floor down the central corridor toward the dining hall. Along the way, I witnessed the same thing happening in every unit we passed. Officers yelled “Drag him!” as men were ripped suddenly from their sleep.

I arrived at the dining hall to find 200 other incarcerated men looking as shocked as me. I’ve been in prison for nearly 20 years, and our cells had never been raided like this before. As I looked around, I realized that every person sitting in the dining hall – from early 20s to late 70s – was Black.

Zip-tied, sitting practically naked in a freezing kitchen during the worst pandemic to hit the world in more than a hundred years, it dawned on us that we were sitting next to each other without masks. We began to demand face masks, but we were ignored. One officer yelled, “I hope you motherfuckers get COVID!” Another shouted, “Black lives don’t matter!”

A week after the raid, during which nothing notable was found, the department released a statement denying the injuries and claiming officers followed proper protocol. Well, if proper protocol calls for dragging Black men by their necks out of bed, who wrote the protocol? Who trained the officers on it? Who made them hate Black people? And who unleashed them on us?

This story was adapted, with the author’s permission, from an article originally published September 2, 2020 in the San Francisco Bay View.

WORKFORCE MANAGEMENT SYSTEMS

Personnel corporations also provide specially designed workforce management systems for the correctional environment. The largest, Kronos, sells cloud-based workforce technology that makes administrative tasks easier. Their corrections system helps administrators, corrections officers, civilian staff, and contractors manage absences, schedule time off, track attendance, process payroll, and run reports to make data-driven decisions.

Importantly, however, Kronos is keen to recognize that the workforce in prisons and jails is not limited to those who go home to their families every day, but also includes incarcerated workers. Kronos’ software allows prisons to more efficiently utilize prison labor by maximizing the productivity and minimizing the down time of incarcerated workers making just pennies an hour.44
Personnel corporations supplement, train, and manage the workforce behind the prison industry. They deploy modern-day mercenaries, fill vacancies with unqualified staff, train for violence, reduce institutional liability, and facilitate the abuse of prison labor. The true cost of their involvement – in labor exploited, people abused, and lives lost – is devastating.
We need to keep some out there, that’s the ones that you can work, that pick-up trash, the work release program, but guess what? Those are the ones that they are releasing... they are releasing the good ones, that we use every day to wash cars, change oil in our cars, to cook in the kitchen, to do all that, where we save money... well, they are gonna let them out.

_Sheriff Steve Prator of Caddo Parish, Louisiana_¹

When legislators moved to abolish slavery in 1865, they agreed to an important exception meant to retain control over the Black labor force that allowed enslavement as punishment for committing a crime. As Black people sought economic autonomy during the Reconstruction Era, politicians and their monied allies raced to rebuild their well of cheap, forced labor. They passed Black Codes to restrict the ability of Black people to move freely, criminalizing so-called acts of “vagrancy” such as unemployment.² States filled prisons with now-free Black people³ and introduced the practice of “convict leasing,” whereby wardens leased out incarcerated people to local businessowners.⁴ Quickly, the practice became a huge source of revenue for southern states – by 1898, it generated 73 percent of Alabama’s yearly revenue.⁵ To justify the use of this forced labor, states recycled pro-slavery arguments that it benefited Black people who needed to be rehabilitated and learn civilized obedience.⁶

By the early 20th century, a recession lowered the cost of labor and progressive reformers had soured the public opinion on convict leasing, leading states to pass laws banning the practice.⁷ In 1935, U.S. Congress passed the Ashurst-Sumners Act of 1935 to prohibit the sale of product made using incarcerated labor in interstate commerce,⁸ though it notably excluded agriculture and services from its prohibition.⁹ Nevertheless, correctional administrators shifted and forced incarcerated people into

**Description:** Correctional agencies contract with private corporations to provide rehabilitative and educational programs and course materials to incarcerated people. Agencies also contract with private corporations to provide vocational programs through which they employ incarcerated workers, more commonly referred to as prison labor. However, agencies most frequently use prison labor themselves to both generate revenue and save costs.
chain gangs to build public infrastructure. Public outcry over the brutal treatment of people on chain gangs led many states to ban the practice by the 1950s, though some still exist today. Administrators nevertheless continued to use prison labor to maintain facilities and produce goods in government-run correctional industries.

By the 1960s, the concept of rehabilitation expanded to also include education, and the federal government introduced educational funding for incarcerated people as part of the Pell Grant program. Within a few years, nearly ten percent of the prison population was participating in Pell-funded programming. As the prison population boomed over the next few decades, the private sector lobbied to regain access to prison labor under the guise of vocational training. In 1979, Congress created the Prison Industry Enhancement Certification Program (PIECP), which allows private corporations to once again employ incarcerated labor at prevailing wages and for correctional systems to garnish wages for room and board, among other things.

But, in the midst of the “tough on crime” era that followed, politicians reversed course and began pulling educational and other rehabilitative programs from prisons and jails, including those funded by Pell Grants, relying on now-debunked studies to argue that rehabilitative programs did not work. Some correctional administrators went so far as to declare the entire concept of rehabilitation “dead.” Incarcerated people were then responsible for paying for their own education, often buying materials through mail orders.

Things pivoted again in recent years, when new research showed that, in fact, education profoundly improves reentry success. But despite the clear evidence in favor of education, programs remained woefully underfunded in most states into the early 2010s. As a result, the private marketplace for education services and materials remained small. Since then, legislators have made limited efforts to increase funding for rehabilitative and educational programs in prisons and jails. But technology corporations have entered the market with digital products, the prevalence of which is quickly expanding in facilities across the country.
**How Much Money is at Stake?**

Nearly all of the 1.5 million people in federal and state prisons\(^{29}\) are required to participate in some combination of rehabilitative, educational, and work programming during their sentences.\(^{30}\)

Despite routine underfunding, the growth of the carceral population and evolution of correctional theory have created a small market for rehabilitative and educational programs that cater to people behind bars. Most prison systems require people to complete rehabilitative coursework such as cognitive thinking, anger management, or life skills.\(^{31}\) The majority also offer some type of educational programming, and 22 states require people to take education classes.\(^{32}\) Funding for correctional education comes almost entirely through government grants for partnerships with local colleges, who supply faculty instructors.\(^{33}\) People in facilities that do not offer secondary education can at times pay for their own correspondence courses taught by a variety of non-profit and for-profit colleges.\(^{34}\)

Work programs are the most pervasive type of correctional programming required across prisons. In fact, in most prison systems, people are forced to work often under the threat of punishment, including solitary confinement.\(^{35}\) Job assignments fall into three categories: roughly 5,000 people work for private corporations under PIECP,\(^{36}\) a some thousands more work for private corporations services or agriculture roles unregulated by PIECP, 67,000 people work for government-run correctional industries,\(^{37}\) and the remaining 1.4 million work in facility maintenance and system support jobs.\(^{38}\) While cheap for private corporations, government-run businesses, and the carceral system itself, Worth Rises estimates incarcerated labor to be worth $14 billion each year based on minimum wage, assuming all incarcerated people in prisons work a 30-hour week.\(^{39}\)

With more transitive populations, jails tend to have fewer programs or job placements but the exponential growth of the pre-trial population over the last two decades has expanded their prevalence.

**What Corporations Are Involved?**

Both government agencies and private corporations produce materials for rehabilitative programs. The National Institute of Corrections, a division of the U.S. Department of Justice, developed Thinking for Change, one of the most widely taught courses in prisons and jails.\(^{40}\) The federal government distributes these materials freely and funds pilot programs for new approaches.\(^{41}\) Private researchers, like those at Correctional Counseling, also develop and sell program materials to correctional facilities and train instructors to teach their courses, which are each $500.\(^{42}\)

Publishers catering to adult education produce classroom materials. Publishing giant McGraw-Hill has test preparation tools designed specifically for correctional facilities and other institutions that lack internet access.\(^{43}\) Smaller players like Paxen Publishing, which acquired the continuing education arm of Houghton-Mifflin in 2018, specializes in GED course materials for correctional facilities.\(^{44}\) And though over two-thirds of all educational programs are provided by community colleges,\(^{45}\) technology is beginning to change the programming landscape in prisons and jails.

Correctional telecom corporations like Securus and Global Tel Link (GTL) have started providing rehabilitative and educational programming over specialized computer tablets.\(^{46}\) In response, a new wave of technology startups positioned themselves as more ethical alternatives. Most prominent are Edovo, which markets itself as a low-cost, one-stop-shop for correctional communication and
programming, and American Prison Data Systems, which charges agencies for its tablet-based education programs.

But still, the deepest financial opportunity in correctional programming is in work programs. While few recognizable corporations directly employ incarcerated people today through PIECP, many support prison labor through their sales and supply chains. For example, 3M, which uses prison labor in Minnesota prisons, also provides raw materials to government-run correctional industries that are used by incarcerated workers to manufacture products like license plates and school desks. The corporation is a premium member of the National Correctional Industries Association, a trade group that protects the interests of correctional industries and pushes for the wider use of prison labor, along with 26 others, including VF Workwear, which ironically has an explicit policy barring the use of forced labor. Another 60 corporations are standard members.

Still, there are many more corporations that use prison labor outside PIECP, which does not cover agriculture, services, or the manufacturing of products that do not cross state lines. For instance, there are corporations that contract with prison and jails to provide services like commissary operation. These corporations often use incarcerated labor to fulfill their service contract but are protected from disclosure under the program because the work does not cross state lines and thus does not fall under federal authority and oversight. Many also obscure their role by not employing incarcerated people directly but rather using prison labor through their partnership with facilities. Finally, dozens of smaller corporations use prison labor to milk goats, prepare potatoes, make political campaign calls, and more. Many of their products make their way into popular supply chains.

**REHABILITATIVE AND EDUCATIONAL PROGRAMS**

Nearly every correctional facility requires people to complete some form of rehabilitative programming, such as cognitive behavioral therapy, chemical dependency recovery, domestic violence prevention, anger management, and treatment for people convicted of sex offenses. But these courses rarely provide people with the tools they actually need to succeed.

The most popular rehabilitative program is cognitive behavioral therapy, which claims to teach improved decision-making skills. But rather than rigorous coursework, correctional rehabilitation corporations design and sell pre-packaged therapy programs that often consist of merely a booklet titled “Thinking for a Change” or “Rules are Made to Be Followed.” Many of these programs were developed by federal researchers for classrooms and are freely available online, but corporations repackage cheap versions and sell them for the correctional market.

One of the most prominent distributors is Correctional Counseling, which sells the “Moral Reconciliation Therapy” program and holds trainings for instructors. Avoiding any discussion about the systemic causes of criminal behavior, these courses teach people that they are incarcerated because they lack self-control or social skills. Many of these programs are so misguided that researchers now refer to them as “correctional quackery.” Nevertheless, correctional administrators continue to purchase these program materials, insincerely claiming to prepare people for release.

The situation is even bleaker for educational programming, which is constantly under the threat of funding cuts. With limited funding for formal education, many incarcerated people opt to just educate themselves using the limited resources in their prison libraries. But even these informal methods are
threatened by privatization as computer tablets begin to replace libraries. Advertised as innovative tools for education, entertainment, and communication, tablets further extract resources from incarcerated people and their communities.

Prison telecom providers, notorious for charging as much as a dollar a minute for phone calls, use tablets to bring their predatory business practices to prison education. For example, in West Virginia, which contracts with Global Tel Link (GTL) for tablets, incarcerated people must pay $0.05 per minute to read books that are free in the public domain online.64 This scheme turns reading into a luxury that many cannot afford. At GTL’s prices, the average incarcerated person would have to pay $30, or more than four months of wages, to read a 300-page book.65 And they use these tablets to justify funding cuts for teachers and libraries, including law libraries.66 Many correctional agencies allow this predatory behavior because they earn kickbacks from purchases made on tablets.67

**Jorge’s Story**

I spent decades working fields, tending crops, and paving the grounds of Texas prisons. I never earned a penny. Texas doesn’t compensate incarcerated people for their work.

Field labor was ugly. We were forced to perform physically demanding tasks in the grueling heat of Texas summers. Mounted horseback and armed with guns, officers watched over us to drive productivity. They often incited fights for fun, while the administration claimed that the exploitative, brutal work was good for us—that it built up our work ethic and skill sets. It’s an argument recycled from plantation owners in the antebellum South, whose plantations are now prisons, in many cases.

Eventually, I was allowed to move inside—out of the 100-degree heat—to work in kitchen commissaries, clerking positions, and the furniture factory, where most furniture in the state capitol building is built. But if I ever argued with an officer, they would threaten to put me back in the fields.

The state’s free labor scheme forces incarcerated people to develop “side hustles.” How else can you afford deodorant from commissary or a phone call home? I got paid for writing for folks—writing poetry, grievances, and appeals. Those who didn’t have a unique skillset had to take bigger risks. If you worked in the kitchen, for example, you stole meat, sugar, or whatever you could, and risked discipline to sell it in the underground prison economy. Taking from the master’s house could result in the loss of one’s job or even solitary confinement.

The bottom line is that slavery is alive and well right here in Texas. Incarcerated people—majority Black and Latinx like me due to racist policing and sentencing policies—work full days in backbreaking conditions without pay and under threat of punishment. After three bids of 3, 7½, and 17 years, I walked out of prison with only $50 each time—after nearly 50,000 hours of work.

Today, I’m committed to transforming the narrative around prisons and the policies that fill them as the Regional Director of Policy and Advocacy at LatinoJustice. As an abolitionist, I want to do more than reform our system. I want to replace it with a vision that truly rehabilitates lives and supports communities. There’s no iteration of slavery that does that.


**PRISON LABOR**

In most facilities, the only vocational training someone can receive comes in the form of forced labor.\(^{68}\) Almost every incarcerated person is required to work; those who refuse can be denied access to basic privileges, like visitors, care packages, recreation, or even placed in solitary confinement.\(^{69}\)

**Private Sector**

About 5,000 incarcerated people work for corporations through the federal PIECP,\(^{71}\) which allows corporations to access incarcerated labor to manufacture goods.\(^{72}\) Several high-profile corporations use to PIECP workers, including Avery Dennison and Burlington Industries.\(^{73}\) PIECP workers are required to receive prevailing wages for the manufacturing of goods, but correctional administrators are allowed to garnish the cost of “room and board” and other deductions.\(^{74}\) Many states further cut into people’s income by requiring them to pay into mandatory savings accounts, paternalistically dictating what people can do with their meager earnings.\(^{75}\) The result is that people are left with a tiny fraction of what they actually earned and less money to purchase necessities at commissary, support their families, and prepare for release.

In Nebraska, for instance, PIECP workers build furniture for use in many public schools in exchange for a local prevailing wage – about $33 per day.\(^{76}\) Thirty percent is used to pay for the cost of incarceration, 18 percent is paid in taxes, 11 percent to social security, and 8 percent to crime victims funds, leaving just a third of their actual paycheck.\(^{77}\) The state’s mandatory savings program further requires them to save 60 percent of their pay after deductions, reducing their take home pay to a little more than $6 for a full day’s work – or $1 an hour – far less than the “prevailing wage” that the program advertises.\(^{78}\) And still, the pay for a PIECP job is better than nearly every other prison job.

In fact, despite the enormous loopholes in PIECP, those working for corporations in the program are better served than those working for corporations in roles not regulated by PIECP, namely roles in services or agriculture.\(^{79}\) Corporations can use incarcerated labor to staff customer service call centers with no requirement that they be paid prevailing wages, and many of those workers are still hit with many of the same fees. And after the Trump Administration rolled out its zero-tolerance immigration policy, many farms that depended on undocumented workers turned to prisons for cheap labor.\(^{80}\)

**Correctional Industries**

Another 67,000 incarcerated people work for government-run correctional industries, providing services such as answering phones in call centers, conducting asbestos abatements, and grave digging, as well as manufacturing goods such as school furniture, street signs, and military equipment that are all consumed by various government agencies.\(^{82}\) In fact, many states have laws that make their own correctional industries business a preferred vendor,
thus requiring their other government agencies to purchase products from it first to reduce costs statewide. 

Not only have states used prison labor to save money by artificially subsidizing many government agencies, but they have also used it to generate revenue when facing budget gaps. For example, in 2019, New York Governor Andrew Cuomo announced a revenue plan that required all drivers purchase new license plates. The plan was dependent on the cheap labor of the states’ incarcerated workers, who make as little as $0.16 manufacturing plates.

Yet, the exploitation of prison labor for government-run correctional industries does not start or stop with the agencies—it extends up and down supply chains. Corporations knowingly sell billions of dollars in raw materials to correctional industries. For example, license plates manufactured by incarcerated workers are made using raw materials provided by 3M, the same company that makes Post-Its. In fact, in Washington, 3M hired lobbyists to urge elected officials to pass a law requiring drivers to replace their license plates every five years to ensure a continual need for their raw materials and $10 million in annual revenue for the state.

Incarcerated people working in correctional industries are also often tapped to respond to state emergencies in dangerous conditions for little or no pay. For example, in California, in 2019, state officials used 200 incarcerated firefighters to combat the deadliest forest fires in state history. They paid them just $2.90 to $5.12 per day, a sharp difference from the average $91,000 salary that non-incarcerated firefighters were paid to do the same job. Though two incarcerated firefighters died fighting fires in 2017, the job remains highly coveted because it pays significantly more than other prison jobs. As they risk their lives, incarcerated firefighters save California over $100 million...
Each year. Until recently, incarcerated firefighters were often barred from working as firefighters after release due to their criminal record.

Similarly, nearly every state tapped incarcerated workers to respond to the COVID-19 pandemic in 2020. Governor after governor grossly underpaid incarcerated workers to produce personal protective equipment like masks and gowns for first responders, as well as hand sanitizer for the public. New York led the charge on this practice when Governor Andrew Cuomo publicly bragged about the state’s mass production of hand sanitizer and joked about illegally selling it in the public market to compete with commercial brands. All the while, he failed to ever mention the workers producing the hand sanitizer or the $0.65 per hour they were earning on average. The New York City Department of Corrections reached a new low when it went as far as to announce plans to employ incarcerated workers to dig mass graves for those who succumbed to the disease and whose bodies went unclaimed. Under public pressure, the City cancelled its plan.

Facility and System Support
The vast majority of incarcerated people work to support the operation and upkeep of the facilities in which they are held. They prepare food, deliver commissary, do laundry, clean units, perform maintenance, serve as clerks, and more. These jobs are critical to the management of correctional facilities.

Facility and system support jobs pay the least, generally as little as $0.05 per hour. And yet, there are five states—Alabama, Arkansas, Georgia, Florida, and Texas—that do not pay anything to incarcerated people who work in their facilities. Accordingly, it is nearly impossible for the majority of incarcerated people to afford routine expenses such as basic hygiene products from commissary or phone calls with loved ones. Instead, the cost of these essentials are forced onto their families, and most often Black, Brown, and Indigenous women.

By using grossly underpaid labor, elected officials and correctional administrators are able to disguise the real financial cost of mass incarceration. An incarcerated person working a custodial job that pays $0.14 per hour makes as little as $221 for an entire year’s worth of work. But if they were required to be paid at least the federal minimum wage, or $7.25 per hour, that custodian would make $11,484 per year, or 52 times more. As a society, we simply could not afford our carceral system if we actually had to pay all labor real wages.

In total, incarcerated people who work in the U.S. are cheated out of an estimated $14 billion in wages every year. This wage theft is completely legal under the Thirteenth Amendment, which is improperly celebrated for having ended slavery in 1865.
In prisons and jails across the country, rehabilitative and educational programs have routinely been deprioritized in favor of work programs that are more profitable for both the private and public sectors. Our comfort with using prison labor is especially disturbing given our national history with slavery and the racial disparities in our carceral population. But until we address the massive loophole in the Thirteenth Amendment allowing enslavement as the punishment for a crime, this reality will persist. It is time that we end forced labor and recognize all labor as deserving of wages and protection from abuse.

Thankfully, advocates across the country are doing just that. In recent years, Colorado, Nebraska, and Utah passed referendums to eliminating the clause in that state constitutions that ratified the Thirteenth Amendment’s exception.\textsuperscript{105}
Business is very good. Because crime is crazy and there are lots of inmates. We are happy, the number [of customers] is increasing every day.

Ahmad Afzal, director of Fine Cotton Textiles, a uniform manufacturer

As the prison population soared in the 1970s and 1980s due largely to racist fear-mongering, equipment and supplies corporations that had previously served other institutional settings, such as hospitals and schools, saw an opportunity.5 Appealing to the burgeoning correctional market, these corporations began manufacturing products specifically designed for punitive settings, like triple-stacked bunks that allow correctional administrators to pack people in small cells and shackle restraints for people experiencing mental health crises. When population growth began to strain correctional budgets, manufacturers and suppliers of even basic consumer goods entered the market, producing cheap knockoff supplies that barely served their intended use.

At the same time, defense contractors and arms manufacturers were expanding into the correctional market through the sale of so-called “less lethal weapons.” The demand for these weapons surged after the 1972 Attica Prison Uprising, when incarcerated men took control of Attica Correctional Facility in New York to demand better living conditions and an end to racial assaults, common at the prison. State officials responded with militarized violence, killing 39 people. Ultimately, rather than addressing or even acknowledging the injustices

Description: Equipment and supplies corporations furnish nearly everything used in prisons and jails from desks and uniforms to restraint jackets and tear gas. The products they sell can be organized into four categories: furnishing and hardware, supplies, security equipment, and security technology.

1,300 +
Correctional equipment and supplies corporations²

$209,000
Federal Bureau of Prisons annual spending on chemical weapons³

104
Taser deaths in prisons and jails⁴
raised by organizers, correctional administrators concluded that the uprising was a result of a lack of security equipment. State officials immediately allocated $4 million in emergency funds – then equal to 5 percent of the state’s correctional budget – to the purchase of “the latest things in mob control.”

Other states quickly followed suit, and military-style weapons became commonplace behind bars.

As technology evolved over the years, corporations also started to sell security technology like electronic locks and surveillance systems. Although these products were traditionally sold by specialized correctional manufacturers, mega consumer brands have also expanded into the correctional market through technology like facial recognition software.

### How Much Money is at Stake?

The ubiquity of fear and prioritization of security above all else in prisons and jails has led correctional administrators to spend excessively on equipment. Together, law enforcement and correctional agencies spend $1.2 billion annually on security equipment and technology alone. That figure is expected to grow with the cost of new technology. Correctional agencies spend as much as 10 percent of their annual budget on equipment with the largest expenditures coming from one-time purchases of costly items like surveillance systems. When short, they find other funding sources.

In many jurisdictions, they supplement their equipment and supplies budgets with money extracted from incarcerated people and their families through commissary sales and phone calls. These funds are, in some cases, placed in so-called “inmate welfare funds,” intended to support educational programs, reentry services, and improvements to quality of life for people behind bars. But instead, correctional administrators often use them to purchase routine equipment for corrections officers, including weapons.

For instance, California penal code requires that “inmate welfare funds” be used “primarily for the benefit, education, and welfare” of jailed people. However, between 2011 and 2013, the Los Angeles Police Department used 87 percent of the money in its “inmate welfare fund,” or $1.3 million, for capital improvements, equipment for the medical dispensary, security camera monitoring, the repainting and upkeep of jail facilities, and finally, televisions for entertainment.

While officials quickly allocate money for their own equipment, supplies for incarcerated people remain under-resourced. Still, the sheer size of the incarcerated population drives even those sales. But in the end, the true size of the correctional equipment and supplies market is unknown.

### What Corporations are Involved?

The steady demand for correctional equipment and supplies has created a highly fragmented ecosystem of manufacturers and suppliers from “mom and pop” operations to multinational conglomerates. Over 1,300 corporations sell correctional equipment and supplies, making it the largest sector in the prison industry. Though there are a handful of corporations that sell a variety of products, most corporations in the space specialize in a single type of equipment or supplies, whether it be furnishing, hardware, technology, weaponry, or a consumer good.
In recent years, some of these niche areas have gone through a process of consolidation as more established players acquire smaller competitors. For instance, Cornerstone Detention, a large correctional equipment corporation that manufacturers and installs correctional furnishing and hardware, has acquired ten equipment manufacturers in the past decade. Other major players in furnishing and hardware include Stanley Black & Decker, Assa Abloy, Kane Innovations, Southern Folger, Accurate Controls, and Norix.

The largest supplier of correctional equipment and supplies is The Bob Barker Company, a family-run business that sells over 5,000 different products for correctional facilities and collects an estimated $87 million in revenue annually. Founded in 1972 as a restaurant supply company, Bob Barker entered the correctional market by selling kitchen equipment before expanding to sell uniforms and mattresses. The corporation cemented its dominance in the industry by merging in 2006 with Leslee Scott, another manufacturer in the space. Today, Bob Barker sells nearly every type of equipment and supplies that could be used behind bars, from weaponry to individual shampoo packets.

Investors have also emerged to provide financing to equipment manufacturers and suppliers seeking to expand into the correctional market. These financiers require new entrants to maintain a gross profit margin of 15 encouraging, encouraging aggressive pricing and cost cutting.

**Top Market Players**

<table>
<thead>
<tr>
<th></th>
<th>Stanley Black &amp; Decker Corrections Security</th>
<th>The Bob Barker Company</th>
<th>Cornerstone Detention Products</th>
<th>Southern Folger</th>
<th>Kane Innovations</th>
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<tbody>
<tr>
<td><strong>Annual Prison Revenue</strong></td>
<td>-</td>
<td>$87M</td>
<td>$60M</td>
<td>$41M</td>
<td>$33M</td>
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<tr>
<td><strong>Employees</strong></td>
<td>-</td>
<td>180</td>
<td>180</td>
<td>163</td>
<td>125</td>
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<tr>
<td><strong>Products</strong></td>
<td>Hardware, electronic systems, locks</td>
<td>Furniture, uniforms, security equipment, hygiene products</td>
<td>Reinforced windows, doors, cells</td>
<td>Hardware, electronic systems</td>
<td>Security barriers, furniture</td>
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**FURNISHING AND HARDWARE**

Equipment corporations that manufacture and supply furnishing and hardware have created a niche market in the correctional space by playing on trumped-up safety and security concerns to sell specially-designed, costly-augmented products that facilitate the dehumanization and abuse of people behind bars. By degrading incarcerated people, furnishing and hardware manufacturers and suppliers encourage facilities to use more extreme methods of confinement.

Examples of their products include:

- “Therapeutic modules,” or human pens, used to cage people during programs
- Benches with loops designed for handcuffs typical in booking areas
- Stackable, plastic, sleeping platforms intended for temporary use in overcrowded facilities
- Basic plastic storage containers assigned individually to store and move property
- Hinged slots used to pass through food for individuals in solitary confinement
While equipment corporations invest in reinforced furnishing and hardware for facilities to justify higher pricing, those that manufacture supplies distributed to incarcerated people cut corners. These cheap, knockoff consumer products claim to protect facility security but create serious health risks, putting incarcerated people in danger.

For instance, Bob Barker emphasizes both contraband-prevention and cost-efficiency in selling its Maximum Security® & Clear All-in-One Shaving Cream, Soap, and Shampoo, which is merely unscented soap repackaged in a clear bottle. However, the company takes cost cutting a step further by replacing typical soap ingredients with dangerous preservatives not found in free world consumer brands that irritate skin and may even cause birth defects. Unbelievably, the corporation’s own safety warning advises people to avoid skin contact with the soap. Yet, at just $0.14 per ounce—compared to $0.32 per ounce for name-brand products like Suave—it remains attractive for correctional agencies. As a result, to protect their health, incarcerated people are forced to purchase their own soap at commissary.

Correctional equipment corporations enable and encourage some of the most brutal practices behind bars. They provide correctional administrators with tools used to force people into obedience, using advertising that either obscures or downplays the harm they inflict. Some corporations go as far as to sell security equipment that resembles medieval torture devices. For example, Humane Restraint—whose name alone makes light of its cruel products—sells leg weights, restraint beds, and wrist shackles with inappropriately kitschy marketing. These restraints can cause severe physical and mental harm. Though federal, state, and local regulations often restrict the use of restraints, corrections officers frequently turn to them to punish minor infractions. In fact, in some facilities, these restraints have become the default response to someone in need of mental health care.

With little regard for those on the receiving end of their equipment, these corporations, including arms manufacturers and suppliers, also deceptively market dangerous weapons as “less lethal,” spreading military-grade weaponry across prisons and jails while avoiding liability for the consequences of their use. These weapons include batons, stun guns, rubber bullets, tear gas, and pepper spray.

For instance, stun guns are extremely dangerous, but equipment corporations continue to sell them without consequence. Axon, which sells Taser, previously advertised its products as “non-lethal” and
“safe” before adopting the term “less lethal” to avoid lawsuits by people who suffered cardiac arrest after being struck with their products.\(^43\)
Axon even warns that a stun gun is more likely to kill someone if they have a mental illness, history of drug use, or heart disease,\(^44\) conditions that are disproportionately common among incarcerated people due to failures in social support. Still, correctional agencies purchase and use Tasers in large quantities, knowingly endangering people behind bars.\(^45\)

### SECURITY TECHNOLOGY

For years, facilities have purchased cameras and powered locks from security technology corporations. However, these corporations are increasingly developing and marketing new Orwellian technology to surveil people using biometric data, including their fingerprints, retinas, and, in some cases, even the way they walk.\(^46\) And familiar consumer technology corporations like Microsoft and Amazon are also entering the space. Both have developed facial recognition technology being implemented in correctional facilities.\(^47\) However, these new security technologies raise serious concerns.

For instance, existing facial recognition technology struggles to identify people of color accurately, which creates a significant risk of false identifications, especially among the disproportionately Black, Brown, and Indigenous prison population.\(^48\) These identifications are often used in prison disciplinary hearings, where a false positive can lead to severe consequences: the denial of visits and calls, solitary confinement, or even the denial of parole – often without any legal recourse. While local municipalities have begun to pass legislation prohibiting this technology in the free world,\(^49\) correctional administrators continue to implement it across prisons and jails without transparency or accountability.\(^50\)

But these types false identifications are not limited to the analysis of biometric data. Security technology also includes forensic equipment like drug tests used to detect contraband narcotics and also often produce false positives with many of the same dire consequences for incarcerated people. In New York, for example, leaked documents confirmed not only an abundance of false positives in urinalysis tests conducted using Thermo Fisher Scientific testing equipment, but also false positives in field tests conducted directly on suspected substances using tests manufactured by Sirchie.\(^51\) This faulty equipment caused many people to suffer for months in solitary confinement, some were even refused early release.\(^52\) Notably, these tests are not just use in New York, but across the country in law enforcement, correctional, and even employment environments.
Larry’s Story

On a hot July day in 2019, corrections officers dragged me out of my cell and put me in handcuffs with their batons at their waists silently threatening violence. They threw me in solitary confinement without explanation and left me there for hours without anything as much as toilet paper. The next morning, I received a misbehavior report that stated I had tested positive for drug use. It was impossible, I knew I had not used anything.

As it turns out, I was among more than 2,000 incarcerated people who falsely tested positive for drugs in 2019 as a result of faulty testing equipment manufactured by Microgenics, a subsidiary of Thermo Fisher Scientific.

Despite my pleas of innocence, I was sanctioned with 90 days in solitary confinement, loss of all privileges, including regular and family reunification visits, and removal from all activities. Through the summer heat, I was confined to a closet-sized cell with no ventilation, stripped of any personal belongings, and limited to two showers a week. I was devastated, traumatized. My character, reputation, and credibility were defamed. I went into a hopeless state of depression, feeling like there was no chance that I would be vindicated. I questioned my faith.

Then, on my 67th day in solitary confinement, in late September, the reversal came down from prison administrators. Just like that, my false positive had been reversed, my sanctions ended, and I was returned to my cell in general population. It was as if nothing happened — but it had. A lot happened.

In November, hundreds of formerly and currently incarcerated people, who suffered loss of calls and visits, solitary confinement, and even extended prison stays, filed a lawsuit against Thermo Fisher Scientific and the New York Department of Corrections and Community Supervision. While there has been momentum in the case and increased media coverage over the year since, my life and the lives of hundreds of others just in New York have been irreparably damaged. And how many other states and other agencies have used Thermo Fisher Scientific’s faulty drug tests to destroy lives?

Trade Associations

Trade shows are the most important marketing tool for correctional equipment and supplies corporations. The American Correctional Association (ACA), an influential industry trade group with over 20,000 members, holds the country’s largest annual trade show, known as the “Congress of Corrections.” An astounding 81 percent of sales made by the corrections equipment and supplies industry occur at these trade shows. The American Jail Association and Nation Sheriff’s Association also host large trade shows each year.

“This is a great opportunity to meet face-to-face with thousands of decision-makers who have the need and budgets for your products... We wish you a profitable 2018.”

American Correctional Association

Larry Hardy
New York
Manufacturing and supplying inherently violent equipment and supplies, corporations facilitate the traumatization and abuse of people behind bars, who are disproportionately Black, Brown and Indigenous people. Worse yet, their products are often purchased using public funds and money siphoned from the families of incarcerated people. By selling the tools that allow correctional administrators to run facilities by brutal force, these corporations are responsible for some of the worst abuses in the prison industry.
Laws have to determine what’s legal, but you can’t ban technology. Sure, that might lead to a dystopian future or something, but you can’t ban it.

David Scalzo, founder and managing partner at Kirenaga Partners

From the turn of the twentieth century, racist ideologies were enshrined in crime statistics. Touted as objective, the statistical discourse ascribed criminal traits to Black people as innate and even biological. Using early assessment tools and biometric programs, Progressive Era social scientists rationalized racially disparate rates of arrest and punishment to propel forward predictive policing and new tools aimed at assessing criminal risk.

Prison and Jail Management Systems
It was not until the prison and jail population began to explode in the 1970s that correctional administrators began to introduce more robust information management and classification practices. They sought to manage growing populations, improve efficiency, and, most importantly, rebut litigation. By the 1980s, technology had become readily accessible and correctional departments were eager to find more sophisticated tools and systems that would make facility management easier. Private software corporations responded to their calls with increasingly sophisticated information management tools.

Description: Law enforcement, courts, and correctional agencies contract with private corporations for data and information systems that track individuals in the criminal legal system. These corporations also provide decision-making tools that can determine one’s experience in the system. These systems and tools include prison and jail management systems, risk and needs assessment tools, and biometrics.

$1.8 billion
Prison and jail management system market size

59%
Projected market growth by 2026
Risk and Needs Assessment Tools
States introduced risk and needs assessment tools in the 1920s to inform parole decisions, relying on clinical evaluations of psychologists, social workers, and criminal legal system actors. Courts expanded their use into the pretrial context to predict whether an accused person would return to court to face trial in the 1960s. And in the 1970s, as the carceral population began to balloon, risk and needs assessment tools shifted from being a matter of professional opinion to algorithmic calculations. Soon, actors across the criminal legal system started to use risk and needs assessment tools to help set bail, determine sentences, assign security levels, assess programming needs, make parole decisions, and establish supervision conditions. Some developed tools in-house while others looked to private corporations and foundations, resulting in the release of more than 150 new risk and needs assessment tools over the next two decades.

Biometrics
Biometrics – the automated identification of a person based on their physical or behavioral traits – started well before modern technology. The New York prison system began using fingerprinting to identify people as early as 1902, and the Federal Bureau of Investigations followed in 1924. Between the 1930s and the 1990s, advances in face, eye, and hand recognition technology significantly expanded law enforcement’s use of biometrics, which often helped reinforce racist policing. In 2000, the National Institute of Justice began testing emerging biometric technologies in military prisons for broader correctional uses.

In fact, some of the most sophisticated biometric tools were developed for the military and later adapted for law enforcement and correctional settings. For example, in the 2000s, the U.S. Department of Defense awarded the Massachusetts Institute of Technology a $50 million grant to develop voice recognition technology that it intended to use to combat terrorism. In 2010, JLG, now a subsidiary of correctional telecom giant Securus, licensed the technology to monitor prison and jail phone calls.

Around the world, advocates and lawmakers have sounded the alarm about the dangers of biometrics, and at least some geographies have heeded these warnings. The European Union, for instance, passed laws protecting personal biometric data, but, in the U.S., this technology remains almost entirely unregulated. Thus, unsurprisingly, a growing number of private corporations are entering the market eager to sell biometric data to everyone from big tech to law enforcement.
HOW MUCH MONEY IS AT STAKE?

Prison and Jail Management Systems
In 2017, the global prison and jail management systems market was valued at roughly $1.8 billion. By 2026, it is projected to reach $2.8 billion. North America, and the U.S. in particular, is expected to dominate the market and drive much of its growth as it continues to lead the world in incarceration and increase the use of mobile and cloud technologies to store and share data across government agencies.

Risk and Needs Assessment Tools
Nearly every state and the federal system use risk and needs assessment tools in the pretrial context and correctional settings, and both are growing at the county level. However, the market opportunity for assessment tools is bigger than merely geographic expansion. Courts and correctional agencies are increasingly using risk assessment tools at new decision points in the criminal legal system – from bail to sentencing to classification to parole. There are now hundreds of different risk and needs assessment tools used across the country. The use of these tools has increased most dramatically in recent years: in 2013, just 10 percent of the U.S. lived in a jurisdiction that used a pretrial risk assessment tool; by 2017, that number had risen to 25 percent.

Pretrial Risk Assessment Tools Used in Jurisdictions Across the U.S.

Biometrics
The global biometrics market is projected to grow from $33 billion in 2019 to $65 billion in 2024. While the use of biometrics is beginning to expand, its primary users remain law enforcement, military, and border control. Two of the leading drivers of its expected growth are surveillance and security – from street corners to borders to cyberspace. In the U.S. alone, there are 1,049 corporations that scan biometric data and, consequently, have access to over billions of pieces of identifying human information.
WHAT CORPORATIONS ARE INVOLVED?

Prison and Jail Management Systems
The prison and jail management systems market is dominated by a few large players and filled out with dozens of smaller players. Among the oldest and most prominent is Syscon, which launched its first prison and jail management system in 1985, and now also tracks financial information, integrates biometric data, and supports mobile devices and cloud storage. Another major player promoting a shift to cloud-based solutions is publicly-traded, information technology giant DXC Technology. Equivant (formerly Northpointe), which is best known for developing one of the most widely used risk and needs assessment tools, is also a leading provider of prison and jail management systems, its original core business. But the field of management systems is quickly evolving beyond these traditional software products thanks to major technology conglomerates like Amazon and Microsoft that are now providing cloud-based data services to power advanced management systems for government agencies like Immigration and Custom Enforcement (ICE).

Risk and Needs Assessment Tools
The three most widely used risk and needs assessment tools are Level of Service Inventory Revised (LSI-R), Correctional Offender Management Profiling for Alternative Sanctions (COMPAS), and the Public Safety Assessment (PSA). The first two were developed by private corporations while the last was developed by a private foundation. Multi-Health Systems Assessments developed LSI-R in 1995. Since, LSI-R and adapted versions have been adopted widely in states like California and Washington. Created by Equivant in 1998, COMPAS is currently thought to be the most widely used assessment tool with over 500 court systems and 100 correctional agencies, including seven state prison systems, using the tool. That is in large part because COMPAS has the broadest adaptations. Arnold Ventures, backed by philanthropists Laura and John Arnold, spent $1.2 million to develop PSA in 2013, which has now been adopted by five state systems and 59 counties across 20 states. Many jurisdictions have also developed their own risk assessment tools, often using modified versions of existing algorithms. Virginia, for instance, developed its own tool, variations of which are now used in at least 59 counties across 18 other states.

Biometric Databases
The top players in the biometric data market are a combination of large technology conglomerates and smaller correctional vendors, and their products can range dramatically. Some focus on a few biometrics with a variety of applications while others will cover a variety of biometrics but focus narrowly on law enforcement applications. For instance, Google, Gemalto, Academia, Facebook, Microsoft, and Amazon lead the charge on facial recognition across markets while DataWorks Plus provides everything from fingerprint identification to facial recognition for just law enforcement agencies – more than 1,000 agencies across the country. Idemia is a major player that covers both a wide array of biometrics and markets, and specifically helps law enforcement use facial recognition in investigations. Finally, some players spill over from other prison industry sectors like correctional telecom giant Securus, which dominates the nascent voice printing market, recording and tracking people across more than 240 correctional agencies.
VIDAL’S STORY

I came up in the streets, and I am still in the streets. I am one of the few activists who can organize among a unique diversity of people: the Bloods, Crips, and Latin Kings gangs. And that’s because I once was a gang member.

As a young person, my gang protected me. But I didn’t know that I was being tracked by the police as a gang member until the moment I was standing in a courtroom at just 16 years old.

While I was a gang member, that’s not why I was put into a gang database. People are put in gang databases based on their neighborhood, friends, clothing, and tattoos. Children as young as twelve years old are put in gang databases for wearing certain colors in certain neighborhoods or just saying “hi” to particular people on the block.

Gang databases are Stop and Frisk 2.0, a secret weapon that gives law enforcement almost unregulated authority to stop and harass Black and Brown youth without reason. People in gang databases, like me, are subject to constant surveillance and invasions of privacy: our movements are tracked, and our social media is watched. And gang databases follow you for life.

When I came home from prison, I had “gang” parole, which meant I wasn’t eligible for early termination like others and that the consequences for any violation would be exponentially worse. After years of studying as an organizer, I have learned that gang databases aim to enforce social control and disrupt our ability to organize. I see them now for what they are: racist, coercive systems of surveillance.

Today, I help educate my people about gang databases and all forms of oppression as we work to create our own systems of justice. I know we will get free.

PRISON AND JAIL MANAGEMENT SYSTEMS

Prison and jail management systems are massive repositories of personal information used to track people as they move through the criminal legal system. In the correctional setting, this information includes a person’s security level, perceived gang affiliations, programming progress, administrative sanctions, medical records, cell assignments, property inventory, and more.59

Although portrayed as seemingly innocuous information systems, prison and jails management systems are yet another tool correctional administrators use to surveil, profile, target, and control incarcerated people. The use of gang databases is just one example. Up to 67 percent of prisons and jails use restrictive housing to target people labeled as gang members,60 meaning that a gang designation often further restricts a person’s already limited movement while incarcerated.

And gang affiliations are not just tracked in prisons and jails, law enforcement in the criminal and immigration context use these opaque databases to target Black, Brown, and Indigenous communities. The criteria for inclusion can be simply wearing a certain color or congregating in a
particular neighborhood. Children as young as six years old have been added to gang databases. In one 2019 case, law enforcement jailed an El Salvadoran man seeking asylum for six months, took away his children, and delayed his asylum after he was erroneously put in a gang database.

In recent years, technology has expanded the capabilities of traditional prison and jail management systems. Corporations have developed coded identification cards and wristbands that allow correctional administrators to track every move made by a person in their custody. Scanners placed around facilities log each time someone passes a checkpoint and interface with prison and jail management systems to create a real-time record of movement. The result is a surveillance panopticon whereby all movement is tracked and frequently penalized. And the cost of this monitoring is often passed on to incarcerated people, who are charged as much as $25 to replace identification cards and bands.

Cloud technology is further changing the landscape. As correctional facilities increasingly depend on networked devices, security and technology corporations have developed products to store and protect data online. These tools give officers ready access to personal information and records using smartphones or tablets. In the immigration system, ICE spent nearly $600 million to build new information infrastructures in 2019. Partnering with Amazon and Palantir, ICE collects, stores, and analyzes vast amounts of personal information that agents use to profile and surveil immigrants, their friends, and family. Although information about the system is largely hidden from public view, it is suspected to have enabled ICE agents to track and detain people in their homes, courthouses, and even hospitals.

Risk and needs assessment tools use algorithms to determine whether someone should be detained pretrial, whether they qualify for diversion or reduced sentencing, which facility they should be assigned to, what their treatment needs are during incarceration, and whether they should be granted parole. While some jurisdictions have developed their own tools, many have turned to private corporations.

In the pretrial context, risk assessment tools are purported to objectively measure risk of flight and risk of rearrest, which in turn determine whether someone charged with a crime should be released, granted bail, or detained pretrial. Proponents assert that risk assessment tools can reduce pretrial incarceration or racial disparities in pretrial outcomes, but there’s little evidence they do. Instead, their mere use suggests not just that pretrial detention is justifiable, but also that the risk of flight is far more likely than research has proven. In fact, charitable bail funds have shown that, even without a financial obligation to the court, people appear for their court dates 95 percent of the time.

Risk assessment tools rely on bias factors that reflect the overpolicing of Black and Brown neighborhoods and inequalities that undergird mass criminalization. And yet, these tools are dangerously painted as objective. For example, every risk assessment tool assesses one’s arrest history, often including uncharged arrests and dismissed cases and ignoring the disproportionate
targeting of Black and Brown communities by police. Most also rely on housing and employment status, which further reflect racial and economic biases. And some even consider the ZIP code in which a person lives, the clearest proxy for race after decades of entrenched residential segregation. In the end, risk assessment tools only further legitimize existing structural disparities and racist policing rather than reveal any meaningful conclusions about a particular person.

In sentencing and correctional contexts, risk and needs assessment tools are used to measure risk of violence and “criminogenic” needs. They rely on many of the same bias factors, and thus also produce racist outcomes. For sentencing, these assessments often determine eligibility for diversion, meaning they can be the difference between someone going home and someone going to prison. Once in prison, correctional administrators use assessment tools to determine a person’s security classification, programming needs, and facility assignment, factors that considerably affect a person’s experience while incarcerated, including where they are incarcerated.

And despite their dramatic impact, the corporations behind proprietary risk and needs assessment tools often refuse to turn over their algorithms, hiding remarkably important information about how decisions are made. Corporations like Equivant are entrusted with critical decisions about whether to incarcerate or free people but claim their formulas are trade secrets and must be shielded to protect their competitive advantage. This lack of public accountability has come at a deep cost. In 2016, a study showed that COMPAS scored Black defendants more punitively than similarly situated white defendants. Black defendants were twice as likely as white defendants to be labeled high risk and not reoffend.

Nevertheless, government agencies and foundations continue to invest in risk and needs assessment tools. In 2019, the National Institute of Justice spent $2 million on research using electronic monitoring data to enhance risk assessment capabilities, layering one problematic tool on top of another and multiplying the concerns they raise, all under the guise of evidence-based practices.

### BIOMETRICS

Every year, law enforcement agencies increase their use of biometrics to expand their surveillance and enforcement operations. Corporations help agencies collect data; they also sell data to agencies that they collected from other clients or the public market.

For example, correctional telecom corporations like Securus collect, analyze, and sell voice prints of incarcerated people and their loved ones. With the enforcement power of its correctional partners, Securus requires incarcerated people to read preselected

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Tim Brennan, COMPAS developer

I don’t like the idea myself of COMPAS being the sole evidence that a decision would be based upon.
phrases and creates a voice print for each person. Those who refuse are barred from calling their loved ones. Additionally, the voices of their loved ones outside are separately printed through phone call recordings, and often flagged if recognized speaking to more than one person in the same system. This raises privacy, censorship, and retaliation concerns for families with more than one incarcerated loved one and service providers, advocates, and media who are often in contact with many people in one system. And then in the background, the corporation packages these voice prints into databases which it sells to federal, state, and local law enforcement agencies. Consequently, a person’s voice print lives long beyond their incarceration.

Corporations claim that these tools are objective, but biometrics are disproportionately used to target Black, Brown, and Indigenous people. Jurisdictions that use this technology rarely monitor its use or release information about its accuracy, so it is impossible to even know the true scope of this issue.

Facial recognition, for example, has a significant risk of false identification, but only for people of color. In fact, the darker someone’s skin, the more likely a system is to produce a false positive. In one study, researchers found that facial recognition tools could identify a white man correctly 99 percent of the time compared to 65 percent for women with darker skin. Despite this grave disparity, law enforcement agencies are increasingly connecting this technology to footage captured by police body-cameras and other surveillance sources, putting overpoliced, Black, Brown, and Indigenous communities at an even greater risk of harassment and violence. In a 2019 lawsuit, facial recognition technology used on store surveillance footage misidentified and erroneously linked a Black teenager to a string of thefts in Apple stores, leading to his wrongful arrest.

Immigration agents have also started to use this technology around the country. In at least three states that allow undocumented people to get a driver’s licenses, agents have used facial recognition technology to analyze driver’s license photos and identify immigrants suspected of being undocumented. This technology enables racial profiling and forces undocumented immigrants to put themselves and their families at risk of arrest and deportation for a driver’s license – often an employment necessity. Tech corporations, funded by government initiatives, have provided the computer software needed to further weaponize this technology. Launched in 2011, the federal Cloud First program pushed for increased partnership between governments and private developers of cloud technology. The program allocated $20 billion for cloud computing solutions. By 2022, the U.S. Department of Homeland Security, which already holds the second-largest biometric database in world, is slated to store the biometric data of at least 259 million people. Amazon Web Services provides the digital infrastructure needed to host such a massive data trove.
Over the past few decades, corporations have moved the collection, storage, analysis, and sale of personal information from science fiction to daily reality. But while these data and information systems may seem innocuous enough in movies, these tools can mean the difference between life and death in the hands of law enforcement and correctional agencies.

For Black, Brown, and Indigenous people, prison and jail management systems, risk and needs assessment tools, and biometrics make their personal information perpetually accessible to the law enforcement agencies that target them. The technology corporations that develop these systems and tools put Black, Brown, and Indigenous people under a constant threat of false predictions and identification, setting the stage for a never-ending cycle of harassment and violence.

**LEARN MORE**

- *NYPD Gang Database Can Turn Unsuspecting New Yorkers Into Instant Felons*, The Intercept (2018)
The reason that we are in this mess right now, on my side, [is that] my industry has abused the public and I’m willing to admit that. We have abused the public.

Vincent Townsend, CEO of Pay-Tel Communications

The modern correctional telecom industry emerged in the 1970s just as legislators began passing dog whistle “tough-on-crime” laws that sent the prison population surging. Initially, AT&T controlled almost the entire correctional telecom market much like the broader telecom market. Though expensive, the costs of collect calls from prisons and jails at the time were comparable to the cost of such calls outside. But, in 1984, when federal regulators broke up the AT&T monopoly, new providers like MCI and Sprint entered the correctional market and other niche competitors quickly followed. They cornered the market by agreeing to share revenue from calls with prison and jail administrators. By the mid-1990s, 90 percent of correctional agencies nationwide had contracted with a for-profit provider.

In the early 2000s, private equity firms began to buy into the prison telecom market and drive consolidation. In 2004, H.I.G. Capital formed Securus Technologies – now one of the country’s largest correctional telecom corporations – through the acquisition and merger of two small niche providers. That same year, The Gores Group bought correctional telecom provider Global Tel*Link (GTL), and two years later, in 2006, acquired and merged it with Verizon’s correctional telecom division to create the country’s largest correctional telecom business. Since then, the two corporations have traded...
hands among private equity investors several times. And with their financial backing, GTL and Securus have acquired nearly every major competitor in the industry, creating a virtual duopoly. Today, GTL is owned by American Securities and Securus, restructured under holding company Aventiv Technologies, is owned by Platinum Equity. Notably, The Gores Group and Platinum Equity were founded and are run by brothers Alec and Tom Gores, respectively.

These correctional telecom corporations quickly became notorious for their high rates and exploitative practices. In response, for two decades, families litigated and advocated for change. Perhaps the most persistent was Martha Wright-Reed, a grandmother fed up with paying the high cost of calling her incarcerated grandson whose 2001 lawsuit would eventually come before the Federal Communications Commission (FCC). After more than a decade, the FCC started rulemaking in 2012 and instituted rate caps in 2015, but the industry challenged the agency’s regulations in court.

After the 2016 election, Ajit Pai, an attorney who formerly represented Securus, was appointed Chairman of the FCC and announced that the agency would no longer defend its rate caps in court. The decision effectively doomed the regulation, and rate caps for instate calls – those that originate and end within a state and make up 80 percent of all prison and jail calls – were struck down by a federal court in 2017 on the claim that such rates were state matter and not for the FCC to regulate. Since then, about half a dozen states and cities have passed regulations or legislation to lower or eliminate costs, but rates remain high across the country.

In the past decade, correctional telecom corporations have begun introducing new communication services to the corrections landscape, including video conferencing, electronic messaging, and tablets, as well as surveillance technologies, such as voice printing. These burgeoning products and services, which come along with their own exorbitant price tags, are quickly changing the communications space, necessitating new advocacy efforts.

**HOW MUCH MONEY IS AT STAKE?**

The correctional telecom sector rakes in an estimated $1.4 billion annually in just phone call revenue, with three corporations controlling 91 percent of the market. Correctional telecom providers sign exclusive contracts with federal, state, and local correctional agencies for monopoly control over communications services in their facilities. These contracts often include profit-sharing clauses that dictate what portion of call revenue the corporation will pay to the contracting agency, often referred to as commissions or kickbacks. To further sweeten the pot, at times, providers offer to prepay these commissions, make technology grants, and even pay signing bonuses. Corporations then charge incarcerated people and their loved ones egregious rates for their products and services to cover these government kickbacks and bake in their own profit margin.

Rates vary widely across the market based on federal, state, and local regulations, or lack thereof, and the negotiating intentions and aptitude of each contracting agency. While the FCC has capped the cost of interstate phone calls from both prisons and jails at $0.21 per minute for prepaid calls and $0.25 for collect calls, instate calls – which make up over 80 percent of all calls – remain unregulated at the federal level and inconsistently regulated at the state level. As a result, instate call rates can run as high as a dollar a minute in some states and counties. The highest rates are most commonly charged in local jails, which are often more reliant and interested in kickbacks and receive less scrutiny.
While many other sectors in the prison industry still have room for growth, telecom is quite a saturated and mature market. Nearly every single correctional agency in the country contracts with a private telecom provider for calling services. But thanks to decades of advocacy and recent wins, call rates are declining. In just the last two years, the national average cost for a 15-minute call from jails dropped by 28 percent from $5.71 to $4.14. Several jurisdictions are now taking on the cost of calls directly rather than passing it through to incarcerated people and their families or considering doing so.24 And one, San Francisco, recently prevented providers from even bidding with the industry’s antiquated, but standard, per minute pricing model, and instead implemented a cost per phone line model that better aligns with the pricing structure of the broader telecom market.25

As a result, telecom corporations are introducing new product and service lines to diversify and grow their businesses, including video conferencing, electronic messaging, and tablets, which are often bundled in with their calling services to justify increased costs and avoid procurement.26

Getting its start in 1995, video conferencing began to reach critical mass in the 2010s.27 As of 2016, over 600 facilities had introduced some form of video conferencing and,28 as was often required contractually by the corporations, 74 percent of agencies scaled back or eliminated visits after implementation to drive up usage.29 While corporations in the space have stopped contractually mandating that facilities eliminate visits, they continue to benefit from these prior practices since few facilities have reinstated visits.

Electronic messaging, often misrepresented as “email,” is not yet as common in prisons and jails, but its availability has grown quickly over the past decade.30 Corporations charge incarcerated people and their loved ones for “stamps” to exchange electronic messages with limited character counts and extra costs for attachments like photos. While complete data about electronic messaging services across the correctional landscape is not available, in 2014, before Securus acquired it, JPay brought in $8.5 million on its electronic messaging product, a 77 percent increase over the year before.31

These communication services and others are growingly provided through tablets. In many facilities, providers charge incarcerated people to purchase tablets. For instance, in Pennsylvania, GTL charges people $147 per tablet.32 In other facilities, tablets are provided to incarcerated people for free, but they are then charged either a subscription to use it or for each product or service used on it, or both,33 which creates a steady revenue stream for providers. In New York, for example, the state’s contract with JPay, which included free tablets, was expected to generate $8.8 million over the five-year term.34 In recent years, the largest telecom corporations have also expanded into the payment processing business by acquiring the largest private correctional payment processors in the nation.

### WHAT CORPORATIONS ARE INVOLVED?

The correctional telecom market is essentially a duopoly, with GTL and Securus controlling 82 percent.36 GTL is the largest prison telecom provider in the country with service contracts for 479 counties and 23 prison systems that together hold roughly 960,000 people, giving it control of 43 percent of the market by population served.37 The corporation has been owned by a string of private equity firms.
Founded in 1980, GTL was first acquired by conglomerate Schlumberger Technologies in 1993. In 2004, The Gores Group acquired GTL for an undisclosed amount and sold it to Veritas Capital and Goldman Sachs in 2009 for $345 million. Just two years later, the private equity firm put the business back up for sale hoping to collect $800 million for it. The winning bid came in at $1 billion from American Securities, which continues to own the corporation. Today, GTL generates $654 million in revenue from its total suite of communication and other services.

Securus, the other major player in the market, has calling service contracts for 692 counties and 18 prison systems that together hold about 860,000 people, or 39 percent of the market. However, due to the recent diversification of its products and services, Securus rakes in roughly $700 million annually. Like its largest competitor GTL, Securus has also changed hands between various private equity firms. Securus was formed out of the 2004 acquisition and merger of two smaller correctional telecom corporations by H.I.G. Capital. In 2011, Castle Harlan acquired Securus for $440 million. Abry Partners joined Castle Harlan in 2013 when it acquired a 67 percent stake in the corporation at an estimated valuation of $700 million. Within just four years, the corporation more than doubled in value, selling for $1.6 billion in 2017 to Platinum Equity, a firm founded by Tom Gores, the brother of Alec Gores, founder of The Gores Group. But in 2019, Securus’ valuation dropped hundreds of millions of dollars as the leveraged loan debt propping up the corporation plummeted percent under activist pressure. In response, Platinum Equity restructured the corporation, separating out all its business lines under a new holding company: Aventiv Technologies, and launched an unsuccessful public relations campaign to clean up the corporation’s image.

For the past decade, GTL and Securus have bitterly competed for market dominance through costly patent litigation and corporate acquisitions fueled largely by their private equity backing. Since 2012 alone, Securus has spent almost $600 million acquiring competitors and new business lines, including its 2015 acquisition of JPay, which offers tablets and financial services. GTL has also made sizable acquisitions, including its 2017 purchase of Telmate, the fifth-largest provider in the market at the time. In 2019, their race to dominance came to a halt when advocates blocked Securus’ attempt to acquire Inmate Calling Solutions (ICSolutions), the last independent player that could compete on a national scale. They argued that the deal would destroy competition and lead to higher prices for incarcerated people and their families. The FCC agreed, rejecting the deal after determining that it was not “in the public interest.”

GTL and Securus have also pressured smaller competitors into signing licensing agreements that allow them to expand their reach without attracting the attention of regulators, obscuring the true nature of the market landscape. Securus, for instance, used the threat of litigation to bully dozens of smaller competitors into signing patent licensing agreements to achieve what it called “patent peace.”

But the corporate melding does not end there. GTL and Securus both serve as the customer-facing partner for competitors providing only backend telecom infrastructure, often major telecom corporations sensitive to public headlines. For instance, publicly traded CenturyLink stays out of the critical limelight by providing only the backend telecom infrastructure and partnering with Securus and ICSolutions for its customer-facing needs, namely payment collection. In fact, up until 2020 when it sold most of its correctional telecom business to ICSolutions, CenturyLink held the third largest foothold in the market. GTL serves a similar role for Unisys and Talton Communications, the exclusive telecom contractor for immigration detention facilities.

Today, ICSolutions is the third largest correctional telecom provider, earning $171 million annually. The corporation accounts for roughly 12 to 15 percent of TKC, a prison services conglomerate owned by H.I.G. that provides financial, commissary, food, laundry, and maintenance services across.
the corrections landscape. After its sale to Securus fell through, H.I.G. made a desperate attempt to offload ICSolutions to management with a $280 million loan, $60 million of which was interest-free. But with roughly half of its business controlled by CenturyLink, the deal could not secure credit financing. To create a viable standalone asset, H.I.G. was forced instead to buyout CenturyLink’s correctional telecom business – except its contract with the Texas prison system, one of the nation’s largest, that it holds in partnership with Securus.

The rest of the market is split among smaller providers like NCIC, Paytel, and City Tele Coin. These smaller players compete largely for jail contracts, which tend have fewer requirements.

### Top Market Players

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<tr>
<th></th>
<th>GTL</th>
<th>Securus</th>
<th>ICSolutions</th>
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<tbody>
<tr>
<td>Annual Revenues</td>
<td>$654M</td>
<td>$700M</td>
<td>$171M</td>
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<td>States Served</td>
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<tr>
<td>Counties Served</td>
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<tr>
<td>Incarcerated People</td>
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<td>862,000</td>
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<tr>
<td>Average 15-Minute Jail Call</td>
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<tr>
<td>Max 15-Minute Jail Call</td>
<td>$16.35</td>
<td>$14.97</td>
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**PHONE CALLS**

Connecting with others, especially loved ones, is a core human need. For people behind bars, travel time and costs as well as arbitrary visit restrictions often impede on the ability to connect with loved ones in person. Consequently, in many cases, phone calls are the primary way that incarcerated people stay in regular contact with their loved ones in the outside world.

And communication for incarcerated people is about more than interpersonal relationships. Regular communication between incarcerated people and their loved ones is the easiest, cheapest, and most effective way to reduce hopelessness and promote positive behavior during incarceration and improve reentry success upon release. It is also critical to mitigating the trauma children with incarcerated parents face.

Despite the undeniable personal, familial, and public benefits of providing incarcerated people with regular access to communication with loved ones, correctional administrators and their corporate vendors have spent decades conspiring to exploit this most basic need by charging exorbitant call rates. Correctional administrators often negotiate against the interest of those in their custody, and the public, to collect hefty kickbacks on calls. An estimated 85 percent of state correctional systems collect kickbacks on prison phone calls, with some kickback commitments topping 90 percent of call rates. In exchange for these kickbacks, administrators sign exclusive contracts with providers. They then build in their generous profit margin, leaving families no alternative to their costly calls.
While interstate calls, also known as long-distance calls, are regulated federally, instate, or local, calls – which make up 80 percent of prison and jail calls – are a state matter. Unfortunately, not all states have a government agency with the authority to regulate prison and jail calls, especially as providers begin using cheaper but often unregulated internet protocols, and of those with proper regulatory authority, few use it, leaving providers to charge what they wish in most jurisdictions. And they do.

Jail Call Rates by Provider

Today, 91 percent of people in prison or jail are forced to communicate using one of just three providers: GTL, Securus, or ICSolutions. Call rates range unjustifiably from $0.009 per minute to more than a dollar per minute. While rates have come down on average over the last decade, the relief has not been felt equally across the country. The highest rates continue to be charged in jails, where the relief has been minimal. In fact, as recently as this year, Securus was still charging nearly $25 for a 15-minute call. Under pressure from advocates, the corporation reduced what it called its “outlier” contracts, or those in which a 15-minute call ran over $15, reducing 44 out of 53 of these contracts to a cost between $10 and $15 for the same call – hardly a cause for celebration.

When challenged on their egregious rates, telecom providers use kickbacks as a political tool. First, they build the dependency of their correctional partners on these kickbacks, incentivizing them to fight advocacy efforts to lower rates, then they blame the correctional agencies for their inability to lower rates. And while kickbacks do dramatically increase the cost of the calls, these corporations rely on them to win contracts and hide their own culpability.

For instance, in Connecticut, incarcerated people and their loved ones are charged as much as $0.325 per minute for call from state prison. The state collects a 68 percent commission, leaving the state’s prison telecom provider, Securus, with more than $0.10 per minute. Meanwhile, in Illinois, where the state takes no commission, Securus charges incarcerated people and their loved ones $0.009 per minute. Thus, Securus makes over ten times more in Connecticut per call minute than it does in Illinois per call minute even after the impact of kickbacks are removed from the calculus.

And still, the exploitation does not end there. Correctional telecom providers also charge a myriad of fees in addition to the per minute call rates. For instance, for families to receive calls from their incarcerated loved ones they are generally encouraged to deposit funds onto a prepaid account – to avoid the additional fees and higher rates for not doing so. But these deposits come at a steep cost of $3 per transaction in most jurisdictions. To further maximize their profit, the corporations often cap deposits at $50 to force more transactions and collect more fees. These fees can increase the cost of

We deliver on our promise to increase your revenue…

ICSolutions pitch to facilities administrators
staying in touch with incarcerated loved ones by 40 percent.\textsuperscript{86} And to top things off, in many states, the corporations unlawfully take unused funds on accounts that have been inactive for just 90 days.

However big or small, $0.009 here or $1.00 there, these costs add up with detrimental consequences for incarcerated people and their loved ones. One in three families with an incarcerated loved one goes into debt trying to pay for calls and visits alone.\textsuperscript{88} These costs are overwhelmingly borne by women, and as a result of the racist policing and the disproportionate criminalization and incarceration of Black, Brown, and Indigenous communities, they are largely women of color.\textsuperscript{89} Sadly, many families lose contact over lengthy sentences because the financial burden is untenable. Others are left struggling with the financial burden for years after their loved one’s release.\textsuperscript{90} Some have even plead guilty while awaiting trial in jail because they could not afford calls with their attorneys.\textsuperscript{91} And still others risk new charges and long sentences to use contraband cellphones to stay in touch with loved ones and connected to a world they hope will not forget them.\textsuperscript{92}

\begin{quote}
A dollar a minute strikes me as a fair price. I guess it depends what viewpoint you’re coming from. The way I look at it, we’ve got a captive audience. If they don’t like [the rates], I guess they should not have got in trouble to begin with.

\textit{Tom Maziarz, purchasing manager for St. Clair County, Illinois}\textsuperscript{87}
\end{quote}

\textbf{Diane’s Story}

My son was incarcerated for almost 15 years before I even realized the burden that phone call fees were placing on my family and me. I just hadn’t thought about it. But my Securus bill is the first one I pay every month, and it often means that I can’t afford our gas or light bills. Yet, I know the cost of not keeping in touch with my son would be even higher.

I’ve seen the difference between my son, who has a lot of support, and others in prison who can’t make phone calls or never have family visits. There’s a big difference, and it’s why they struggle while inside and often go back after. It’s the anger and depression that comes with doing time by yourself, and the lack of practical support needed when you get out.

I’m constantly forced to make sacrifices to pay Securus’ high prices, and those sacrifices have consequences for my family. The week my sister fell ill and ultimately passed away, I spoke to my son on the phone every day, four or five times, just to keep him posted on what was happening, so that he could still feel like he was with us. My sister was his favorite aunt; I had to help him mourn. I encouraged him to place as many calls as he wanted and had to shoulder the added financial burden alongside the emotional burden of my own grief.

The absurd call rates and rushed nature of 15-minute conversations are a result of political decisions and corporate business practices that ignore our humanity. And it pains me when the media reinforces them. People think that just because my son committed a crime, he doesn’t deserve to know his family or feel love. It burns me not just for him, but because it ignores me too. A mother is a mother regardless of where her child is or what they’ve done. My love shouldn’t be exploited.
VIDEO CONFERENCING

Introduced in the mid-1990s, video conferencing has only recently taken hold in the correctional landscape. It was marketed as a technology service that would augment family bonds by allowing for connections that are more accessible than visits and more intimate than phone calls. Instead, video conferencing has further separated families with incarcerated loved ones in many cases by replacing, rather than supplementing, visits at costs that top the high cost of phone calls – an intentional ploy by correctional telecom providers.

While video conferencing was originally introduced by two small players, VuGate and Renovo, it was not until the nation’s largest correctional telecom providers, GTL and Securus, began selling video conferencing services in the last decade that the product really gained meaningful traction. Since few prisons and jail systems were procuring video conferencing services, they started by tacking the new product onto existing telecom contracts and enticing correctional administrators with promises of more kickbacks. In fact, 84 percent of video conferencing services are contractually bundled with phone, electronic messaging, or commissary services.

These larger corporations also have the capital to front the cost of installing video kiosks, recouping their expenses and far more over the course of lengthy contracts. In the early years of the product roll out, they contractually required administrators to eliminate or limit visits to force the use of their costly systems, going as far as to call the new product “video visitation” to grossly suggest that video calls were comparable to visits. Their plan worked and the term stuck. By 2016, more than 600 facilities in 46 states were using some form of video conferencing. Jails, which hold largely local people, were the early adopters and 74 percent of them ended or significantly reduced visits after implementing the technology. It is devastating to families who can no longer look into their loved ones eyes or give them a hug during a visit. It is even worse for those who do not have access to a phone or computer and now have no way to communicate at all. The corporations retired the contractual prohibitions on visits after widespread outrage, but continue to benefit as few facilities have reinstated visits since.

Unlike free video conferencing services in the outside world like Facetime, Zoom, or Google Hangouts, video conferencing in prisons and jails are quite costly. More expensive than phone calls on average, video calls run as high as a dollar per minute. However, video calls are often prepaid for a set length of time – often in 10, 20, or 30-minute intervals – and refunds are rarely issued when a call is interrupted or prematurely terminated, which are common occurrences. Some jails offer free onsite video conferencing, which requires families travel to the jail to use a kiosk to have a video call with their incarcerated loved one who is likely in the same building or on the same premises.

And in addition to threatening visits and imposing high costs on families, video conferencing services are often poor in quality. Grainy or blank video, distant or static audio, and live monitoring further frustrate efforts to connect using video conferencing.

In the end, while video conferencing can be a powerful supplementary tool for incarcerated people to connect with their loved ones, especially when held in distant facilities, correctional telecom providers deploy it in the most exploitative and inhumane way, significantly undermining its beneficial value.

The majority of the company’s profit comes from the inmates and their family.

Craig Diamond, director of marketing for Telmate
ELECTRONIC MESSAGING

Electronic messaging has been in the correctional landscape for roughly a decade. However, like many other technology products and services, it has picked up steam in recent years. For many with access to technology, electronic messaging offers an easy and effective, though costly, substitute for postal mail. But electronic messaging in prisons and jails is not comparable to email, though correctional telecom providers attempt to suggest it is.

In prisons and jails, these corporations force incarcerated people and their families to buy “stamps” that range from $0.05 to $1.25 and are sold both individually and in bundles to send electronic messages. Each stamp is good for a one message with a character or page limit — typically one-page typed or 5,000 characters. An additional stamp must be added for longer messages and for each attachment. Videos require several stamps. For inexplicable reasons, outbound stamps can cost more than inbound stamps. The cost of stamps can also fluctuate, often around holidays. And like other prepaid telecom services, there are also often fees for purchasing stamps that add to the overall cost of electronic messaging. When added together, these costs can quickly surpass the cost one would bear to send the same content through U.S. postal mail, let alone email, which is free.

<table>
<thead>
<tr>
<th>Cost of a Typed, Two-page Letter with Two Attached Photos</th>
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<tbody>
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<td>Real world e-mail</td>
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<td>Electronic message to New York prison</td>
<td>$1.20</td>
</tr>
</tbody>
</table>

And unlike email, electronic messages are not delivered instantaneously. They are surveilled and reviewed much like regular mail in prisons and jails before they are delivered and can take days to reach the intended recipient. And it is also not always easy for incarcerated people to access their emails. While some facilities have individual tablets that incarcerated people can use to access their emails — generally at an additional one-time or subscription cost — in many facilities, incarcerated people must access their emails on communal kiosks, which are often busy and have limited privacy.

TABLETS

In an increasing number of systems across the country, incarcerated people are being allowed to purchase tablets, which resemble knockoff iPads with basic software that cannot access the internet, through which people can purchase communication, education, and entertainment products and services. Despite their poor quality, these tablets can cost north of $140, an enormous amount of money for many incarcerated people often earning pennies per hour.

Telecom providers claim that tablets offer ready communication access, educational opportunities, and solutions to idleness, bringing incarcerated people closer to their families and making institutions safer. And while modern technology is welcome in facilities generally devoid of it, these claims ignore the unprecedented exploitation that these devices facilitate.

To push back on this narrative, correctional telecom providers now offer free tablets in many jurisdictions, but this is not just an empty gesture, it is actually a doubly exploitive ploy. In negotiating free tablet contracts, providers are often successful in convincing correctional administrators that to recoup the cost of the tablets, the products and services sold on them – books, music, movies,
electronic messages, and calls — must be priced higher. In other words, these contracts trade in a one-time fixed cost for higher rates into perpetuity, which cost incarcerated people and their loved ones much more in the long run. Since 2016, tablet providers like JPay and GTL have executed free tablet contracts in several states, including Connecticut, Indiana, Missouri, and New York.\textsuperscript{110}

The cost of correctional tablet products and services defy comprehension, and as is commonplace in correctional telecom, correctional administrators often get kickbacks from tablet purchases.\textsuperscript{111} A single song on a JPay tablet can cost up to $2.50 and an album as much as $46\textsuperscript{112} — compare that to the price of a monthly Apple Music subscription, which costs $15 and allows up to six users to stream roughly 60 million songs.\textsuperscript{113} And incarcerated people routinely lose their purchases when correctional administrators switch providers. In Florida, for example, incarcerated users lost $11.3 million in music purchases after administrators switched contractors in 2018.\textsuperscript{114}

Perhaps the most egregious tablet scam was exposed in 2019 when GTL was found charging incarcerated people to read books available for free online.\textsuperscript{115} Worse yet, GTL was charging readers by the minute.\textsuperscript{116} The $0.03 per minute rate would make reading too expensive for the average person, nevertheless, people who typically earn little more than pennies for a full hour’s work and who are statistically more likely to have literacy limitations or learning disorders.\textsuperscript{117}

### SURVEILLANCE

Correctional communication has long been monitored, but correctional telecom corporations now lean heavily on new surveillance technology to advertise their products, raising critical concerns for not just incarcerated people, but also the loved ones they are in communication with.

Correctional telecom providers record and store every conversation completed through their systems, and even listen in live at times. They willingly share these recordings with law enforcement and prosecutors. And while privileged communication with attorneys is supposed to be excluded, they have illegally recorded and shared these calls too. In fact, Securus settled a lawsuit in 2016 for recording 57,000 privileged calls between incarcerated people and their attorneys,\textsuperscript{118} and has faced several similar lawsuits since.

The providers are now layering new surveillance technologies onto their communications services. For instance, Securus has introduced voice print analysis tools — which were originally developed for the U.S. Department of Defense to identify terroristic threats — to identify and track the voices of not just incarcerated people, but also those who they call on the outside.\textsuperscript{119} The corporation has already documented more than 200,000 incarcerated people’s voice prints, raising deep concerns about how their voice databases would be used if sold to law enforcement agencies.\textsuperscript{120} Notably, in some systems, incarcerated people can be denied phone access if they refuse to give the corporation a voice print.

Securus, and other corporations like it, then use proprietary programs\textsuperscript{122} to recognize specific trigger words, often boasting about the ability to decipher various accents or dialects.\textsuperscript{123} Some even claim they have trained their systems to “speak inmate,”\textsuperscript{124} presenting serious concerns about the biases of those training the machines.

> We’ve taught the system how to speak inmate.

James Sexton, executive at LEO Technologies\textsuperscript{121}
And it is not just law enforcement who has been given access to private communication between incarcerated people and their support networks, it is also the public. Over the last few years, there have been several major data breaches leaking recorded calls to the public. In 2015, hackers concerned about the constitutional rights of incarcerated people leaked 70 million calls from Securus’ servers, revealing 14,000 recorded privileged attorney calls. A lawsuit was brought, and the corporation quietly settled in 2020, never revealing how many cases were negatively impacted by the recording of those calls.

The correctional telecom industry exploits the fundamental need for human connection. Corporations in the market force families to make impossible choices, such as paying for rent or paying for a child to speak to an incarcerated parent. And the situation was made materially worse by the COVID-19 pandemic and ensuing economic crisis. Families have been barred from visiting incarcerated loved ones, at a time when connection is more necessary and resources lower than ever.

New technologies, like video conferencing and electronic monitoring, have the potential to connect incarcerated people and their loved ones, but, in the hands of prison telecom corporations, have been transformed into yet another tool to extract resources from communities. Behind this exploitation are some of the nation’s most prominent private equity firms, passively building wealth off of overpoliced communities.

However, the tide is turning against this predatory industry. After years of advocacy, cities and states across the country are looking for change and are increasingly beginning to consider legislation to make prison and jail communication free. These efforts have pushed this exploitation out into the public’s view and dragged down the value of the entire industry. Although the movement is still in its early days, a growing group of prison phone justice advocates are in a promising fight to connect families and end this exploitative industry for good.
Numi’s model is based on ‘turnover.’ We market to the 3,300 jails in the country. When you go to the state or federal prisons, you’re in there for a while. They don’t do us any good.

Richard E. Deloney Jr., Vice President of Business Development at Numi

The federal prison system was the first to establish trust accounts for incarcerated people in 1930. Upon doing so, administrators banned families from bringing food and essential products into facilities, forcing them to send money to support their loved ones behind bars instead. The change also allowed correctional administrators to easily garnish accounts and collect abusive fines and fees. Historically, money transfers to incarcerated people were processed in-person, often during visits, or by mail, using cash, checks, or money orders. And in many facilities, money transfers are still processed in this way.

However, the invention and expansion of the internet in the 1990s revolutionized electronic payments, which date back to the 1870s, by enabling online payment processing. But as with all technology, it would be at least another decade before such modern payment processing services became available in the correctional market. And when they did, they would also carry steep price tags.

The federal prison system was the first to adopt these new financial innovations. In 1998, the federal prison system contracted with J.P. Morgan Chase for the issuance of debit release cards – used to disburse trust account balances to people upon release. A few years later, in 2000, it contracted with Bank of America for the management of trust accounts for incarcerated people during their incarceration, which, in turn, subcontracted money transfer services largely to Western Union and Money Gram. Both exclusive, no-bid contracts were awarded by the U.S. Treasury under the National Bank Act of 1864, which was passed to create the national banking system that helped fund the Civil War when state banks were funding the confederate army. Today, the Act is used to dole out lucrative government contracts to preferred banks without competitive bidding.
In 2002, tech entrepreneurs created JPay and introduced electronic money transfers to the broader correctional landscape. But adoption was slow until corporate executives offered to pay correctional administrators kickbacks on the fees they charged, which further drove up the cost of the new online service. Soon, many facilities, raced to replace free money transfer options with this costly service. By 2014, 400,000 incarcerated people were already in facilities that no longer had a free money transfer option.

Throughout the 2000s, competitors emerged with their own money transfer services. And over the years, JPay and these new players grew their financial services by introducing their own debit release cards and expanding into the probation and parole space where they manage the electronic payment of community supervision and other court-imposed fees.

### HOW MUCH MONEY IS AT STAKE?

The families and support networks of incarcerated people transfer an estimated $1.8 billion into prisons and jails to support their loved ones every year. In 2015, the correctional money transfer market was estimated to be worth $172 million – with the federal prison system contract worth $15 million, state prison contracts worth $99 million, and county jail contracts worth $58 million. And while reductions in the prison population in recent years suggest that the market opportunity has contracted by 11 percent to $153 million, there is still significant growth expected for the private sector, particularly at the county level. In 2015, JPay, the largest player in the field, had 71 percent of the state market, but less than 15 percent of the county market, an area of focus for the market’s leading player.

Unfortunately, little is known about the size of debit release card market. However, with about 615,000 people released from federal and state prisons and roughly 10 million people churned through county jails each year, the market opportunity for debit release cards appears even larger than it is for money transfers. In 2014, a survey revealed that at least 17 out of 33 states had implemented debit release cards and that nine of those had adopted the new financial tool in the last three years, suggesting that uptake is rapidly increasing.

The payment processing market for probation and parole supervision and other fees was estimated to be worth $298 million in 2015. Declines in the number of people on probation and parole suggest that the market opportunity is closer to $264 million today. Nevertheless, the sheer volume of people subjected to probation and parole supervision – 4.4 million as of 2018 – makes the probation and parole payment market not just newer but also larger than that of money transfers. And the market may expand as some reformers argue for probation and parole as an “alternative to incarceration” – an argument now used by corporations in the space.

### WHAT CORPORATIONS ARE INVOLVED?

JPay is undoubtedly the largest player in the correctional financial services sector of the prison industry with a virtual monopoly over the market.\(^{18}\) In 2014, JPay had 71 percent of the market share across state agencies and 46 percent across all federal, state, and county agencies,\(^{19}\) serving more than 1.7 million incarcerated people in 32 states, 40 percent of which had no alternative option.\(^{20}\) That year, JPay transferred more than $525 million in 7.5 million transactions, generating $53.9 million in revenues for its financial services business segment.\(^{21}\) By 2018, JPay’s financial services business was generating $143.7 million annually – up 166 percent in just four years – with contracts in 35 states.\(^{22}\)

JPay only recently began serving the federal prison system, a relationship it sought for years and is dependent on a subcontract with Bank of America, which has held the federal contract since 2000. For years, Bank of America limited money transfers to Western Union. But as its contract grew in scope over two decades, it has increasingly subcontracted with new vendors, many of which would not otherwise qualify for federal contracts with the U.S. Treasury. Because it is these subcontractors that typically interface with consumers, Bank of America’s role in the prison industry is often hidden from public view, though this contracting structure exacerbates profiteering.\(^{23}\)

J.P. Morgan Chase is the exclusive provider of debit release cards for the federal prison system. JPay and Access Corrections are common providers of debit release cards to state agencies. And Numi Financial and Rapid Financial Systems are smaller vendors that often serve local jails.

Importantly, the financial services sector is quickly merging with the correctional telecom and commissary sectors. In 2015, the two largest correctional financial services corporations were acquired by the two largest correctional telecom corporations – Securus acquired JPay and Global Tel*Link (GTL) acquired TouchPay. And Access Corrections is merely a product brand of the Keefe Group, the largest correctional commissary corporation and parent company of the third largest prison telecom corporation, ICSolutions.\(^{24}\)

### MONEY TRANSFERS

Given the limited earning opportunities offered by prisons and jails, incarcerated people often depend on money sent to them by loved ones on the outside to pay for food, hygiene items, medical copays, phone calls, and other necessities not provided by correctional facilities. Paying for these basic needs places a strain on both incarcerated people and their loved ones, and often their relationship, which is only further exacerbated by the additional fees charged by financial services corporations to merely transfer funds.

As with other service contracts in telecom or commissary, although incarcerated people and their families pay these fees, correctional administrators are generally responsible for the contracts that set them. And with just a few corporations holding the lion share of the market, bidding for these correctional contracts is rarely

<table>
<thead>
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<th>Amount</th>
<th>Description</th>
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<tr>
<td>$1.8 billion</td>
<td>Money transferred to incarcerated people annually.(^{25})</td>
</tr>
<tr>
<td>$153 million</td>
<td>Correctional money transfer market potential.(^{26})</td>
</tr>
<tr>
<td>45%</td>
<td>Max money transfer fee.(^{27})</td>
</tr>
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competitive, allowing market players to set predatory rates in an often monopolistic environment and rake in millions preying on families.28

Similar again to telecom and commissary, procurement in this market is often centered around generating revenue for governments. The industry was built on a profit-sharing model between financial services corporations and correctional agencies – the cost of which is layered onto money transfer fees and billed to families.29 After years of corporate grooming, some agencies now explicitly award contracts to the bidder offering the highest kickback percentage.30 As a result, not only are contracts often awarded to the most expensive service provider, but correctional administrators are also incentivized to limit cheaper or free alternatives from which they do not profit.

Even in the jurisdictions where there are still free options, these corporations use deceitful tactics to get people to use their costly services instead. For example, some states that contract with JPay nevertheless require that people still be permitted to mail-in a check or money order at no cost. But to make things difficult, JPay then requires a money despite slip accompany every deposit. Not only does the corporation make it impossible to find, when asked, the corporation offers to mail the slip out to consumers in an effort to delay these free deposits.

And the money deposit slip itself is laden with shameless plugs for JPay’s online system: “Did you know money orders/checks can take days to mail and process? There’s a more convenient way.”31 These calls are paired with misleading statements that read “sign up for free,” when, in fact, after creating an account, their online services are everything but free.32 The corporation also routinely rejects forms that it claims are completed incorrectly – only to process them without incident upon receiving the same forms, unaltered, a second time. In the most egregious cases, JPay outright lies to consumers about not being able to accept checks or money orders in states that require they do.33

But even if everything goes right, JPay has a policy of holding checks for ten days before depositing them.34 All told, incarcerated people dependent on JPay can now wait as long as a month for funds deposited by free options that previously took just a few days, and all this maneuvering helps JPay force more consumers onto their expensive online platform.35 In fact, a former marketing director for JPay bragged that he shifted 78 percent of consumers using money orders to online deposits, increasing annual revenue by $985,000.36

**DEBIT RELEASE CARDS**

When a person is released from prison or jail, the predation of the financial services sector does not stop. Prior to the privatization of financial services, incarcerated people who still had money in their trust accounts at the time of their release would receive it in full, and at no cost, by cash or check. This might be money they came in with or money they earned through work or that was deposited by loved ones while they were incarcerated.
However, today, many prisons and jails entrust financial services corporations with distributing these funds, more commonly referred to as “gate money,” using debit cards that are issued upon release. Not only do these corporations ignore the challenges of being restricted to a debit card for money in the moments after release, such as paying for a taxi or bus in certain communities where cashless systems may not be prevalent, but they also rarely disclose the countless fees associated with the use, and mere possession, of the card.

These corporations charge exorbitant fees to access one’s own money. People forced to use debit release cards issued by Numi Financial, a leading player in county jails, may be charged a $2.95 fee per purchase, a $0.95 fee for declined transactions, and a weekly service fee of $2.50. Across various vendors, balance inquiry fees can range from $0.50 at an ATM to $3.95 by phone. Even closing an account comes at a cost – Access Corrections charges $30 to cash out and close an account.

Interestingly, this is one of the few business models in the prison industry that distinctly profits off of the act of releasing a person from prison or jail. These corporations are dependent on the churn of people through prisons and jails, and thus they are interested in high arrest and admission rates, shorter stays, and clear pathways back into the system. Consequently, their business model profits most off low-level, repeat offenses like drug possession.

### JESSE’S STORY

Jesse Krimes  
**Pennsylvania**

I spent six years in federal prison, earning $0.40 an hour as an art instructor. As an artist, it was the best job I could have, but I didn’t make enough to cover my basic needs in prison. I was fortunate to have friends and family who put money on my commissary account.

As my release got closer, I focused on saving money so that I could survive when I came home. I worked as much as I could and limited my trips to commissary. The day I was released, I had approximately $140 in my account – not enough to get myself back on my feet, but it was something. To my surprise, my funds were put onto a prepaid debit card. I didn’t get a dollar in cash, which made my first few hours out difficult, and the card had my prison photo on it – an immediate flag for anyone who saw it that I had just left prison.

But the worst part was that the card issuer, J.P. Morgan Chase, was charging exorbitant fees on these debit cards, which were designed specifically for people leaving prison. There were transaction fees...
for everything, including a $10 fee for an ATM withdrawal. There was no way to avoid the fees; Chase even charged an inactivity fee for not using the card.

I worked hard for every penny on that card. And now that I was free, Chase was taking a significant portion of it. I saved all of my documents and receipts and was lucky enough to have a friend who referred me to a lawyer. Without that support, I might never have challenged a system that’s meant to take advantage of already vulnerable people. Eventually, we filed a class action lawsuit against Chase for charging formerly incarcerated people exorbitant fees on prepaid debit release cards. The case was so strong, the bank settled in a matter of months. Chase was required to return nearly half a million dollars to the thousands of formerly incarcerated people it stole from.

Today, I am a fulltime artist whose work has been featured in major institutions, including the Philadelphia Museum of Art and MoMA PS1. I am also the cofounder of Right of Return, the first national fellowship dedicated to supporting formerly incarcerated artists.

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**PROBATION + PAROLE PAYMENTS**

Correctional supervision can take many forms. Some people are placed on pretrial supervision while awaiting trial. Others are sentenced to probation supervision in lieu of incarceration. And people released from prison or jail, often serve time on parole, a period of supervision after incarceration. Many states and counties now charge people for their supervision, claiming that the fees paid help offset the operating costs of supervision as well as police, prosecution, public defense, courts, and jails.46

People subject to supervision are often required to pay these periodic fees through a for-profit payment processor that layers on yet another fee. For those who cannot afford it, missing a payment can lead to a technical violation of their supervision conditions and jail time in some states, feeding what many regard as modern-day debtors’ prisons.48 Familiar entities like JPay, TouchPay, and Access Corrections dominate the parole and probation payment processing business. For example, in New York, people on parole must pay $30 for their supervision every month. The state has an exclusive contract with JPay, which tacks on an additional $1.99 for online payment and $2.99 for payment by phone.49 These costs undermine reentry efforts for those on parole working to

> With so many towns economically strapped, there is growing pressure on the courts to bring in money rather than mete out justice… Those arrested are not told about the right to counsel or asked whether they are indigent or offered an alternative to fines and jail. There are real constitutional issues at stake.

*Lisa Borden, attorney in Birmingham, AL*47
Financial services corporations showed up in the correctional landscape without an invitation and paid administrators off to take over a free service. Now, their reach is growing faster than ever, and faster than many of the other sectors in the prison industry. Without a legislative, regulatory, or litigative intervention, their predatory services will become as ubiquitous as that of the correctional telecommunications and commissary corporations that have bought them up.

Financial Services
[Aramark’s foodservice] was a human atrocity against the inmates, in my opinion. The rotten garbage that was being served, plus the way they were allowing it to be prepared.

Ronald Taylor, retired Michigan corrections officer

Prison and jail administrators have long weaponized food — or the lack thereof — to inflict additional punishment on incarcerated people. The U.S. Supreme Court responded to the most egregious of these practices in 1978 when it ruled in Hutto v. Finney that serving incarcerated people calorie-deficient and otherwise unhealthy diets for a prolonged period of time constituted a violation of the Eighth Amendment’s protection against cruel and unusual punishment. This meant that administrators could no longer force people behind bars to subsist on bread, water, and gruel. Challenged with improving food while facing rapid population growth in the late 20th century, administrators turned to the private sector that promised quality foodservice at lower costs.

Since, corporations have maintained a regular presence in the correctional food market and include manufacturers and distributors of raw and prepackaged ingredients as well as foodservice managers responsible for the preparation and serving of meals. As a former Arizona foodservice supervisor explained, “Though the inmates do most of the work, and the corrections officers are there to maintain order, it is civilian contractors who are often responsible for every aspect of the meal preparation: inmate training, adherence to

Description: Correctional agencies purchase raw ingredients and commissary products from private manufacturers and suppliers and outsource various types of food services to foodservice corporations, namely the preparation and service of kitchen food, operation of commissary stores, sale of care packages, and management of visit room vending machines.

$4.1 billion
Correctional foodservice market size

$2.30
National average daily spending on food per person in prison

6.4 x
Increased likelihood of food poisoning in prison or jail
recipes, ensuring food safety standards are met, theft prevention, portion control, and general quality of service.” But rather than improving nutritional value and quality, privatization exacerbated the carceral food problem. In Michigan, for example, privatized foodservice in state prisons has “been the source of almost continuous scandal, embarrassment, and administrative difficulty.” Yet, few of the endless lawsuits regarding food in prisons and jails since Hutto have been successful.

Failures in foodservice have forced incarcerated people to depend on commissary, or on-site convenience stores first introduced in federal prisons in 1930, and care packages sent by loved ones for food as well as hygiene and clothing essentials – all of which are insufficiently provided by correctional facilities. But the very corporations that commit these foodservice atrocities are often also entrusted with operating commissaries and care package programs, which means that providing substandard foodservice is rewarded with increased revenue in commissary and care package sales. But the food sold in commissary and care packages also fails to meet the nutritional needs of incarcerated people.

In fact, the one place where incarcerated people will, at times, find nutritional reprieve is in the vending machines of visit rooms. Understanding the power of a shared meal, corporations sign exclusive contracts to stock visit room vending machines with expensive ready-made food – a cost that the occasion of a visit might warrant.

### HOW MUCH MONEY IS AT STAKE?

The correctional foodservice industry, made up of just a handful of players, is estimated to rake in $4.1 billion each year. Larger prison systems can serve as many as three million meals per week and pay between 56 cents and three dollars per meal. The largest provider, Aramark, serves 380 million meals and brings in $1.6 billion in revenues from prison and jail food annually.

The commissary market that incarcerated people rely on to supplement prison and jail food, basic hygiene, and clothing necessities was estimated to bring in $1.6 billion in 2016, but recent data suggests a more accurate estimate could run far higher. A survey of commissary sales in three state prison agencies revealed that incarcerated people spend an average of $947 annually on commissary, 73 percent of which is spent on food. And while less than half of prison commissaries are outsourced to corporations, that figure is up 28 percent in just the past year. In jails, outsourcing commissary operations to corporations is more common. Importantly, commissary operators also make money charging families hefty deposit fees to transfer money into their loved ones commissary accounts.

Unfortunately, there is no aggregated data about the care package and vending machine markets specifically in correctional settings.
WHAT CORPORATIONS ARE INVOLVED?

The carceral food industry is dominated by Aramark, which pioneered the space in the 1978, Sodexo, one of the world’s largest foodservice providers, and Trinity Services Group, which entered in 1990. 23 Today, Aramark operates in more than 600 correctional facilities 24 and serves over a million meals each day 25 to bring in $1.6 billion annually on its correctional business 26 – or roughly 12 percent of its total revenues. Sodexo takes in $360 million annually on its U.S. correctional foodservice business. 27 And Trinity Services Group contracts with over 400 correctional facilities in 43 states to make $252 million annually on its foodservice business, 28 which is almost 40 percent of its total $660 million in revenues. 29 Other major prison foodservice providers include subsidiaries of Compass Group and The Elior Group. 30

The commissary market is similarly dominated by just a few familiar corporations: Aramark, Keefe Group, Trinity Services Group, and Union Supply. 31 Keefe Group, the market’s largest player, entered the business in 1975. 32 Trinity Services Group’s commissary business also dates back to the 1970s through its subsidiary Swanson Services. 33 Union Supply emerged in 1991, 34 and Aramark launched its commissary brand iCare in 2006. 35 Today, Keefe Group serves 650,000 incarcerated people in 14 states 36 and brings in more than $1 billion in revenues a year across all its business lines. 37 Most commissary vendors also have a care package brand. 38

Notably, Trinity Services Group and Keefe Group joined forces in 2016 when they were merged under TKC by its private equity owner HIG Capital, which also owns correctional healthcare and telecom corporations. 39 Beyond its commissary and care package services, Keefe Group also has a subsidiary that provides correctional telecom services (ICSolutions) and brand that provides correctional financial services (Access Corrections). 40 Altogether, TKC is estimated to bring in $1.5 billion in sales, the majority of which is derived from the carceral market. 41

The vending machine market is far smaller and served by smaller, and often local, vendors. These include corporations like Microtronic US, Three Square Market, 365 Retail Markets, Canteen Vending, Avanti Markets, and Fresh Healthy Vending. 42

FOODSERVICE

Correctional administrators outsource foodservice to corporations to reduce facility operating costs with detrimental consequences. 44 Few laws regulate foodservice in correctional facilities, so contractors set their own standards for quality and safety. 45 Considering little more than caloric requirements, they pad their bottom lines by employing incarcerated people at pennies an hour to serve small portions of food that lack meal costs down to $0.40 a day per inmate. It costs $1.15 a day to feed the department’s dogs. Now, I’m cutting prisoners’ calories from 3,000 to 2,500 a day.

Joe Arpaio, former Maricopa County, Arizona Sheriff 43

I got meal costs down to $0.40 a day
They often use inexpensive and unhealthy fillers or substitutes like margarine and soy to increase caloric intake, leaving people hungry, exacerbating chronic health conditions like diabetes, hypertension, and heart disease, and creating new health risks.47

Still worse, in efforts to avoid waste costs, these corporations ration food dangerously. They serve food that is old or contaminated or serve inadequate portions, if they do not run out altogether. In 2014, an investigation at the Gordon County Jail in Georgia, which had contracted with Trinity Services Group, revealed that incarcerated people were eating toothpaste, toilet paper, and syrup packets out of hunger.49 Sadly, the human rights violations committed by correctional foodservice providers are endless.

Michigan’s experiment with private foodservice vendors is perhaps the most notorious. In 2014, leaked emails revealed that an Aramark employee retrieved and re-served food that had been thrown in the trash in a Michigan prison.50

When Aramark was the food service vendor in Florida, it often shorted meals with small portions and missing ingredients. On one occasion when I was assigned as a kitchen worker, an Aramark employee berated me for draining water off the vegetables after they were cooked. ‘Water is part of the serving,’ the employee said.

David M. Reutter, incarcerated foodservice worker and journalist for Prison Legal News48

I watched a prisoner pull a rock out of his mouth… Wasn’t 2 feet over from me where I scan my IDs, and he’s like…, ‘What in the…?’ And he reaches into his mouth and pulls a rock out bigger than a pea… drops it on the table. Tink, tink, tink. I was like, ‘What is that?’ And he says, ‘It’s a rock.’

Their supervisor will give them a recipe to serve 900 prisoners. Our institution holds 1,100 normally, and depending on which meal it is, they will add water to all of their stuff to make their products stretch.

On some days if they don’t run out, there will be other problems with the food. Raw, undercooked, sometimes burnt, sometimes it’s soupy. If they don’t run out, they screw it up somehow.

I’ve seen a bug that big in them collard greens, like I couldn’t even handle it. A perfect big ol’ bug right on the collard greens… A well-cooked bug.

We had spaghetti one day, and one of the officers came over and he was eating, and he pulled a mop string out.

Various anonymous Michigan corrections officers51

The following year, the state’s correctional administrators terminated a three-year contract with Aramark early after a slew of controversies and contracted with Trinity Services Group instead.52 But in
the first 15-months of the new contract, the state fined Trinity Services Group over $2 million for various violations, including unauthorized meal substitutions, delays in serving meals, and sanitation violations. After two failed experiments with private foodservice providers, then-Governor Rick Snyder announced in 2018 that the state would move back to running its own prison foodservice.

Michigan’s decision to bring foodservice back in-house was a rare one. Despite the abundance of these stories and, in many cases, the agreement among incarcerated people and corrections officials about the shortcomings of private foodservice, many prison and jail administrators continue to outsource foodservice to corporations that put profit over people to deprive them of something as simple as food.

In 2013, for example, Aramark was awarded a two-year $110 million contract to provide foodservice across Ohio’s prisons. Less than a year later, there were numerous reports of service failures, including 65 instances when it failed to serve food or ran out of it and five instances when it served food with maggots. Though the state took the rare step of penalizing the corporation, Aramark took the $272,300 in fines in stride and won next contract with the state in 2015, despite a cheaper competing bid from a public union.

Unsurprisingly these efforts to cut food costs have had a really damaging impact on the lives of incarcerated people. In fact, incarcerated people are 6.4 times more likely to suffer from a food-related illness than people in the general public according to the Center for Disease Control and Prevention. Between 1998 and 2014, correctional facilities reported 200 foodborne outbreaks and 20,625 illnesses, 204 hospitalizations, and five deaths resulting from food sickness.

Sample Jail Food Costs

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<td>Summit Food Services (The Elior Group)</td>
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</tbody>
</table>

And still, illness is not the only consequence of cost cutting measures – enslavement is yet another. Commonly referred to as “plantation prisons” given their history as plantations in the ante-bellum South, many prisons use incarcerated people to work in farming to harvest food for the facility. In 2002, the most recent year for which data is available, 28 states and the Federal Bureau of Prisons had incarcerated people working in agriculture. In Georgia, for example, roughly 5,000 incarcerated people work completely unpaid to produce 41 percent of food required by the state’s prisons.

While prison and jail administrators weaponize food to exact nutritional punishment and enslave incarcerated people, incarcerated people have used their bodies as counter-weapons in political struggles, practicing what some have termed “gastronomical resistance.”

Throughout history, across political movements, people with no weapons have used their bodies to fight injustice and oppression. Incarcerated people have time and time again effectively used hunger strikes, one form of gastronomical resistance, to protest prison conditions and labor practices. In 2013, for example, nearly 30,000 incarcerated people in California participated in a hunger strike that led to the end of indefinite solitary confinement in state prisons.
In prisons and jails, commissaries can offer an expansive reprieve from the depravity of kitchen food. Even when egregiously priced, off-brand products can be innovatively transformed into pleasurable community meals that serve as another form of gastronomical resistance. Yet, commissary food comes with its own problems. Pre-packaged foods are high in sugar and sodium, for example, and can cause or exacerbate chronic health conditions, leaving incarcerated people to choose between two types of poison while private corporations collect the spoils.

Some states and municipalities stock and operate their own commissaries, usually charging a markup on the resale of products to cover operating costs and pad their coffers. Many others choose to outsource their commissary operations to private corporations in exchange for a kickback on sales. While the latter model is more profitable for commissary corporations, they benefit from both because they manufacture and supply many of the unique products sold in commissaries in either case. Under both models, operators inflate product prices while offering substandard brands to generate more profit. Importantly, many of the commissary goods incarcerated people purchase are used to meet basic food, hygiene, and clothing needs that have not been met by prison and jail administrators.

More specifically, besides foods, incarcerated people often purchase simple hygiene products like shampoo and deodorant in commissary. These products are often incredibly low in quality - lotion the consistency of a watered-down gel - and yet priced exorbitantly. And culture-specific hygiene products are even hard to come by or more egregiously priced.

In most cases, it is the families supporting incarcerated loved ones who provide funds to purchase these items given the insufficiency and subsequent garnishment of prison wages – when wages are paid at all. A 2018 study of three state prison agencies found that, on average, incarcerated people spent $947 annually on commissary products, substantially more than the $180 to $660 typically earned by incarcerated people working in these states. And jails offer even fewer paid job opportunities, meaning families supporting loved ones in pretrial detention, who often cannot afford to pay bail, are also exploited by commissary schemes.
Jasma’s Story

I was a young woman when went to prison. It was the most dehumanizing experience of my life. Every day, I dealt with the profound racism and misogyny of the system. Male guards constantly threatened to rape me and the other women if we didn’t comply with their orders. On other days, they just maliciously denied us necessary hygiene products. They used their power to terrorize and degrade us.

I spent my first period in solitary. I was given just two cheap sanitary napkins a day. The result was humiliating. I bled through my clothes and had no option but to sit in the blood for hours. Back in general population, we did not get sanitary napkins or tampons at all. We had to buy them from commissary, which we could only do once every two weeks, or suffer the humiliation of bloodied bottoms.

And purchasing menstrual hygiene products from commissary was not an easy task. I had to plan ahead, determining what I needed and, more importantly, what I could afford. Low-quality, generic brand tampons cost twice as much on the inside — more than $5 for a pack of 18 — while our pay scale ranged from just 10 to 25 cents an hour. I would work 50 hours just to afford decency during my period.

Of course, sanitary napkins were not the only thing we needed from commissary. There were other things like deodorant, shampoo, shower slippers, and even food. We had to buy pre-packaged food to supplement the inedible, unhealthy, and limited diet served in the mess hall. Again, all at high costs on low wages.

The truth is that prisons provide little of what you really need to survive — from sustenance to basic hygiene. Instead, you need to rely on your family for all that. But most families supporting people behind bars don’t have the money. They can’t afford to give their loved ones doing time the money needed to buy even a shred of dignity inside.

CARE PACKAGES

Even commissary falls short of meeting basic human needs, so many correctional agencies have historically allowed incarcerated people to receive homemade care packages from loved ones, friends, and organizations. These care packages are subject to strict content guidelines and weight restrictions that vary from institution to institution and can change without notice.

Increasingly, however, corporations are stepping in and convincing agencies to prohibit homemade care packages and introduce sterile, privatized care package programs that give families a limited menu of egregiously priced “pre-approved” products. Prison and jail administrators receive kickbacks and empty promises about contraband reductions while corporations collect profits hand over fist. In its bid for the West Virginia contract, for example, Union Supply Group, which runs the care package program Union Supply Direct, projected that the state would earn about $95,000 per year thanks to a 17 percent commission rate on annual sales.72
Privatized care package programs are no more than external-facing commissary stores. In fact, most care package programs are run by commissary operators. They merely allow families to shop directly from a comparably terrible menu with a few more brand name items. When these programs are introduced, families are generally barred from sending fresh fruit and vegetables or filling bags with cheap items from their local bodega, dollar store, or superstore. Instead, they must pay much more to the few corporations that control care package program for their loved one’s facility. And families that may have previously used social benefits to pay for items included in homemade care packages no longer have that option either, putting care packages even further out of reach for the economically distressed communities targeted by the criminal legal system. Moreover, ordering packages is not easy for people without internet access or computer literacy, which is not uncommon.

In 2018, New York piloted a privatized care package program. Of the six approved vendors the state selected, only one sold menstrual hygiene products – at four times the cost at the local chain retailer. Thankfully, advocates forced the state to cancel the pilot and prevented it from taking permanent hold, but other states have not been as lucky.74

But limiting the items that incarcerated people can receive and privatizing care packages is not just financially exploitive, but also emotionally deprave. Homemade packages are sent and received with love, carefully crafted to include favorite snacks and childhood reminders. Care packages built in warehouse by strangers cannot carry the same weight. Privatizing care packages removes some of the last reminders of the outside world that bring hope to an otherwise hopeless place.

**VENDING MACHINES**

For incarcerated people, vending machines are limited to visit rooms and typically offer costly ready-made items like pizzas and burgers. The small corporations in this market take advantage of their captive audience: families. Sharing a hot meal can have a significant positive impact on a visit – food has the power to create memories – and should be encouraged, not exploited.

But depending on the length of one’s visit, food can also be more of a necessity than a luxury. In 2018, family relationships were strained when Pennsylvania temporarily suspended vending machine access during prison visits.75 “If you are elderly or diabetic or have a small child, it is impossible now for you to visit your loved one,” explained Claire Shubik-Richards, head of the Pennsylvania Prison Society.76 Families were eager to see vending machines returned to visit rooms despite the hefty cost of products.
The exploitation of basic human needs like food is both an anathema to human rights and the perfect encapsulation of how the prison industry functions. Corporations, and sometimes government agencies, profit by spending as little as possible to feed those who are in their care. Worse yet, failures in one service line can, in fact, drive revenue in another, creating remarkably dangerous incentives. Legal, legislative, and regulatory weaknesses allow corporations to avoid any meaningful or long-lasting consequences for their dehumanizing, reprehensible food practices. The state of prison and jail food is a crisis within a crisis.

LEARN MORE

- Michigan’s Failed Effort to Privatize Prison Kitchens and the Future of Institutional Food, Civil Eats (2018)
- In Florida Prisons, Canteens are Big Money. But Not Everyone Pays the Same Price., The Florida Times Union (2018)
- Prison Food and Commissary Services: A Recipe for Disaster, Prison Legal News (2018)
- Prison Food Politics: The Economics of an Industry Feeding 2.2 Million, The Guardian (2017)
- Prison Food in America, Erika Camplin (2017)
...the company’s efforts to reduce costs interfered with my ability, and with the staff’s ability, to provide appropriate levels of care to inmates...

Charles Pugh, MD, former Medical Director at Corizon

Since the 1700s, people with mental illnesses have been inhumanely warehoused in one institution after another. There was limited relief in the late 1800s when psychiatric hospitals were established to treat rather than torture people suffering from mental illness. At the peak of their popularity in 1955, there were 560,000 people in psychiatric hospitals in the U.S. But the introduction of antipsychotic medications in 1955 began a deinstitutionalization trend that would eventually lead to a substantial increase in people with mental illness behind bars.

In 1965, Medicaid accelerated deinstitutionalization by excluding state psychiatric hospitals and other similar state-run institutions from federal funding. Consequently, people with serious mental illness were moved to nursing homes or released to community programs that were supported by federal funding from the Community Mental Health Act passed just two years earlier. By the late-1970s, there were nearly two million people with mental illness in community health facilities. But, in 1981, the Omnibus Budget Reconciliation Act substantially cut federal funding to community-based treatment programs. Without many treatment options left, many people with mental illness suffered, and they quickly began to repopulate prisons and jails that are unequipped to manage their needs.

Around the same time, the targeting of Black, Brown, and Indigenous communities by racist policing and criminal policies caught up with the long-term underinvestment in the health and well-being of the same communities to exacerbate medical needs inside prisons and jails. Soon, the history of racism in medicine, mental health, and public health was on full display across the correctional landscape, which was offering little more than first aid at the time.
But, in 1976, the Supreme Court affirmed the constitutional right to healthcare for incarcerated people when it determined that “deliberate indifference to [the] serious medical needs of prisoners” constituted a violation of the Eighth Amendment’s prohibition against cruel and unusual punishment in *Estelle v. Gamble*. Correctional administrators quickly turned to alternative healthcare systems for support, including university systems, non-profit hospitals, and the private sector.

In 1973, Riker’s Island became the first prison to outsource healthcare when it contracted with Montefiore Hospital, a non-profit hospital in the Bronx. However, it was in 1978 when the first for-profit corporation, Prison Health Services, Inc. (PHSi), now known as Corizon Health, came on the scene. The industry expanded significantly over the next few decades as the deinstitutionalization of people with mental illness continued, particularly in smaller to midsize counties with tighter budgets and fewer public options. Today, correctional agencies provide medical and mental healthcare, along with a myriad of other health services, to those in their custody through a matrix of for-profit, non-profit, and government options.

### HOW MUCH MONEY IS AT STAKE?

The U.S. spends $12 billion annually on correctional healthcare, or roughly 15 percent of all correctional spending. State correctional agencies increased spending on healthcare by 41 percent in the 10-year period between 2001 and 2011, and the federal prison system increased spending on healthcare by 24 percent between just 2010 and 2014. This rapid growth over the past two decades made the market incredibly attractive to the private sector. By 2005, an estimated 40 percent of correctional spending was flowing to correctional healthcare corporations. Today, these corporations make claim to roughly $4 billion of correctional spending, serving the healthcare needs of 28 states and 62 percent of jails in full or in part, and those figures continue to expand.
The prison population also has deep healthcare needs that allow corporations to upcharge and make cuts detrimental. Disproportionately Black, Brown, and Indigenous and often economically distressed, the 2.1 million people in prisons and jails are more likely to suffer from medical and mental health ailments even before entering the correctional environment due to the lack of investment in the health and well-being of these communities. Pre-existing health conditions are then compounded by unhealthy and traumatic correctional environments to make incarcerated people more likely to suffer from chronic illness, infectious diseases, substance abuse, and mental health ailments than people in the general population.

More than 50 percent of all those in prison or jail have some mental health need. Approximately 20 percent of the national jail population and 15 percent of the national prison population, or more than 350,000 people have a serious mental illness – ten times as many people as there are psychiatric beds in hospitals. And an estimated 65 percent of people in prison suffer from alcohols or drug dependency. Thus, unsurprisingly, corrections is an attractive market for pharmaceutical corporations that manufacture anti-psychotics and drugs that treat opioid dependency.

All these healthcare concerns are more acute and costly for elderly people in prisons, a population that has been rapidly growing due to punitive sentencing laws. Between 2000 and 2010, the number of people behind bars who were 55 years old or older grew by 181 percent while the total prison population grew by 17 percent over the same period. It costs roughly three times as much to incarcerate an older person than a younger person due in large part to their healthcare needs.

Finally, incarcerated women and transgender people also encounter unique healthcare needs that raise the cost of care.

WHAT CORPORATIONS ARE INVOLVED?

Founded in 1978, PHSi was the first for-profit correctional healthcare corporation. Correctional Medical Services, which would later merge with PHSi, was founded in 1979. MHM Services followed in 1981, California Forensic Medical Group in 1983, and PrimeCare Medical in 1986. NaphCare came on the scene in 1989. In 1994, Wexford Health Sources emerged. Among more contemporary corporations, Correct Care Solutions and Armor Correctional Health Services were founded in 2003 and 2004, respectively.

Mergers and acquisitions have begun to consolidate the correctional healthcare market. In 2011, the two oldest correctional healthcare corporations, PHSi and Correctional Medical Services, merged to form Corizon Health, the largest player in the market at the time. A couple years later, in 2013, MHM Services, which historically focused its services on behavioral healthcare, entered into a joint venture with publicly traded Centene Corporation to create Centurion Health. Centene then acquired its partner, MHM Services, in 2018.

That same year, H.I.G. Capital executed the largest deal in the market when it purchased Correct Care Solutions and merged it with Correctional Medical Group Companies to create Wellpath, which is now the largest correctional healthcare company with roughly $1.5 billion in annual revenues or roughly 30% of the for-profit correctional healthcare market.
Its dominance in the field gives the corporation considerable bargaining power with correctional agencies that have committed to outsourcing healthcare, a decision that is not always easy to reverse. On occasion, Wellpath or one of its competitors may be the only provider bidding on a contract, creating an imbalance of power which deeply impacts quality of care.

### Top Market Players

<table>
<thead>
<tr>
<th></th>
<th>Wellpath 47</th>
<th>Corizon 48</th>
<th>Centurion Health 49</th>
<th>Wexford Health 50</th>
<th>NaphCare 51</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Annual Revenues</td>
<td>$1,600M</td>
<td>$1,050M</td>
<td>$585M</td>
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<td>9,000</td>
<td>2,200</td>
<td>2,700</td>
</tr>
<tr>
<td>Incarcerated Patients</td>
<td>300,000</td>
<td>180,000</td>
<td>330,000</td>
<td>97,000</td>
<td>80,000</td>
</tr>
</tbody>
</table>

### MEDICAL CARE

While the U.S. Supreme Court established a constitutional right to healthcare for incarcerated people in 1976, there have been no consistent or enforced quality-of-care standards, which has mean that people in prisons and jails continue to receive poor healthcare. In fact, only six state prison systems formally require and integrate quality monitoring systems in their oversight of healthcare. And quality is rarely a factor when evaluating the cost of care, which, in 2015, varied from $2,173 in Louisiana to $19,796 in California on average per person per year.

Introducing profit motives into opaque correctional environments, which are already rife with abuse, critically exacerbates the harm incarcerated people suffer as correctional healthcare providers measure the cost of a person’s health and well-being against the cost to their bottom line. Often paid a flat fee, these corporations are incentivized to cut costs as much as possible to pocket the rest. They routinely understaff facilities, hire unqualified practitioners, ignore preventative care, refuse pain relief, and even deny life-saving treatments and hospitalizations. Even well-intentioned medical professionals working for these corporations have reported pressure to provide the cheapest possible care even if inadequate to meet a patient’s medical needs.

Predictably, these cost-cutting tactics result in substandard care with dire consequences. For instance, between 2011 and 2012, Corizon cut the cost of hospitalizations from its predecessor by 53 percent, increasing its profit margin from 14.6 percent to 24.2 percent by 2013. Over the next few years, Corizon faced repeated wrongful death suits across the country with a common fact pattern: healthcare professionals determine a suffering patient needs to go to the hospital, the corporation...
denies hospitalization to save on costs, and the patient dies shortly after. Whether it was a tight chest, a hip pain, or insufferable detox, in each case, the treatable condition was relayed to a Corizon medical practitioner and ignored resulting in death.⁵⁶

Corizon is far from the only correctional healthcare provider with such a tragic resume. A recent survey of the nation’s 523 largest jails revealed that those that outsourced healthcare to corporations had mortality rates that were 18 to 58 percent higher than those that used a publicly managed medical service, depending on the corporation.⁵⁷ NaphCare and Armor had the highest rates followed by Corizon and Wellpath.⁵⁸ And two-thirds of those who died were awaiting trial.⁵⁹

Over the past few decades, correctional healthcare providers have also turned to telemedicine to mitigate the need for onsite staffing. By 2011, 30 states used telemedicine for at least one medical subspecialty or diagnostic service.⁶⁰ While claiming to offer some small benefits to incarcerated people, such as faster access to specialty doctors, the major benefit is realized by the providers and correctional administrators in cost savings.⁶¹ In fact, telemedicine has birthed new market players like KaZee, which equips correctional institutions with telemedicine capabilities and saved the Texas Department of Criminal Justice nearly a billion dollars over a decade.⁶²

Desperate for care, incarcerated people have brought tens of thousands of medical malpractice lawsuits over the years against correctional healthcare providers. For example, between 2009 and 2014, Corizon, the nation’s largest prison healthcare company at the time, was sued 1,364 times, or more than once every other day, for providing inadequate care.⁶⁴ And while correctional healthcare providers claim these lawsuits are often frivolous or unsubstantiated, their seven percent success rate is only slightly lower than that of medical malpractice lawsuits in the general public⁶⁵ despite the significant disadvantage incarcerated plaintiffs face in court. For example, in one case, a court rejected the malpractice claim of an incarcerated patient, who received a late diagnosis of lymphoma after months of pain, because he could not present expert testimony as to whether the care he received “departed from accepted medical practice.”⁶⁶

And these corporate cost-cutting strategies shift real costs onto taxpayers in the short and long term. In the short term, avoiding preventative healthcare exacerbates both acute and chronic illnesses, often leading to hospitalizations that carry higher costs. In the long term, releasing people with compromised health into communities creates a cost burden for public healthcare and social service agencies. Yet, the biggest cost of this profiteering is measured in human lives: the mortality rate of formerly incarcerated people is 3.5 times higher than others in the general population.⁶⁷

Corizon is just hiring bodies, trying to get their numbers up... There’s RNs there that don’t even know how to start an IV. There are nurses that can’t operate an oxygen tank. A lot of them have no type of training.

Jose Vallejo, former Corizon nurse⁶³
SHERON’S STORY

Five years ago, when I was in federal prison, I caught a bacterial infection and suffered nerve poisoning. I spent three months on life support. When I regained consciousness, I was paralyzed with severe respiratory issues. I was moved to a facility in Atlanta, Georgia to complete my recovery and undergo physical therapy. It took nearly a year to just walk, talk, and eat again.

Just as I was starting to reclaim my life, I finished my federal prison sentence and I was extradited to Mississippi to serve a second, 20-year sentence for the same crime in state prison. I walked into Mississippi’s notorious Parchman plantation prison in the summer of 2017. I brought all my prescriptions and treatments, but once they ran out, I quickly learned I wasn’t getting anymore.

Centurion was the healthcare provider at the state prison. A nurse informed me that the company wouldn’t provide the prescription medications, breathing treatments, or physical therapy I needed because they exceeded the prison’s per person budget allocation. Still recovering, I had to do what I could to heal on my own. I started by doing planks to strengthen my core, then moved on to push-ups and wall squats.

It was far from easy. One day, I accidentally shattered my ankle because my bones were still brittle from the paralysis. Once the swelling went down, I had to have a 6-inch rod and screws inserted in my ankle. After the surgery and my cast was removed, Centurion gave me just one physical therapy session. Early this year, Centurion was sued for malpractice, and they dropped their contract with the Mississippi Department of Corrections. But while they may no longer serve our facility, I still feel the long-term effects of their cheap healthcare, or lack thereof.

BEHAVIORAL HEALTH

Over half of incarcerated people suffer from mental illness with 14 percent of those in state and federal prison and 26 percent of those in local jails suffering from a serious psychological disease. In fact, there are roughly ten times as many people in prison or jail with a serious psychological disease as there are psychiatric beds in U.S. Even still, these statistics – based on self-reported data – underestimate the prevalence and severity of mental illness among incarcerated people, especially Black, Brown, and Indigenous people whose disease is less often properly diagnosed and treated.

Given the high levels of untreated mental illness, it is unsurprising that substance abuse or...
addiction are also particularly high in the incarcerated population. More than 1.6 million people are arrested for drug possession every year. And more than half of the people in state prisons and two-thirds of the people in local jails meet the diagnostic criteria for drug dependency or abuse (excluding alcohol) – again based on self-reported data, meaning the true figures could still be higher. Among women, the problem is even deeper with 82 percent of women suffering from a serious substance abuse disorder. A 2013 report revealed that women were twice as likely to die from drug or alcohol intoxication while incarcerated.

Despite the overwhelming prevalence of mental illness and substance abuse and addiction among incarcerated people, behavioral health needs may be among those least adequately met by correctional healthcare corporations. Roughly a million people arrested each year are at risk for untreated drug or alcohol withdrawal in jail. This is in part because government agencies fail to allocate appropriate funding. In fact, only 14 percent of correctional healthcare spending is spent on mental health and 5 percent on substance abuse and addiction treatment. As a result, corporations often choose quick pharmaceutical options in lieu of the time-intensive work required to treat patients with these disorders effectively.

In doing so, private healthcare providers help pad the pockets of pharmaceutical corporations that shamelessly market to the correctional field. For example, Alkermes, the manufacturer of Aristada and Risperdal, treatments for schizophrenia, and Vivitrol, a treatment for opioid dependency, advertises its pharmaceuticals in correctional brochures and at correctional conferences. Worse yet, its drugs are also knowingly used as forcible injections to restore pre-trial competency in a person deemed unfit to stand trial. Again, the outcomes are devastating. Suicide has been the leading cause of death in local jails since 2000. Many have suffered dangerous, even fatal, detoxes during their incarceration. And overdoses are the leading cause of death among formerly incarcerated people upon release.

### MEDICAL CO-PAYS

Despite the substandard care, incarcerated people are often expected to pay medical co-pays for physician visits, medications, dental treatment, and other health services. At times paid to the for-profit healthcare provider and at others to the government agency, co-pays in state prisons typically run between $2 to $5 and are meant to recoup the cost of care and deter unnecessary doctor visits.

However, considering what little money incarcerated people have – either earned at a national average of 14 cents per hour or sent in by loved ones on the outside – and the other costs of incarceration, these co-pays put healthcare out of reach for many. For example, an incarcerated minimum-wage worker in North Carolina would need to work 100 hours to afford the five-dollar co-pay required for a doctor’s visit. By comparison, an equivalent co-pay for a non-incarcerated minimum-wage worker in North Carolina would be $725.

Thirty-eight states charge incarcerated people medical co-pays, eight of which do not pay some, if not all, of their incarcerated workers. For example, until recently, Texas, which does not pay any
incarcerated workers, charged people incarcerated in its state prisons a $100 annual medical co-pay\(^9\) to the tune of roughly $2 million per year in revenue for the state.\(^9\) Recent advocacy moved the legislature to drop the $100 annual fee, though it was unfortunately replaced with a $13.55 per visit, still the highest state prison copay in the country.\(^9\)

And the costs do not end with co-pays. Incarcerated people are sometimes expected to pay for hospitalizations, rendered medical services, and even basic, over-the-counter medications, ointments, or treatments.\(^9\) At times, corporations operating commissaries and providing healthcare compete to exploit people while correctional administrators referee. Some jails have removed basics like Tylenol from their commissary lists to force incarcerated people to pay the costly co-pay for a doctor’s visit to get simple pain relief – a practice that earned the medication the nickname “the $20 Tylenol” in one North Carolina jail.

Regardless of how paltry the care they provide is, correctional healthcare corporations make billions of dollars every year. And each year, more correctional administrators consider privatizing the provision of healthcare in their facilities. They ignore the decades of lawsuits, critical independent studies, and desperate pleas of incarcerated people for quality care. Meanwhile, incarcerated people, particularly Black, Brown, and Indigenous people, whose health is already compromised due to racial disparities in medicine, mental health, and public health, are dying. The grim state of correctional healthcare was exposed this year during the COVID-19 pandemic. Incarcerated people suffered disproportionate infection rates as staff carried the virus into facilities where access to testing, hygiene products, personal protective equipment, and medical supplies were limited and social distancing virtually impossible. There was only one solution that medical professionals and advocates could agree on: jurisdictions had to release people. But government officials have not all seen it the same way, and people are dying.

The bottom line is that prisons and jails are not made for care – they worsen health outcomes and perpetuate trauma. Thankfully, advocates continue to bring lawsuits, running correctional healthcare corporations that put profit over people out and demanding more investment in the health and wellbeing of people in custody.\(^9\) And many are simultaneously demanding divestment from prisons altogether and investment in community health and healing.\(^9\)

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**LEARN MORE**

- Special Report: U.S. Jails are Outsourcing Medical Care – and the Death Toll is Rising, Reuters (2020)
- The Jail Health-Care Crisis, The New Yorker (2019)
- Corizon, the Prison Healthcare Giant, Stumbles Again, The Appeal (2019)
- State Prisons and the Delivery of Hospital Care, Pew Charitable Trusts (2018)
- Incorrect Care: A Prison Profiteer Turns Care into Confinement, Grassroots Leadership (2016)
- Private Healthcare Providers are Making Big Bucks Contracting With Prisons, Consumerist (2016)
You route the prisoner like a package, but miss a single deadline, and you lose money.

Kent Bradford, former Director of Operations at TransCor America

The Extradition Clause of the U.S. Constitution requires states to honor extradition orders made by other states. However, in an 1860 ruling, the U.S. Supreme Court decided that federal courts could not enforce this requirement, giving states discretion on whether to comply with interstate extradition orders. Then in 1987, in Puerto Rico v. Branstad, the Court overturned its prior ruling, holding that federal courts could, in fact, enforce such interstate orders and that states have no discretion as it relates to honoring interstate extradition orders.

Paired with the racist dog-whistle politics and their “tough-on-crime” policies of the 1980s and 1990s, this decision is presumed to have spurred interstate extraditions. While long distance, interstate travel has always been commonplace for the Federal Bureau of Prisons, which depends on the U.S. Marshals Service to transport people, it presented a new challenge for state and local correctional administrators with limited transportation operations.

Quickly, small specialty prison transportation businesses began to crop up. Correctional agencies, facing staffing constraints and unexpected costs, eagerly turned to them to fulfill extradition orders. Some agencies even came to depend on these corporations to

<table>
<thead>
<tr>
<th>Description: Correctional agencies contract with transportation corporations to relocate incarcerated or detained people in response to transfer, extradition, and deportation orders. While most operate by land, some transportation corporations operate by air.</th>
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</thead>
</table>
| **540,000** Annual extraditions nationwide
| **26** States using privatized correctional transportation
| **$511 million** ICE spending on transportation and removals
| **175,000 +** Removals and transfers by ICE Air

Transportation
transport incarcerated people for court appearances, facility transfers, and hospital visits.

Over the next 20 years, these small businesses ballooned into crudely run corporations with dangerous cost-cutting practices and deadly consequences. ⁹

In the immigration system, the privatization of transportation is a bit more recent. At their inception in 2003, U.S. Immigration and Custom Enforcement (ICE) and Customs and Border Patrol (CBP) used the U.S. Marshals Service to transfer and deport people in their custody. But the agencies quickly privatized transportation to cut costs, starting with the most expensive transportation method: air flights. ¹⁰ ICE kicked off the privatization of deportations when it created the ICE Flight Operations Unit, also known as ICE Air, in 2006, ¹¹ and immediately partnered with CSI Aviation, an aviation corporation and military contractor, to charter its flights. ¹²

That same year, CBP began outsourcing ground transportation services at the border to save federal agents the task, ¹³ awarding its first contract to G4S. ¹⁴ In 2007, private prison giant The GEO Group formed GEO Transport to meet ground transportation needs at an ICE processing center it managed. ¹⁵ And with that, privatized transportation corporations became a regular part of the immigration detention and deportation machine.

### HOW MUCH MONEY IS AT STAKE?

The U.S. Marshals Service is responsible for the transportation of people within the federal prison system, moving more than 265,000 per year. ¹⁶ States and local correctional agencies across the country also generally have their own transportation services. Though there is no concrete data regarding the number of incarcerated people state and local correctional administrators move each year, it is likely to fall into the millions. As of 2016, 26 states use privatized transportation to move people in their custody. Paid between $0.75 and $1.50 per person per mile, these corporations are entrusted with hundreds of thousands of trips every year. ¹⁷

ICE outsources most of its domestic and international transportation needs. In 2019, ICE spent $511 million to deport nearly 263,000 people, including asylum seekers. ¹⁹ The figure represents an increase of 81 percent from $282 million in 2016, though the number of people deported increased less than 10 percent over the same period, ²⁰ suggesting the cost of privatized transportation has increased. The agency requested another budget increase of $57 million for 2020 to support an even greater number of deportations. ²¹
WHAT CORPORATIONS ARE INVOLVED?

Though there are many small correctional transportation corporations, just a handful control the majority of the market. There are 24 correctional transportation corporations registered with the U.S. Department of Transportation, but only seven have state extradition contracts.22

Prisoner Transportation Services of America (PTS) is the largest correctional transportation corporation in the country, partnering with 1,200 agencies and moving more than 30,000 people each year.23 In the past 10 years, Massachusetts alone has paid PTS more than $1.3 million.24 TransCor America, a subsidiary of private prison giant CoreCivic, contracts with over 2,000 facilities largely across the South and Southwest25 and averages 2.2 million miles annually.26 GEO Transport, a subsidiary of another private prison giant The GEO Group, has 400 armed transportation officers and has transported 2.25 million people since starting up in 2007.27 Other major players include U.S. Corrections, Inmate Services Corporation, and Security Transport Services.

In the immigration context, ICE carries out its deportations with the help of GEO Transport28 and G4S, the world’s largest security corporation,29 on the ground and Classic Air Charter in the air.30 Classic Air Charter was awarded its current $646 million contract in 2018 when it beat out CSI Aviation, ICE’s longstanding air partner.31 ICE paid CSI Aviation $906 million between 2010, when ICE privatized its flights, and 2018.32 Classic Air Charter also subcontracts with several smaller airlines to run flights, such as Swift Air (owned by iAero Group) and World Atlantic Airlines. While ICE typically spends nearly $8,000 per flight hour,33 Omni Air international, a Special High-Risk Charter responsible for higher profile deportations, charges ICE an incredible $33,500 per flight hour.34

CORRECTIONAL TRANSPORTATION

State and local correctional administrators routinely outsource transportation services to corporations to avoid the staffing costs needed to move incarcerated people. Paid per person per mile travelled, these corporations go to great lengths, quite literally, to maximize their profits at the grave expense of their passengers and, in many cases, even their drivers.35 This revenue model incentivizes contractors to pack as many incarcerated people as possible in vans and drive them along the most circuitous paths to their destination. Chained together, people are regularly hauled for days and, in many cases, even weeks.36 In one instance, a passenger being extradited from Ohio to Colorado for a parole violation was subjected to a tortuous 20-day journey in the back of a TransCor van, though the corporation claimed its average trip was four to five days.37

Worsening matters, drivers are generally paid only while on the road and expected to pay out-of-pocket for accommodations and other needs along their routes. This discourages stopping with disastrous consequences.39 Since 2000, private transportation vans have been involved in more than
50 car accidents, many related to driver fatigue,\textsuperscript{40} and in most cases, incarcerated passengers were shackled but not wearing seat belts.\textsuperscript{41} In fact, investigative journalism revealed that many vans do not actually have working seat belts.\textsuperscript{42} In 2009, a PTS driver fell asleep at the wheel in the wee hours of the morning killing two guards and one incarcerated person onboard.\textsuperscript{43}

Under these conditions, drivers not only ignore their own needs, but also the needs of their incarcerated passengers. Corporate policies allow drivers to limit food and ration water,\textsuperscript{44} force people to urinate and defecate on themselves, and ignore medical emergencies.\textsuperscript{45} Sweltering heat and faulty air conditioners further exacerbate these horrific conditions.\textsuperscript{46} In 2012, for example, Steven Galack was put on a PTS van from Florida to Ohio to answer for a warrant for failure to pay child support. The air conditioner failed on a particularly hot day and the extreme heat made Galack delusional. Rather than address his medical needs, transport guards beat him. A few hours later, Galack died in the van.\textsuperscript{47} PTS still charged the extraditing county $1,061 for his extradition.\textsuperscript{48}

For incarcerated women and gender non-conforming people, private transportation vans present even more concerns. Women have been forced to menstruate in McDonalds wrappers while transport guards watched.\textsuperscript{50} Faulty safety equipment has endangered pregnant passengers and their fetuses.\textsuperscript{51} Sexual abuse is also a constant threat. Since 2000, at least 14 women have reported being sexually assaulted, some repeatedly, by staff while caged in private transportation vans.\textsuperscript{52} In one instance, a van driver for Extraditions International sexually assaulted a passenger under threat of death in a bathroom during a rare stop.\textsuperscript{53} Despite alerting corporate staff at the stop, she was returned to the van with the same driver for the remainder of her four-day trip.\textsuperscript{54} Litigation revealed that the corporation hired the guard after he was fired from his last job as a corrections officer for assaulting another incarcerated person.\textsuperscript{55}

Notwithstanding the extensive harm they cause, correctional transportation corporations have been allowed to operate with near impunity. Only one federal law regulates the correctional transportation industry: the Interstate Transportation of Dangerous Criminals Act, commonly known as Jeanna’s Act.\textsuperscript{56} Named after the original victim of a man who later escaped from a private extradition van, the bill focuses on preventing escapes.\textsuperscript{57} This Act also requires standards be set for passenger safety but allows the American Correctional Association and correctional transportation corporations to weigh in.\textsuperscript{58} Investigative journalism over the past few years has sparked congressional inquiries into the industry,\textsuperscript{59} but there has yet to be meaningful change,\textsuperscript{60} leaving incarcerated people subject to private transportation without many protections.
JOSEPH’S STORY

In 2014, I was detained by police in New York. Though I was facing no charges or warrants in the state, a warrant came up for my arrest in Florida. So, instead of releasing me, I was booked and locked up. The Orange County Sheriff’s Department in Florida was planning on extraditing me and had 21 days to do so.

Over the coming weeks, they asked for multiple extensions. After 45 days, I was still in county jail. This time, when I was called to court again, I was hopeful. My family was there too, and we all thought I would be released. We were wrong and it broke us all.

Instead, the officers who brought me to court removed my handcuffs and handed me off to two armed men in plain clothes, who put me in their own handcuffs. They gave me 15 minutes to say goodbye to my crying family and then took me to the airport. I didn’t learn until later in the trip that these men were with a private transportation service.

They paraded me through the airport in shackles in front of everyone. There was a chain around my waist connected to my handcuffs. They strapped a large taser to my right bicep that would deliver a shock if I moved more than six feet away. I had to board the plane first — in front of all the other passengers. People stared at me in shock, and parents covered their children’s eyes as I passed. On the plane, my feet were also shackled. During our three-hour layover, the officers hid me in the back of a restaurant while we waited for our connection. I ate and used the bathroom in shackles too.

The whole extradition experience was humiliating. After traveling for 11 hours, we finally arrived. In front of the county officers, the transportation officers finally removed all my shackles. They passed me off to the county officers and went on with their lives. I was held for eight months before the state of Florida dropped the charges and released me. In the meantime, they lost all of my property, including the $300 I had when I was arrested, and refused to help me get back to New York. I never would have made it home if my mom hadn’t bought me a Greyhound bus ticket back from Orlando.

IMMIGRATION DETENTION TRANSPORTATION

Many people came to the U.S. to avoid war, violence, abuse, and poverty in their home countries, conditions that in many cases resulted from more than a century of U.S. military-backed coups and privatized plundering. Now, they are being forced back into danger and desperation with the help of large private transportation corporations.

The immigration detention transportation industry is dominated by a handful of large conglomerates notorious for varied types of abuses across the world. Immigrants are forced onto their vans, buses, and planes, chained together in leg restraints like cattle. If they refuse to board, they are tasered, put in body bags, and thrown on. Throughout
their journey, they are handcuffed and often restricted meals, denied medication, and subjected to extreme conditions. In the worst cases, they are beaten.

In 2017, for example, four detained immigrants were transported on a windowless van operated by G4S between two immigration detention facilities. They were shackled at their wrists, waist, and ankles and denied meals and medication. Unable to withstand the sweltering heat of the van cage, they vomited and fainted. During the 24-hour trip that should have taken just five hours, their cries for help were ignored.

That same year, 92 people were put on a privately chartered plane to be deported to Somalia. For undisclosed reasons, the plane was grounded in Senegal for almost 23 hours, during which passengers were kept handcuffed, prevented from using the restroom, and verbally and physically assaulted. The abuse was only revealed because the plane, with all its passengers, was forced to return to the U.S. In most cases, accounts of abuse abroad deportation flights never make it back to the U.S. but instead remain abroad with deported people.

Paid per person per mile, correctional and immigration detention transportation corporations guard their bottom lines by overcrowding vans, taking extended routes, avoiding stops, and ignoring the needs of their shackled passengers. With few government protections or legal remedies available to those harmed, these corporations create some of the most inhumane conditions for incarcerated and detained people.

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**LEARN MORE**

- Investigation Reveals Disturbing Conditions for Prisoners Transported by For-Profit Companies, *Mother Jones* (2016)
For me, you are walking money. I own your body.

Michelle Esquenazi, President of Empire Bails Bonds

The community corrections industry grew out of centuries of bail and pretrial reform. Historically, families and friends served as sureties for those accused of crimes. But in the 1700s, as people became more mobile and corporal punishment, including imprisonment, began to replace fines assessed for crimes, concerns about people fleeing before trial rose. Bail became arbitrary and increasingly less affordable, creating a natural entry point for the commercial bail bond industry.

In 1898, the first commercial bail bond agency, McDonough Brothers, emerged in San Francisco and quickly similar agencies began to pop up across the country.4 By the 1920s, researchers were publishing studies about the inequities of the money bail system,5 but it was not until the 1950s that the U.S. Supreme Court ruled that access to bail was fundamental to the presumption of innocence — though not an absolute right.6 In the 1960s, disdain for commercial bail bond agencies was mounting amid reports of abuse and corruption and led to the passage of the 1966 Federal Bail Reform Act, which among other things, introduced pretrial supervision with the intention of curbing pretrial detention.7 By 1999, the federal system and nearly every state had created a pretrial supervised release practice.8

Probation evolved alongside money bail in the late 1800s as a way to divert people from prison.9 Massachusetts was the first state to pass probation legislation in 1878, but because some considered it
too lenient a sentence, it took nearly 80 years for the federal system and all states to adopt probation laws. Nevertheless, by the 1970s, probation was no longer about helping people succeed in the community but about control, and a new industry emerged. Politicians seeking to be “tough-on-crime” pushed for strict new requirements for people on probation, such as mandatory reporting and drug testing. Florida was the first state to outsource probation in 1975, but it was not until 1989 that legislation in Missouri and Tennessee really opened the door to for-profit probation agencies. Today, Georgia, which passed legislation permitting private probation in 2000 largely due to a $75,000 industry bribe, is the largest proponent of private probation with 80 percent of its courts outsourcing probation supervision.

In its modern-day form, parole had its start slightly later than probation in 1907 in New York, but it scaled faster. As the use of parole grew, so did the use of residential reentry centers, more commonly known as halfway houses. By 1944, the federal system and all states had adopted parole systems, and halfway houses were primarily run by nonprofits and religious organizations providing substance abuse treatment, counseling, and job training. By the 1980s, as racist fear-mongering and “tough-on-crime” rhetoric began discouraging early release, the management of halfway houses was increasingly turned over to private contractors. Then, in 1984, U.S. Congress passed sentencing reform that eliminated parole in the federal system. And the 1994 Crime Bill pushed states to enact “truth-in-sentencing” laws that restricted early release.

As the number of people on probation and parole grew and technology advanced, so did the tools for control. Electronic monitoring was first introduced in the 1960s to monitor youth’s compliance with parole conditions and reward positive behavior. However, by the 1980s, corporations and correctional agencies were using electronic monitoring on a much wider population, claiming it allowed agencies to release people from overcrowded prisons while still keeping them under supervision. By charging supervision fees, correctional agencies could also use electronic monitoring to shift the cost of incarceration onto those under supervision. In recent years, new technology is once again expanding the reach of community supervision as ankle monitors are slowly being replaced with smartphone apps.

Since the 2008 financial crisis, government budgets have been strained and public outrage over the scope of mass incarceration has grown, leading centrist politicians and private corporations to position community corrections as the future of the criminal legal system. They refer to diversion programs, probation and parole supervision, and electronic monitoring as “alternatives to incarceration” and shift the costs of these so-called alternatives on to those subjected to them. They have poured government funding into the community corrections industry through legislation like the 2018 First Step Act with enthusiastic support from the private prison industry, which has spent years preparing for this shift.

HOW MUCH MONEY IS AT STAKE?
The “tough-on-crime” era did more than just cause the prison population to explode. It also grew the pretrial population and those under other forms of correctional supervision – all to the benefit of the community corrections industry. Altogether, there are now 6.4 million people, or 1 in 40 people, in the U.S. under correctional control through either incarceration or supervision.
Today, over-policing has created a steady flow of customers for the bail bond and diversion industries. About 10.7 million people are booked into jail each year. Only 23 percent are released on their own recognizance. Diversion programs are offered to another 8 percent by the one-third of jurisdictions offering them. The overwhelming balance will be held on bail. While there is no national data about how many people are bailed out by commercial bail bond agencies, in New York City alone, about 77,400 people are released on bail annually, and nearly 80 percent of which use a commercial bail bond agent. In total, the bail bond industry issues about $15.9 billion in bonds each year, collecting $1.3 billion in premiums from people accused of crimes and their families.

Between 1980 and 2018, the number of people under community supervision in the U.S. more than tripled from 1.3 million to 4.4 million people. Probation accounts for 3.5 million, many of whom are supervised by the private probation agencies that have penetrated more than a dozen states thus far. Parole accounts for the remaining 880,000, who are often subjected to the hundreds of private halfway houses operators across the country. The federal prison system alone has about 7,000 people at any given time in 171 such residential reentry centers, nearly all of which are run by corporations.

All those under community supervision are at risk for electronic monitoring. Between 2005 and 2015, the number of people under electronic monitoring grew nearly 140 percent from 53,000 to more than 125,000. Since then, many cities have doubled their use of monitors, making the real number much higher. And it does not stop there, these services have also crossed over into the immigration landscape in recent years. In fact, more than 43,000 immigrants are wearing electronic monitors on any given day. Yet, in 2019, BI, the nation’s largest electronic monitoring corporation in both the criminal and immigration systems, reported that it alone had 144,000 people in its electronic monitoring program, suggesting the total number of people on electronic monitors has grown even more dramatically in the last five years. All this brings the electronic monitoring industry in North America an estimated $580 million each year.

WHAT CORPORATIONS ARE INVOLVED?

Bail Bonds
The bail bond industry operates in two distinct tiers: brick and mortar bail bond agencies and the large financial sureties that insure them, which together are estimated to rake in $1.4 to $2.4 billion every year. There are as many as 25,000 bail bond agents nationwide. One of the largest is Aladdin Bail Bonds, which has over 50 locations across 8 states and collects $14 million in revenue annually. Behind bail bond agencies are more than 30 insurance companies, but nine insure the vast majority of the $15.9 billion in bonds posted each year. Major players include Tokio Marine, Fairfax Financial Holdings, and R&Q. And the criminal legal system is not the only bond market – the immigration system also has a ripe bond market that is dominated by Libre by Nexus.

Diversion Programs
The privatized diversion industry is highly fragmented. CorrectiveSolutions is one major player that entered the private diversion market in the late 1980s and now has contracts to run programs in 100 jurisdictions across 17 states. Drug treatment programs, which are largely unregulated, are also offered by a patchwork of larger providers like BounceBack and regional non-profits like Human Service Associates, a Florida-based diversion provider that was shut down in 2014 after embezzling state funds. But household names like Exxon, Shell, and Walmart have also played a role in privatized diversion programs, contracting with addiction rehabilitation programs that push unpaid hard work as a treatment for addiction.
Community Supervision
Probation and parole supervision is a fragmented and localized market with just a few major players like Judicial Corrections Services, a subsidiary of correctional healthcare giant Wellpath, and Sentinel Offender Services. Although the size of the industry is hard to determine, Sentinel was generating an estimated $5 million in revenues annually in Georgia alone—just a fraction of its business—before pulling out of the state in 2016 due to waning profitability. Notably, in 2018, private prison giant CoreCivic bought into this market with the $15.9 million acquisition of Recovery Monitoring Solutions, which manages more than 6,500 people under correctional supervision in addition to the thousands in its various monitoring programs.

Electronic Monitoring
The electronic monitoring industry is dominated by a few players. The largest, BI, which has 144,000 people on its electronic monitors across 50 states, is a subsidiary of private prison giant The GEO Group. Like its parent company, BI also plays a major role in the immigration system, with an exclusive contract with U.S. Immigration and Customs Enforcement to monitor undocumented immigrants. Between 2018 and 2019, BI saw its annual revenue increase $26.7 million due to an increase in the number of people on its electronic monitors in both the criminal and immigration systems. However, the immigration bail bond agency Libre by Nexus also forces its customers to wear ankle monitors as a condition of their bail. Other major electronic monitoring corporations include Attenti, SuperCom, SCRAM Systems, Satellite Tracking of People (STOP), a subsidiary of prison telecom provider Securus.

Residential Reentry and Day Reporting Centers
The residential reentry, or halfway house, and day reporting market is comprised of a mix of private prison operators, non-profits, and mom-and-pop house managers. Since 2005, the two largest private prison operators, The GEO Group and CoreCivic, have rapidly expanded into community corrections through the acquisition of halfway house operators and similar businesses in an effort to diversify their revenue streams with their prison business under attack.

The GEO Group has been particularly aggressive, making over a billion dollars in acquisitions to establish its position as the nation’s largest residential reentry and day reporting center operator. The largest of these was the 2017 purchase of Community Education Centers for $360 million. As of 2019, The GEO Group managed 45 residential reentry centers with nearly 11,000 beds and 68 day reporting centers. Notably, between 2018 and 2019, the corporation saw its annual revenue from residential reentry and day reporting centers increase $31.2 million.

CoreCivic has taken similar steps, acquiring Avalon Correctional Services in 2015 for $158 million as well as other smaller regional providers. As of 2019, CoreCivic managed 29 residential reentry centers with more than 5,000 beds. Between 2018 and 2019, CoreCivic’s community corrections business, including community supervision and electronic monitoring, grew by 21 percent from $101.8 million to $123.3 million.

Bail Bonds
After someone is arrested and charged with a crime, a judge decides whether they can await trial in the community or must do so in a jail cell. In most cases, whether someone is detained pretrial is dependent on their ability to post a bond—a refundable payment to the court meant to ensure that...
they will return for trial. Often, judges have complete discretion in deciding whether someone is set bail and how much. The national median bail for a felony is $10,000.

It is estimated that as many as 500,000 people held in local jails are there solely because of their inability to pay bail. Many spend time in jail because they owe as little as $250. The vast majority are Black, Brown, and Indigenous people. Confinement worsened by inhumane conditions in jails lead many to plead guilty simply to get out on time served or avoid a trial penalty. In the end, rather than offering people a path to freedom, money bail drives the growth of pretrial detention while the number of convicted people in jail has remained roughly the same since 2000. Money bail has created a two-tiered system of justice in the U.S. Wealthy people charged with crimes post bail and go home, but people without financial means in the same position are forced to depend on exploitative commercial bail bond agencies or remain in jail until their case is resolved, which can take months or even years.

What has been made clear…is that our present attitudes toward bail are not only cruel, but really completely illogical…usually only one factor determines whether a defendant stays in jail before he comes to trial. That factor is not guilt or innocence. It is not the nature of the crime. It is not the character of the defendant. That factor is, simply, money. How much money does the defendant have?

U.S. Attorney General Robert Kennedy (1965)

Faced with the prospect of spending months in jail before trial or pleading guilty, many people turn to bail bond agents to post their bond in exchange for a non-refundable premium, typically 10 percent of the bond amount. Bail bond agents also tack on hidden fees and collateral requirements and intimidate families to pay up. Families that struggle are often trapped in cycles of debt while contending with the looming threat of their loved one’s incarceration if they fall behind on their payments.

This [industry] is completely dominated by retired state probation people and wardens of state prisons. They created this industry for themselves.

Sheriff Howard Sills of Putnam County, GA

There has been local, state, and federal-level movement to curtail the influence of the commercial bail bonds industry, but the industry pushes back with considerable power. In recent years, activists and advocates have organized bail funds and done crowdfunding to bail people out of jail. The results of these bail outs undermine the central argument that undergirds the bail bonds industry: that money bail is necessary to ensure people return to face trial. One study by a charitable bail fund found that 95 percent of people bailed out returned to court though they had no personal financial obligation.
The situation is often even worse in the immigration system. Detained immigrants can often post bail to be freed while awaiting their deportation proceedings, which typically last more than two years. But the median immigration bond is $7,500, far beyond what many can afford on undocumented wages. Immigration bail bond agencies, like Libre by Nexus, post immigration bonds in exchange for a 20 percent non-refundable premium. But, before paying the bond, Libre forces people to agree to wear an electronic monitor. These monitors come with outrageous fees that can rival the cost of the bond itself: $460 activation fee, $50 device delivery fee, and $420 in monthly device lease charges. Many are unaware of these charges — hidden in contracts written in a foreign language — until they receive the bill. If people are unable to pay, Libre threatens them and their families with deportation.

**DIVERSION PROGRAMS**

Diversion programs are another example of a so-called “alternative to incarceration” used to extort poor people. In counties across the country, administrators have outsourced these diversion programs to private corporations that use the threat of incarceration to force people facing charges into costly and ineffective programs. Consequently, wealthy people can pay their way out of a jail sentence while people in poverty must choose between incarceration and debt.

In practice, privatized diversion is more like extortion than rehabilitation. Many diversion corporations partner with prosecutor offices, who often receive a percentage of the fees paid by participants, giving them an incentive to charge people unnecessarily and push them into diversion programs. Yet, in some jurisdictions, these corporations have entirely replaced prosecutors, going so far as to target and contact people suspected of petty crimes before they have even been charged, threatening them with prosecution unless they pay hundreds of dollars to enter their diversion program.

For example, in Illinois, dozens of counties contract with two diversion corporations, CorrectiveSolutions and BounceBack. People who accept one of CorrectiveSolutions’ diversion plans can end up with hundreds of dollars in fees — up to $175 for classes, $35 for administrative fees, and countless other charges for rescheduling classes or late payments. In one county, the corporation sent notices to over 3,000 people demanding they enter their program — 1,342 people completed it. However, the state’s attorney office ended up only charging 11 of the hundreds of people who never entered the program, suggesting that many people paid for diversion for charges that would never have been brought.

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**WARNING OF CRIMINAL CHARGES**

The State’s Attorney’s Office has received a complaint against you for issuing a worthless check(s). (See list below) Issuing a worthless check with knowledge of insufficient funds and with the intent to defraud is a criminal offense punishable with jail time and/or fines. It appears that you have ignored the demand by the recipient of the listed check(s) to make restitution. Under Illinois Statutes, this can constitute criminal intent and a Warrant for your arrest can be issued.

It is still possible to avoid a CRIMINAL CONVICTION

The Kaskakee County State’s Attorney’s Check Enforcement Program allows check writers facing possible criminal action an opportunity to avoid that action. But you must comply with the conditions of this diversion program.

*CorrectiveSolutions letter threatening criminal charges*
Hundreds of private sober homes across the country also serve as diversion programs and trap people in cycles of debt and addiction.\(^8\) In many cases, these homes offer no treatment and are nothing more than insurance scams. In Florida, for example, a treatment company called Whole Recovery ordered their residents to undergo unnecessary drug tests and confiscated their keys and phones to prevent them from leaving, all while charging thousands of dollars in fraudulent claims to their insurance companies.\(^8\) And one Philadelphia-based rehabilitation corporation, Humble Beginnings, sent countless patients to recovery centers in Florida like Whole Recovery, in exchange for kickbacks.\(^8\) This scheme has become so commonplace that it is widely known as the “Florida Shuffle.”\(^8\)

Still, perhaps the worst diversion abuse is seen in drug rehabilitation programs that push unpaid hard work as the treatment for addiction. Investigative journalism in 2020 revealed at least 300 drug and alcohol rehabilitation facilities in 44 states that required unpaid work. In some cases, this work was contracted out to corporations – participants worked in oil refineries for Exxon and Shell, other stocked warehouses for Walmart, and still others slaughtered chickens for Simmons Foods. These corporations paid program operators, often non-profits, which used the funds to pay executives generous salaries.\(^9\)

### COMMUNITY SUPERVISION

Currently, two-thirds of adults under control of the criminal legal system are not incarcerated, but under supervision in the community.\(^9\) While not confined to a carceral cell, people under community supervision are often have their travel rights restricted and remain under the ever-present threat of incarceration and scrutiny of the government.

Pretrial supervision, probation, and parole function similarly but as different systems. Pretrial supervision is imposed on people facing charges based on their “suitability” to remain free before trial.\(^9\) Probation is a sentence that allows people who are convicted of a crime to avoid incarceration if they agree to a series of conditions, fines, and fees.\(^9\) The average person on probation has 15 conditions placed on their freedom.\(^9\) Parole offers release from prison or jail after a person has served a minimum sentence at the cost of similarly onerous conditions.\(^9\)

It is my sense that the imposition and enforcement of probation conditions has become more punitive in nature, and I think much of that may be attributed to the type of persons we are attracting to the probation profession.

_Dan Beto, former Texas probation director\(^9\)"

| 4.4 million |
| Adults on probation or parole\(^9\) |
| 25% |
| Prison admissions for technical violations of probation or parole\(^9\) |

The conditions imposed by these various community supervision regimes are invasive and nearly impossible to meet, setting people up for rearrest for technical violations, not new crimes. This is particularly true in Black and Brown communities that are subjected to over-policing and for people with low income whose lack of resources make certain requirements particularly hard to meet.\(^9\)
As a result, community supervision has created a revolving door to our prisons and jails, sending people behind bars for trivial technical violations like showing up late to an appointment. There are nearly 150,000 prison admissions each year for technical violations—a staggering 25 percent of admissions nationwide. In some states, the number is even higher. For instance, in Kentucky, technical violations account for 63 percent of prison admissions and 45 percent of the prison population on any given day.99

In many states, probation and parole are increasingly outsourced to private corporations that boldly advertise shifting government costs onto supervisees to win contracts. Under this model, courts pay nothing, and individuals are required to pay out of pocket for all costs associated with their probation or parole. For example, Providence Community Corrections (PCC) charges people under its supervision fees that range from $35 to $44 per month.100 And they add fees for services such as drug testing or mandatory classes that are compelled as conditions of probation or parole. In one case, PCC charged a woman surviving on disability payments $20 per randomized drug test though her original offense was not drug related.101 For the those with low income who are disproportionately targeted by the criminal legal system, even seemingly low costs are extremely burdensome, and can snowball exponentially over time. People who cannot afford to pay these fees are often sent to jail or prison.102

Electronic monitoring is used to incarcerate people in their own homes or restrict their movement to a particular geographic area, making life in the community nearly as restrictive as life in a prison. And like privatized supervision, electronic monitoring is increasingly funded by the people subjected to it.103 These costs include hefty setup fees of up to $200 and daily monitoring fees that can reach $40, meaning that the cost of electronic monitoring can easily exceed the monthly cost of rent for many. And if a device is damaged, those on supervision can be charged as much as $1,200 to replace them. When people fall behind on their payments, they can be punished with home confinement, if not already subjected to it, until they can come up with the money—a nearly impossible task if they cannot leave their house.105

Although people under supervision are often required to work, the very presence of an electronic monitor can make it difficult to find or keep a job. These devices carry a stigma for the people who wear them, often leading coworkers and supervisors to pass judgment. One study revealed that 22 percent of people forced to wear an ankle monitor had been terminated...
from a job because of it. They also make it difficult for people working physical labor jobs like construction to wear necessary protective gear.

But electronic monitors jeopardize more than one’s ability to work, they also threaten the health and well-being of those wearing them and that of their families. Monitors not only present new health hazards, but also prevent people from getting necessary care. For example, an electronic monitor can jeopardize one’s participation in an anonymous substance abuse treatment program, prevent a person from appropriately caring for themselves or family in emergencies, or subject a person to discrimination by healthcare providers. These devices also exact a psychological toll. For instance, many have gone through the humiliating experience of charging a monitor in public given their limited battery life.

Newer devices are even more invasive. Agencies around the country increasingly require people convicted of driving under the influence to wear devices that measure the blood alcohol level in their perspiration. These alcohol monitors alert law enforcement if they detect that someone has consumed alcohol but are prone to false positives triggered by everyday products like lotion or cologne. The spread of smartphones has created yet another frontier for electronic monitoring. Invasive applications like Guardian by Telmate and Touchpoint by SCRAM allow law enforcement to live monitor people through their cellphones with incredible errors, putting the freedom of many at risk. Other smartphone applications like Promise claim to be change agents that offer people reminders about court dates, databases of service referrals, and online courses all on the government’s dime, but are still paid per person, giving it little incentive to help people leave the system. Far from being tools for decarceration, as their developers claim, these applications are just 21st century shackles.

Sarah’s Story

The day my baby was born was supposed to be the happiest day of my life. Instead, I spent the day defending my right to motherhood and right to care. That’s when I learned that the stigma associated with wearing an ankle monitor can kill you. It can also steal your child.

When I returned home from the hospital after giving birth, I got a call from Child Protective Services informing me that a case manager was coming to do a home inspection to make sure my baby was safe. Apparently, a nurse had called the agency after she saw my ankle monitor. I was shocked and hurt because I straightened out my life for my baby.

My ankle monitor is a probation requirement I’ve had since I was released from jail, then rehab. I can only leave my house between 7 a.m. and 7 p.m. and, when I’m home, I have to be tethered to the wall for two hours every day to charge my monitor. Imagine tending to a crying baby attached to a wall or worrying about being arrested for taking your baby to the emergency room?

For all this trouble, my husband and I have to pay $300 per month on top of the $250 per month to simply be on probation. When I’m late on a payment, the monitoring company calls and threatens to have me jailed again. They provide no other support. They didn’t even tell me when my ankle monitor was going to be removed – but it was finally taken off just a few weeks ago.
Electronic monitoring has caused me physical, financial, and psychological hurdles since the day I came home, not a pathway to recovery and reentry. People claim it’s an alternative to incarceration, but I served my sentence. I’m on probation; I still have to report, and I still have to test for drugs. It’s not replacing anything.

**RESIDENTIAL REENTRY AND DAY REPORTING CENTERS**

Residential reentry centers, or halfway houses, are intended to transition people successfully from correctional settings to free society by providing a supportive structure. However, they often require people to navigate confusing and often contradictory requirements while living in conditions that can resemble the worst prisons and jails.\(^\text{115}\)

*The living conditions were worse than prison. When it rained, the halfway house staff would break out a dozen five-gallon buckets... We had two bathrooms for over 70 guys...*

\begin{quote}
Shon Hopwood, Georgetown Law professor and former private halfway house resident\(^\text{116}\)
\end{quote}

In most cases, halfway house residents are forced to find employment, if not enrolled in a program. But in the federal system, for instance, halfway houses can take up to 25 percent of residents’ wages, preventing them from becoming financially independent.\(^\text{117}\) Unsurprisingly, these houses generate huge profits for their operators but few benefits for the people in them. In Pennsylvania, for example, the state spends $110 million annually on private halfway houses, but in 2013, a study revealed that these halfway houses had worse recidivism rates among their residents than people who are released directly from state prisons onto the street.\(^\text{118}\)

In New Jersey, private halfway houses cut costs with disastrous consequences. After officials decided to move thousands of people incarcerated in state prisons to private halfway houses in the late 1990s,\(^\text{119}\) the state signed a contract with Community Education Centers (CEC) worth $71 million per year. Although CEC executives paid themselves millions in salaries and bonuses, the conditions in their facilities were abysmal. Residents reported widespread sexual assault, rampant drug use, and unqualified staff,\(^\text{120}\) leading many to run away.\(^\text{121}\) A series of investigations revealed that then-New Jersey Governor Chris Christie had close ties with top executives of the corporation, and many were also paid as state advisors.\(^\text{122}\) And despite all these troubles, The GEO Group, which acquired CEC in 2017 for $360 million, continues to proclaim that its facilities in New Jersey are a national model.\(^\text{123}\)

Private day reporting centers also suffer from many of the same issues. Corporations in the space typically sign contracts with state agencies that pay per diem rates per person in their programs. Unsurprisingly, this model creates a strong incentive to create abusive program requirements that keep people enrolled perpetually. In California, for example, The GEO Group’s programs – often focused on behavioral thinking rather than education or vocational training – require people to take courses at the center for 12 hours a day, 7 days a week.\(^\text{124}\)

Support has grown across the political spectrum for community-based restorative justice and substance abuse treatment. But with the criminal legal system still in control, the increasing
involvement of corporations has simply given rise to a treatment industrial complex\textsuperscript{125} incentivized to keep people in the system. These corporations have lobbied to increase the use of residential reentry and day reporting centers.\textsuperscript{126} In 2018, they successfully secured increased funding for these community corrections solutions in the federal First Step Act.\textsuperscript{127}

Bail bond agencies reinforce a system that allows wealthy people to pay their way out of jail and working-class people – disproportionately Black, Brown, and Indigenous – to suffer behind bars. While they claim to perform a public service, their history of abuse and lobbying for punitive laws reveals their mere parasitic dependency on racist and classist policing and policies. Fortunately, communities around the country are standing up to this powerful industry. The end of the money bail system is in sight, but corporate lobbyists are fighting back.

And the community supervision industry has corporate lobbyists at work, too. Private prison operators drafted the blueprint for mass incarceration and lobbied for its implementation. Now, as they watch their business model come under attack by a cultural change, they profess support for reforms that would decrease the carceral population and likely their bottom line. However, in the background, they have spent millions lobbying to make community corrections the solution of the future and preparing for the shift. But the people who created our carceral crisis cannot be trusted to solve it.

For that same reason, the rise of surveillance technology should be viewed with serious suspicion, not welcomed with open arms. Despite the industry’s attempt to portray dystopian technology like electronic monitoring as an “alternative to incarceration,” community surveillance will, at best, replace physical shackles with digital ones fueled by the same racist systems of financial exploitation and, at worst, widen and deepen the net cast by the criminal legal system. And these innovations will not save taxpayer money, they will merely impose a hidden regressive tax on overpoliced Black, Brown, and Indigenous communities and those in poverty. We must reevaluate these so-called solutions and dream of new ones if we are to truly free people.

### LEARN MORE

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CONCLUSION

That was a lot. We know.

And sadly, it still is far from everything that could have been included in this report. As our communities know too well, there are millions of examples of every harm that was mentioned and there are still countless others that went unspoken. There are also many more who inflict this harm in using the carceral system to build their wealth and livelihood – and not just in the private sector, but also in government, unions, and non-profit organizations.

In fact, even unknowingly, many of us are implicated. Our tax dollars, pension funds, and retirement accounts are all invested in the prison industry – the corporations covered here and a myriad of others. Our favorite sports teams and cultural institutions are owned and supported by executives that build their wealth off people in cages. Even the financial aid that helps us make tuition payments is, at times, supplied by or invested in the prison industry.

The prison industry is ubiquitous in our lives. For many, this is entirely new. For those in our communities, it is not – it is just a new articulation of painfully familiar experiences. But whether you picked up new information or just a new perspective, we encourage you to reflect on what you read, share the information with your loved ones, and find time for meaningful discussion.

Understanding our oppressive system is just the first step in moving toward the abolition of police and prisons. The work is still ahead of us. We hope you will channel what rage or frustration this report conjured up toward creating change in your community, however big or small. A seemingly impossible task, we must do our best to carry forward the torch of our brave and brilliant elders and ancestors. With their enduring guidance, we can dismantle the prison industry – root out its racist, classist, and patriarchal core – and build in its place a truly liberated world.
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