Privatization of Jails and Fiscal Accountability: An Assessment of Resource Management and Inmate Well-Being in Private Correctional Facilities

Hyeju Yoon[1] and Carlos Pena[#]

[1]Bergen County Technical High School, USA
[#]Advisor

ABSTRACT

The trend of privatizing correctional facilities has become increasingly popular globally, heightening concerns about attaining a balance between cost-effectiveness and the quality of inmate treatment. This study evaluates the extent to which resource allocation strategies, financial responsibility frameworks, and the overall welfare of incarcerated individuals are influenced by prison privatization. It also considers various variables, including financial transparency, efficiency in resource utilization, and the provision of basic services such as healthcare, education, and rehabilitation programs. By coupling qualitative and quantitative data, this paper underscores the ongoing debate about the merits and challenges of privatizing correctional facilities. It provides insight to stakeholders, private corporations, and policymakers who could engage in criminal justice reform initiatives. Moreover, the results stress the urgent need for strong fiscal awareness and accountability procedures in reducing the inferior effects of prison privatization while prioritizing inmate rehabilitation and well-being in private correctional facilities.

Introduction

As of 2024, private correctional facilities in the United States hold approximately 8% of the world's incarcerated population (Sawyer & Wagner, 2024). The historical root of the nation explains the reason for the prevalence of these privately owned prisons. Initially, the government incentivized jailers to accommodate those awaiting trial. In return for incarcerating prisoners, they leveraged high fees for their services and even detained debtors until the debt was fully paid (Mason, 2012). An example of early prison privatization dates back to 1844 when Louisiana renounced one of its public facility's operations to McHatton Pratt and Company. This private company transformed facilities into manufacturing factories, employing incarcerated individuals as laborers, thus generating ample profit (Badmus, 2024).

Still and all, it was in the 1980s that the severe issues of private prisons were one by one unveiled to the public. The 'War on Drugs' and the Reagan Administration served as catalysts for the 115% increase in the prison population within a decade, attaining this figure by 1990. Implementing mandatory minimum sentences and harsher sentencing guidelines worsened the situation. Due to the uncontrollable rate at which the inmate population was rising, the U.S. government demanded a more significant number of prisons. However, public prisons were not a suitable solution because they were burdened by strict regulations and expenses, struggling with the high cost of supplying prisons with sufficient food, education, recreational programs, healthcare, and staff. Several other issues were brought up by the unexpected rise in the prison population, including human capital, societal obligations, and operating expenses. The United States spent $21 billion on state prisons in 1990, according to a 2014 Department of Justice report; that amount would be worth approximately $52.3 billion in 2024 (Kychelhahn, 2014). For this reason, the government sought cost-effective alternatives, thus contracting with private corporations to attain at least 10% cost savings as opposed to public prisons (Mukherjee, 2021). In addition, President George H. W. Bush's 1992 executive order further promoted prison privatization, solidifying private correctional corporations as notable stakeholders in influencing political policies.

Stringent crime policies and the deinstitutionalization of mental health facilities in the 1970s contributed to the population crisis in private prisons. As a result, instead of exercising direct control over inmates, the government turned to private enterprises. Initially, businesses pledged to offer better healthcare at a reduced cost. However, eventually, they shifted their priorities, putting cost reductions ahead of inmate well-being and transforming correctional facilities' fundamental purpose. By the early 2000s, over 60% of prisons contracted with private corporations to provide inmate healthcare (Holahan, 2023). States continued to rely on these corporations despite a growing number of lawsuits and allegations, which created severe problems for the prison population and the communities they returned to after being released.

Proponents of private prisons point out its effectiveness and streamlined procedures, which cut down on operational expenses and do away with bureaucratic procedures. Critics caution against deliberate quality reductions in order to save costs, as well as inadequate contracts. Furthermore, since higher recidivism directly benefits corrections, the profit-driven structure of private prisons generates illegal incentives. Prioritizing financial accountability in correctional facilities becomes essential in light of these difficulties. In a democratic society, transparency, accountability, and resource allocation are crucial; thus, every aspect of the criminal justice system must be scrutinized, given the severe financial and social ramifications of prison privatization for the general public and inmates.

Private corporations' fiscal accountability, resource management, and inmate welfare policies can reveal the intricacies of prison privatization, which this study aims to examine to understand its implications. Advocating for informed policy interventions that uphold fiscal responsibility, better resource management, and treatment within correctional institutions is essential.

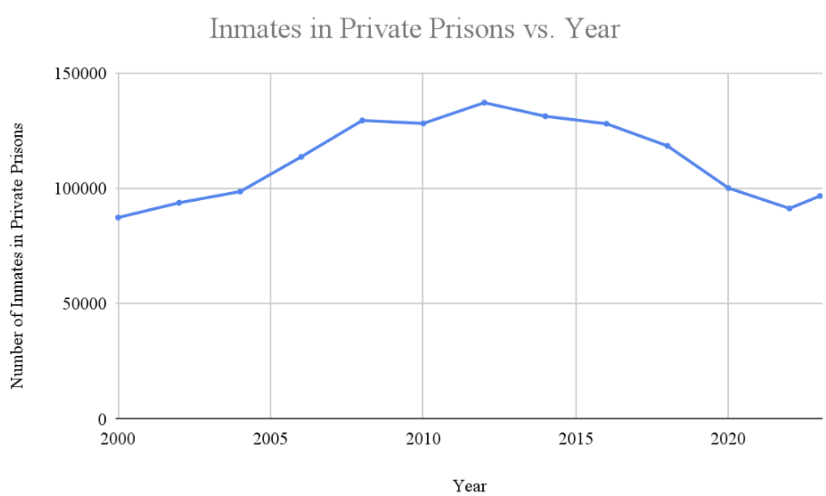

Figure 1. Number of Inmates in Private Prisons from 2000 to 2024. Statistics from the Bureau of Justice.

Overview of Privatization of Jails

The Percy Amendment, also known as the Justice System Improvement Act, enacted in 1979, was a momentous point in the history of for-profit incarceration in the United States. This legislative measure, which notably removed restrictions on the interstate sale of prison-made goods…to the federal government' (Reynolds & Rostad, 2001), not only set the stage for the commercialization of incarceration but also had vital societal implications, altering the landscape of the criminal justice system and the lives of those within it.

Following the enactment of the Percy Amendment, the Private Sector/Prison Industry Enhancement Certification was established, heralding a new era of deregulation in the management of incarceration (Badmus, 2024). This deregulation paved the way for the emergence of the first private prison in Hamilton County, Tennessee, in 1984, operated by CoreCivic under a government contract. CoreCivic, formerly Corrections Corporations of America (CCA), swiftly ascended to prominence alongside Wackenhut Corrections as a leading corporation in the private prison industry. It is the largest private correctional corporation nationwide, owning 56% of all privately owned prisons in the U.S. (Investigate, 2022). In 2021 alone, it incarcerated 53,613 individuals, generating an average revenue of $89.86 per person and totaling $1.9 billion in revenue. The proliferation of private prisons was staggering, with an additional 66 facilities opening across the U.S. in the six years following the inauguration of CoreCivic's first facility in 1984, a testament to the rapid growth and influence of the industry.

The expansion of the private prison industry received a significant boost because of establishing independently run immigration detention centers under the Trump Administration. This policy led to a surge in immigrant detainees, with CoreCivic and GEO Group securing the majority of private prison contracts for housing them as of 2024. Privately owned entities account for 73% of the U.S. Immigration and Customs Enforcement (ICE) detention facilities (Badmus, 2024). Private prisons experienced a significant increase in inmate population, surpassing the growth rate of the total prison population. Since 2000, the number of inmates in private facilities has risen by 32%, while the overall prison population increased by 3% (Budd, 2024). Moreover, from 1984 to today, the private prison population soared by 194%, far exceeding the 36% growth of the entire U.S. population (Poyker & Dippel, 2019).

The Comprehensive Crime Control Act and the Sentencing Reform Act, two significant legislative measures, were crucial in expanding the private prison industry. The former introduced mandatory minimum sentences and eliminated federal parole, while the latter established federal sentencing guidelines, effectively ending intermediate sentencing.

In response to these legislative changes, private correctional corporations flourished, offering cost-effective alternatives to accommodate the escalating inmate population. Initially providing specific services within prisons, these corporations transitioned to managing entire prison operations through privatization. They capitalized on business growth by offering services such as facility construction and operation at lower costs, leading to increased outsourcing by states and federal agencies (Israel, 2019). However, the rise of private prisons also brought forth challenges regarding transparency and accountability. Private corporations utilize confidentiality clauses to shield information from oversights, allowing them to operate without restrictions. Moreover, they evaded specific regulations applied to public prisons, potentially compromising standards of care for incarcerated individuals.

Fiscal Accountability in Correctional Facilities

Prudent accounting processes are coupled with the judicious and legal distribution of public monies, known as fiscal accountability. In order to ensure the quality of services and prevent fraudulent actions within government contracts, contracts must be carefully drafted and overseen by qualified government managers (Headley & Garzia-Zamor, 2014). It is significant to underscore that contractual ties frequently remain incomplete, leaving them open to interpretation. This vagueness, especially common in contracts with private prisons, encourages a lack of accountability and transparency. Due to the ambiguity in the contracts, private prisons can make discretionary decisions in these partnerships without having sufficient scrutiny measures. As a result, countless instances of improper behavior go unreported due to a lack of robust oversight.

As a safeguard against corruption, transparency is essential to advancing good government. It also promotes efficiency, improves performance, and builds confidence. The absence of comprehensive contracts in the private prison sector grants these organizations a certain level of independence from oversight and responsibility, hence aggravating problems related to misconduct and the general standard of prison operations. The fundamental principles of correctional facilities are undermined by the profit-driven character of private prisons and the lack of restrictive regulatory frameworks, which create an environment favorable to self-serving actions (Pratt, 2022).

Lobbying

One essential tool used by private prison corporations such as CoreCivic and GEO Group to further their entrenched financial interests in incarceration is lobbying. Such companies most frequently use lobbying activities financed by taxpayer funds to alter criminal justice and sentencing guidelines. They engage in massive lobbying campaigns to support laws that increase the rate of incarceration while simultaneously benefiting their bottom line. Using organizations such as the American Legislative Exchange Council (ALEC) makes it easier for laws that support their objectives to be drafted, which feeds the cycle of growth in the number of private prisons. Even with the critiques leveled at these activities, lobbying continues to play a significant role in advancing the profit-driven objectives of private correctional institutions, with significant financial resources being committed to these endeavors.

Campaign Contributions

Private prisons also use campaign contributions to influence legislative and policy-making processes. Private prison corporations sponsor lawmakers and political candidates who share their interests to obtain access to decision-makers more likely to pass legislation that benefits them. Notably, contributions made during election cycles influence election results, affecting the sentencing trajectory's direction. The convergence of political ideology advocating increasing incarceration rates with corporate prison interests is highlighted by the disproportionate allocation of funds toward candidates who favor harsher crime policies and increased incarceration rates (Pratt, 2022; Lurie, 2020).

This preference for Republican candidates over Democrats stems from Republican lawmakers' predisposition to advocate for stricter crime laws, which are directly related to rising inmate populations that benefit private prisons. In addition, Republicans are more inclined to endorse privatization of public facilities, including prisons, which aligns with the profit-driven goals of private correctional corporations. This ideological congruence strengthens the ties between private prisons and Republican candidates, increasing their influence over legislative agendas.

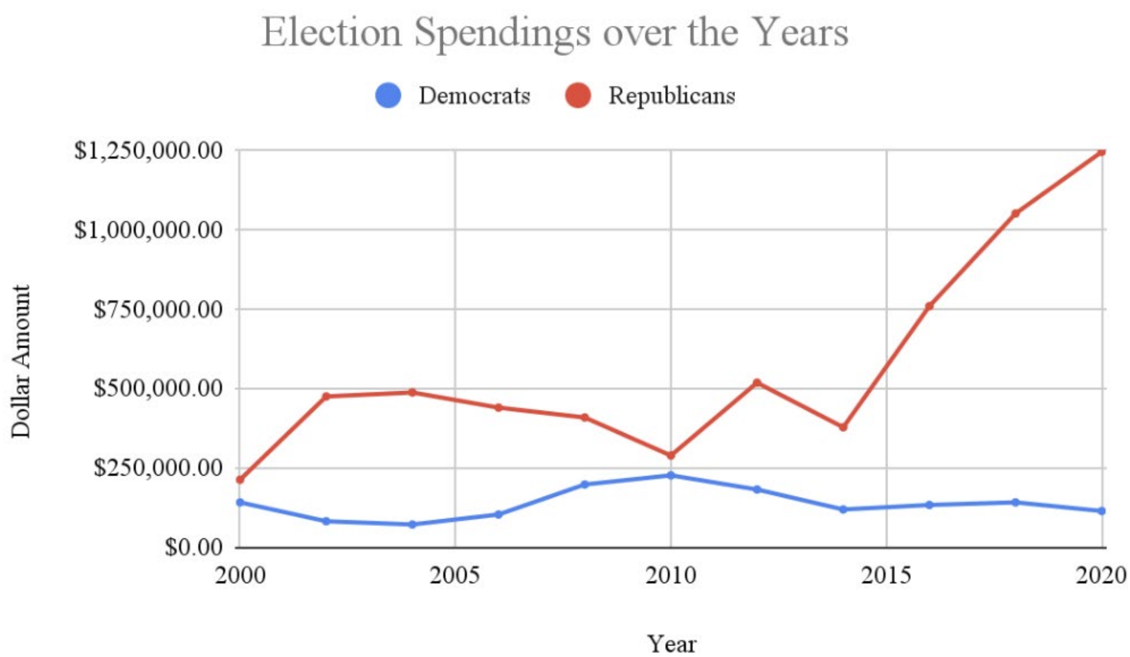

Figure 2. Dollar Amount Spent by Democrats and Republicans on Private Prisons from 2000 to 2020

Networking

Private correctional corporations turn to networking as a tactical tool to cultivate relationships with important stakeholders, such as corporate leaders and government officials. Private prisons actively participate in groups like ALEC and establish trade associations to sway legislation and policy choices to their advantage. Furthermore, these organizations can maintain connections at the legislative and administrative levels by taking advantage of the revolving door between the public and private sectors, increasing their influence on the criminal justice system.

Judges

A big part of private prisons' overall power in the criminal justice system is their ability to influence judges. Private prisons use overt tactics to try to influence sentence decisions in their favor, including direct political contributions and, in extreme situations, bribery. This indirect yet powerful effect emphasizes the nuanced ways private prisons influence the criminal justice system, frequently at the expense of reasonable and justified outcomes.

Mark Ciavarella and Michael Conahan, two Pennsylvania judges who planned a plan to place kids in private juvenile facilities, provided a striking example of this pernicious effect. The illegal payment of $2.8 million by the builder and co-owner of two private detention facilities—a scandal now dubbed the "Kid for Cash" scam—was the driving force behind their activities. This flagrant misuse of authority highlights the extent to which private prisons would go in order to influence court rulings (Rubinkam, 2022).

Legislative efforts to restrict the power of private prisons have taken the form of bills that would outlaw their activities. A historic bill that virtually forbade the state of California from engaging in or extending contracts with private prisons was signed into law by Governor Gavin Newsom in 2019. This law established a deadline to abolish private prison use in the state by 2028. It was motivated by concerns about the mass incarceration crisis and the imbalance between the ideals of private prisons and Californians. In line with many bill proponents, Governor Newsom underscored the need to find humane and therapeutic alternatives to incarceration by citing the negative consequences of private prisons, such as health, safety, and welfare.

The California Bill's sponsor, Democratic state assemblyman Rob Bonta, emphasized the bill's importance in delivering a strong statement against privatized prisons. According to Bonta, these organizations benefit from the misery of those who are incarcerated and do not have the necessary motivation to offer vital services like drug addiction treatment and career education. Critics object to the lack of essential rehabilitation programs and the preference for profit over the well-being of prisoners, even though private prison businesses have defended their facilities as offering safe and secure accommodation. A significant step toward bringing the state's criminal justice system into line with its goals of equity, rehabilitation, and public safety has been taken with the approval of the California Bill (2019, Sstracqualursi).

Likewise, legislative measures were implemented in Washington State to tackle the issues related to privatized prisons. To forbid the operation of private detention facilities within the state, Bill 6442 was passed; it made clear that these facilities were known for their cost-cutting and documented abuses. The bill explicitly stated that "there are numerous documented abuses of people held in private detention facilities in Washington state and elsewhere." and "it is risky and harmful to Washingtonians to imprison people in private detention facilities because doing so reduces operating costs" (Brimhall, 2021). Washington sought to protect the rights and welfare of inmates by outlawing the operation of for-profit, private prisons and limiting contracts with out-of-state facilities. The legislature's conclusions highlighted how corporate profits were given precedence above the basic requirements of prisoners, raising issues with safety, rehabilitation, and fundamental human rights. The state of Washington signaled its commitment to a more just and humane approach to incarceration by closing the final private detention facility in Tacoma, marking a significant step towards the end of the private jail period.

Resource Management in Private Correctional Facilities

The practical duties of running these facilities fall to private prisons owned by individual companies. Their main goal is to make profit, which they frequently do by entering into contracts with the government. Payments to the company under these contracts are usually contingent on several parameters, such as the size or capacity of the institution. Private prison companies benefit from more operational freedom due to relatively fewer regulations. This freedom enables them to reduce costs associated with staff wages, medical treatment, education, recreational programming, and overall inmate living conditions.

The consequences of these cost-cutting measures are clear, often manifesting in heightened levels of violence among inmates, protests, escapes, and a high turnover rate among staff. In Tennessee, for instance, annual turnover rates have soared to as high as 60%, leading to severe staffing shortages. CoreCivic, a prominent private prison corporation, has grappled with operational challenges and legal battles due to its struggles with staff retention, ultimately resulting in financial strain. The removal of CEO John Ferguson and the necessity to settle numerous lawsuits underscored the corporation’s short-sighted focus on immediate profits at the expense of long-term sustainability, culminating in financial indebtedness (Badmus, 2024).

From the government’s perspective, such circumstances pose a significant risk. If private prisons accumulate substantial debt, impeding their ability to function, governments may be compelled to allocate additional resources and time to secure alternative housing for displaced inmates. For instance, in Colorado, two private facilities - Bent County Correctional Facility and Crowley County Correctional Facility - faced financial turmoil due to staggering turnover rates of 107%. In response, state lawmakers authorized an additional $5.4 million in funding for two consecutive years to support both institutions (Nott, 2022). This scenario exemplifies the inherent ambiguity surrounding the purported cost-effectiveness of private prisons; while daily expenses may appear lower, the long-term efficacy remains uncertain.

Despite offering apparent cost-saving opportunities for governments and profit incentives for private corporations in the short term, private prisons often become financially burdensome due to declining operational efficiency resulting from inadequate oversight and corner-cutting practices. The detrimental impacts of private prison operations - including substandard conditions, frequent employee turnover, and instances of inmate mistreatment stemming from deliberate neglect - present challenges. According to the Bureau of Justice Statistics, states collectively spend roughly $8 billion annually on prison healthcare alone, a substantial portion of which is outsourced to private corporations like Corizon Health, the largest provider of private prison healthcare services in the United States (Neate, 2016).

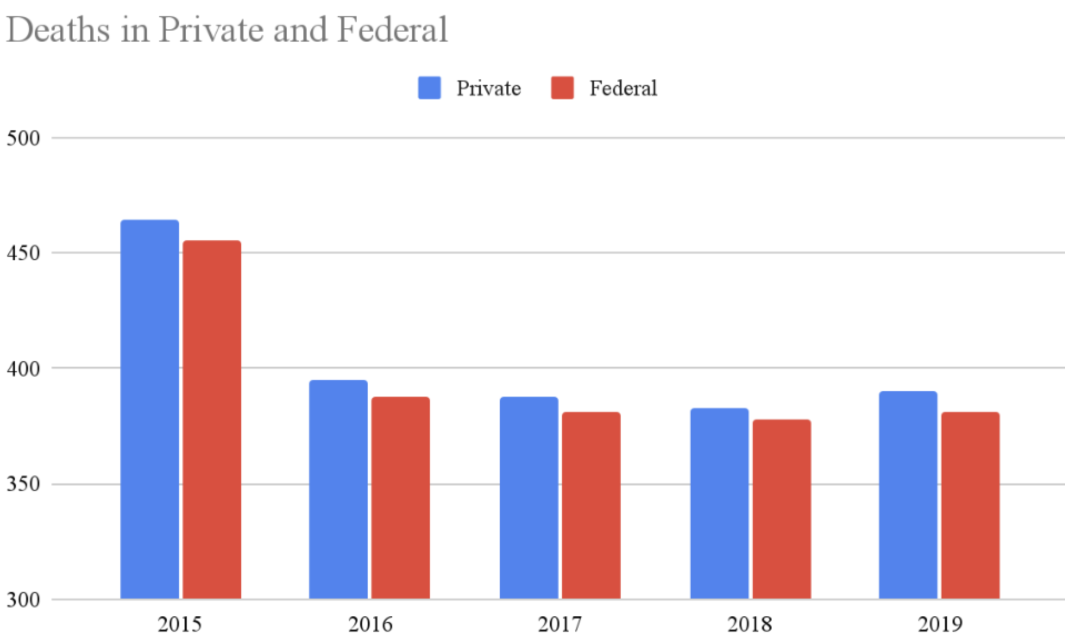

Figure 3. Number of Deaths in Private Prisons vs. Federal Prisons. Statistics from the U.S. Department of Justice

Private correctional corporations heavily influence various facets of the criminal justice system, particularly evident in the realm of immigration detention, where, as of 2017, 73% of detainees were held in privately operated facilities (Gotsch & Basti, 2018). These facilities operate on a profit-driven model, exemplified by the inadequate provision of essentials such as food, which the Prison Policy Initiatives estimates to cost a mere $2.62 per day, resulting in substandard quality akin to elementary school lunches (Longton, 2024). Consequently, inmates are compelled to supplement their needs through commissary purchases, contributing to commissary vendors' approximately $1.6 billion annual revenue.

Moreover, private correctional corporations capitalize on inmate populations to bolster profits, with the average daily earnings per inmate surpassing the yearly cost of incarceration, reaching up to $200 per day per inmate, as evidenced by the Vera Institute of Justice. Exploiting inmate labor further amplifies revenue streams, with private prison corporations raking in substantial profits per inmate, as reported in 2015. Despite reaping immense financial gains, a significant portion of these profits is allocated towards lobbying efforts, with the private prison industry collectively spending $26.2 million on lobbying across 16 states since 2012, with CoreCivic and GEO Group accounting for a considerable portion (O'Neill, 2018). This profit-centric approach permeates various aspects of prison operations, notably in healthcare, where cost-cutting measures prevail under capitation payment models, incentivizing providers to minimize expenses to maximize profits, ultimately compromising the quality of care.

Assessment of Inmate Well-Being in Private Correctional Facilities

The Constitution safeguards fundamental rights, notably shielding individuals from being treated akin to enslaved people through two critical doctrines: substantive due process and equal protection (Craig, 2020). Among these rights is the entitlement for inmates to engage in various programs, such as education and rehabilitation, to equip them with skills essential for successful reintegration into society upon release. Unfortunately, the operation of private correctional facilities often prioritizes profit margins over the welfare of prisoners, resulting in a cost-cutting measure that compromises inmate well-being and contributes to low wages and high turnover rates, not only diminishes the quality of supervision but also heightens the risk of perilous incidents.

Table 1. The Average Wage of Correctional Officers in 2019

Federal	$57,870
State	$50,530
Local	$49,890
Private	$43,090

Some private prisons have gained notoriety for encouraging a gang-oriented atmosphere, and there have been accusations that guards have even been known to encourage violence among the convicts. On the other hand, the Government in the Sunshine Act, the Administrative Procedures Act, and the Freedom of Information Act all govern the operating environment of public prisons. Private prisons, on the other hand, are not subject to these restrictions. Therefore, they are not required to provide information about inmate mishaps or provide the public access to relevant documents.

Recent data point to a concerning trend: during the past 20 years, the number of private prisons has increased, and this correlation has been linked to an increase in recidivism rates, a phenomenon that has become worse over time (Phillips, 2020). Research indicates that states experience a startling 8.6% increase in one-year recidivism six to nine years after the construction of a private jail. This increase is not related to changes in crime rates but rather to a spike in prison admissions brought on by parole or probation violations. As a result, more people reoffend and go through the criminal justice system more frequently, which raises the long-term expenses for states and forces them to look to private prison companies for help.

Issues concerning transparency, accountability, and maladministration in private prisons raise significant alarm regarding prisoner rights, maltreatment, and violence. Private correctional corporations prioritize profit over inmate rights, resulting in a higher incidence of labor rights violations than public prisons. Moreover, inmates in private facilities encounter formidable structural barriers, such as a lack of access to legal aid, exacerbating their vulnerability.

There is serious concern about prisoner rights, mistreatment, and violence in private prisons due to issues with accountability, transparency, and poor management. Compared to public prisons, private correctional organizations emphasize profit over the rights of their inmates, which leads to a higher rate of labor rights violations. Furthermore, the vulnerability of detainees in private prisons is exacerbated by significant institutional hurdles, such as a lack of access to legal aid.

Following the arrest, individuals confront the obligatory expense of posting bail, rendering it unattainable for many. This reliance on private bail bondsman corporations, which demand a 10% fee plus collateral, further exacerbates financial strain. Moreover, private prisons exploit inmates for profit, collecting fees while receiving taxpayer-funded subsidies, thus perpetuating a cycle of exploitation to the detriment of both inmates and citizens. In cases of suspected undocumented status, individuals could be detained in immigration centers with bond requirements that average around $7,500 depending on the judge, adding another layer of financial burden to an already strained situation (Harris, Smith & Obara, 2019).

Private prison policies are different from those of traditional governance structures in that they emphasize punitive measures more than electoral checks and balances. As a result, people who support stricter jail rules tend to be more indifferent to the welfare of prisoners. Due to contractual arrangements that favor younger, healthier convicts, racial minorities—particularly Hispanics—bear the burden of these discrepancies and are disproportionately overrepresented in private prisons. These differences show themselves as exploitative labor practices in private prisons, where inmates work in hazardous conditions for little or no pay. Remarkably, many prisoners say they were forced to work and that their little pay made it difficult for them to pay for basic needs. Isolation and the loss of privileges are common penalties for refusing to labor.

The US Bureau of Justice Statistics reported in 2018 that nearly 2 million adults were incarcerated in America's prisons and jails. Of the 2 million inmates, approximately 128,063 were detained in facilities operated by private correctional corporations, a 47% increase since 2000 (Ahmed. 2019). States administer work release initiatives, facilitating inmate labor for private correctional corporations at external sites. Inmates involved in such programs are employed in perilous environments, particularly within poultry and agricultural settings. Notably, in Oklahoma and Mississippi, this kind of labor extends beyond inmates; Oklahoma enlists defendants in rehabilitation programs to process chickens without pay at private facilities. Mississippi operates "restitution programs," sending individuals to work for various industries to settle debts owed to the state. A private prison in Connecticut pays an average of 13 to 52 cents per hour to inmates (Lamica, 2023).

The dire conditions within private prisons extend to inadequate education and rehabilitation programs, understaffed facilities, and rampant violence. Education and rehabilitation programs are slashed to cut costs, and guards are paid a mere $9 an hour, typically no more than 24 guards on duty at a time, equipped only with radios to watch over 1,500 inmates (Ahmed, 2019). As a result, private prisons are plagued with violence. Tragic incidents, such as suicide due to a lack of mental health services, show the human toll of these deficiencies. Racial disparities persist, with Black men experiencing longer incarceration times than their white counterparts for similar offenses, highlighting systemic injustices within the prison system.

According to a 2022 survey conducted by the Bureau of Justice Statistics, a significant majority of inmates faced coercion into work (76%), struggled to afford necessities with their wages (70%), and expressed concerns about their safety while working (64%) (ACLU, 2022). In addition to these challenges, inmates endured further punitive measures such as solitary confinement, restrictions on sentence reduction opportunities, and loss of family visitation rights. The consequences of such conditions were highlighted by a psychiatrist's findings in a Mississippi private prison, where inmates typically lost between 10 and 60 pounds due to severe underfeeding (Amy, 2013). Descriptions of cruelty - "laid aside all objects of reformation and re-instated the most cruel tyranny, to eke out the dollars and cents of human misery" - echoed through the memoir of an inmate who witnessed a stark decline in the prison's commitment to rehabilitation after privatization, leading to tragic outcomes like suicide (Bauer, 2018). Another inmate, known personally to a writer, succumbed to self-harm after demanding mental health services in a prison with inadequate resources. Disturbing statistics from UC Berkeley underscore the disproportionate impact on black men, who are more likely to spend prolonged periods behind bars compared to their white and Latino counterparts, even for similar offenses (Palta, 2013).

Case Studies

Given that the federal and state governments are the only clients of private correctional corporations like CoreCivic and GEO Group, these companies have a financial stake in incarceration. In 2023, CoreCivic spent $1,680,000 on lobbying Congress and federal agencies on matters about the establishment and administration of privately run prisons and detention centers. From 1998 to 2021, the company spent over $30 million lobbying these same entities (Wadhwani, 2023). GEO Group hired 79 lobbyists in 15 states in 2015, compared to 102 lobbyists recruited by CoreCivic in 25 states. It is likely that other businesses that provide services to the criminal justice system, like Community Education Centers (CEC), Corizon Correctional Healthcare, Global Tel*Link (GTL), and MHM Services, employed more than 150 lobbyists in total at the state level (Lutz, 2016). Many of these lobbyists had previously worked in congressional offices and used their contacts in the political system to get laws that favored the interests of private prisons.

Entities like CoreCivic and GEO Group prioritize increasing occupancy and revenues as their primary business strategy. Reports indicate that these prisons generate profits by reducing costs, often through moderate cuts to staffing, fringe benefits, and other labor-related expenses. Another cost-saving measure involves hiring nonunion labor with lower benefits, thereby reducing staffing costs for private prison facilities. However, while maintaining ostensibly adequate correctional facilities, this cost-cutting strategy has proven to be highly problematic. History has shown that when private actors operate prison facilities with a profit-oriented approach, they may encounter issues associated with prioritizing higher earnings, resulting in deplorable and inhumane living conditions. The Obama administration's Department of Justice phase-out initiative, along with reports from independent sources such as Mother Jones, underscores the ongoing challenges stemming from pursuing greater profits within the contemporary private prison industry.

Table 2. Annual Revenue of CoreCivic in Billions of Dollars

2016	1.85
2017	1.77
2018	1.84
2019	1.98
2020	1.91
2021	1.86
2022	1.85
2023	1.9

Conditions endured by inmates and staff in private prisons have drawn significant concern from both media outlets and government agencies. Investigative reports have revealed troubling findings, including insufficient staffing and inhumane living conditions. According to the Department of Justice (DOJ), private prisons experience a higher per capita rate of various incidents, such as contraband discoveries, assaults, use of force, lockdowns, disciplinary infractions, and grievances, compared to public prisons. An FBI investigation uncovered record falsification and understaffing at a CoreCivic facility in Idaho, leading to frequent lockdowns typically reserved for actual disturbances. Inadequate staffing also results in mismanagement and poor oversight, contributing to the mistreatment of inmates.

From 2019 to 2021, CoreCivic lobbied the Office of the Comptroller of the Currency (OCC), an agency regulating federal banks. In 2020, the OCC proposed a "Fair Access to Financial Services" rule, which, if enacted, would have prohibited national banks and federal savings associations from refusing services to controversial entities, including private correctional corporations, for political reasons. Although the rule was finalized in January 2021, its implementation was postponed and put on hold.

The influence of private prison corporations extends beyond lobbying. For example, CCA's 2014 annual report stated that "the demand for our facilities and services could be adversely affected by the relaxation of enforcement efforts, leniency in conviction or parole standards and sentencing practices" (Poyker & Dippel, 2019). This highlights the direct link between stricter criminal justice policies and the profitability of private prisons. As President Donald Trump enforced stricter immigration policies, GEO Group significantly intensified its lobbying efforts with the GOP, aligning with the administration's scheme to expand immigrant detention centers, potentially boosting profits for GEO and its counterparts. Despite public criticism over abysmal conditions and recent deaths in these facilities, GEO denies influencing the criminal justice system or immigration policies, asserting continuity in its services since the Obama era. However, its lobbying expenditures surged under Trump, coinciding with the administration's policies. GEO receives substantial taxpayer funds for immigration detention, prompting questions from advocacy groups about the connection between policy change and corporate profits. Despite ongoing litigation and public backlash, GEO continues its political contributions predominantly to Republicans, who generally support its interests (Kim, 2019). During the 2020 election, GEO Group gave $500,000 to Republican campaigns and $10,000 to Democrats (Pratt, 2022).

Campaign contributions influence who will be elected and what policies and bills will be put forward in the legislature. This, in turn, affects sentencing laws and policies. In the 2014 election cycle, CCA contributed to 23 senators and 25 representatives in the House, while GEO Group contributed to 10 senators and 28 representatives. Among the 17 senators and representatives who received $5,000 or more contributions from either CCA or GEO Group in 2014, 14 resulted victorious in their respective races. Additionally, CoreCivic spent $10.6 million on immigration-related lobbying and $9,760,000 on lobbying members of the House Appropriations Committee Homeland Security Subcommittee, which is responsible for funding immigration detention (Lutz, 2016).

As of 2024, CoreCivic spent an annual $1,680,000, and the GEO Group spent an annual $1,250,000 on lobbying politicians and lawmakers (OpenSecrets, 2024). These corporations' pervasive lobbying and campaign contributions ensure their interests are well-represented in legislative and regulatory processes, often at the expense of humane and ethical considerations in prison management.

Inmate healthcare in private prisons suffers due to a shortage of medical professionals within facilities and corporate reluctance to transfer prisoners to hospitals, even in emergency cases. A writer from TIME magazine worked undercover as a correctional officer at a CoreCivic facility in Louisiana in 2014 and met a man who lost his legs from gangrene after pleading for medical attention for several months (Bauer, 2018). CoreCivic often resists sending inmates to outside medical facilities because their contract states that the company must fund such visits. In just four months in 2015, CoreCivic reported discovering around 200 weapons, a staggering 23 times more than the state's maximum-security prison. Mandatory vocational programs may also be lacking, further jeopardizing the safety of both inmates and staff. These dire conditions have incited frustration among inmates and staff, resulting in riots and even fatalities.

The erosion of confidence in the private prison industry, fueled by investigative reports and media accusations, has prompted the Bureau of Prisons (BOP) to initiate a phase-out of correctional outsourcing. This transition poses significant challenges to the industry's objectives, client relationships, and investor confidence.

Despite efforts by the industry to defend its reputation, it continues to withhold crucial information necessary for transparency and accountability.

The case of private prisons exemplifies the complex interplay between profit motives and the provision of humane correctional services. The ongoing scrutiny from government bodies and independent organizations underscores the need for comprehensive reforms to ensure that cost-cutting measures do not compromise the safety and well-being of inmates and staff. As the industry faces increasing regulatory pressure and public skepticism, the pursuit of transparency and accountability remains crucial for restoring trust and ensuring the ethical operation of correctional facilities.

During a 2018 court hearing, Frank Shaw, who was then the prison warden at East Mississippi Correctional Facility, declared quite superciliously that private prisons do everything they can to fulfill their obligations to the public. Under threat of perjury, Shaw, testifying in the United States District Court for the Northern District of Alabama in favor of CoreCivic, which operates the private prison in which he was then employed, attempted to vouchsafe the company's commitment to properly confining and safely housing prison inmates, along with its ability to do so. (Poor performance by prisons operated by CoreCivic and other private prison contractors has prompted calls for their abolition.

The trial revealed a number of very bad things were going on, and some were even secret, like the suicide of a mentally ill man who was supposed to be on suicide watch. Many people said they heard him crying out for help, but nobody did anything. And gangs attacked inmates without apparent provocation. To top it off, the place was so understaffed that when there were genuine medical emergencies, the inmates had to set a fire in their cell to get help. Private prisons like the one in Mississippi are a key part of the Trump administration's plan to gain up capacity in an incarceration system already swallowing more people than any other in the world.

Even though the Obama administration tried to decrease the use of private prisons little by little, the Trump administration has completely reversed that trend. Some states, including Mississippi, are still on board with the cost-saving benefits of private prisons, while others—such as Michigan, Utah, and even the federal government—are slowly transitioning away from using them. Nevertheless, the appearance of those profit margins in Mississippi means that the men inside East Mississippi, a place where nearly two-thirds of the inmates are mentally ill, are worse off from the start.

A federal civil rights lawsuit was filed by the ACLU and SPLC, and it called for big shifts within the Walls Unit. During the trial, witnesses spoke out to reveal the dangerous circumstances inside prison, a serious lack of supervision, and great difficulty in attracting and retaining a skilled prison labor force. On the other side, prison and state officials put forward testimony insisting that conditions were more than sufficient to fulfill the Constitution's mandate. But the evidence, we think, proved the jailers wrong—badly wrong—and showed that they cannot be trusted to operate a facility into which they pump $18 million of the taxpayers' money every year.

The trial brought to light a number of continuing issues afflicting the jail, including understaffing, insufficient training for guards, and a lack of proper mental healthcare. And while the accounts from the inmates who took the stand might, for some people, raise some concerns regarding their credibility, those accounts haven't actually been contested by either the state or the private jail company.

During his time on the stand, one inmate went into unparalleled detail about a stabbing incident and the consequences that flowed from it. Clearly, the system that's supposed to be handling all of that—assault to aftermath—is seriously broken.

The safety and humaneness of private prisons are the big issues in this case, or at least they should be. The trial opened with a long look at the for-profit prison industry's sordid, at times fatal, at times downright sadistic, history. I'm grateful that the plaintiffs' attorneys did not waste much time in any quarrel about whether a creepy undertaker-like figure named Mr. Slattery, who runs one of the largest companies in the private-prison industry, has had a really bad hair day in the office.

Conclusion

The reality of prison privatization is that it has multifaceted effects, particularly concerning fiscal accountability, resource management, inmate well-being, and their broader implications for the US criminal justice system. Through a comprehensive analysis of literature and empirical evidence, it becomes evident that the privatization of correctional facilities opens the doors to substantial challenges and undermines these key domains. The profit motives of private correctional corporations lead to cost-cutting practices that compromise the quality and accessibility of essential services for inmates. This manifests in inadequate staffing levels, substandard healthcare, and deficiencies in educational and rehabilitative programs, all of which contribute to diminished human rights for inmates. In addition, the profit-driven incentives of corporations result in the prioritization of financial gains over the efficient allocation of resources to ensure the safety and well-being of inmates. This leads to operational inefficiencies, limited transparency, and a lack of accountability, occasionally resulting in fatal incidents. Furthermore, the impact of privatization extends beyond the confines of private prisons as it perpetuates systemic inequalities and incentivizes mass incarceration thus exacerbating social disparity and contributing to the overrepresentation of marginalized communities within the justice system. Moreover, it impedes the efforts to implement meaningful reforms and address systemic issues including recidivism, rehabilitation, and restorative justice. In light of these findings, it is crucial for society to critically evaluate the consequences of prison privatization and implement alternative approaches that prioritize humane treatment, rehabilitation, and reintegration of inmates. By addressing these issues, a more equitable, humane, and effective criminal justice system will be formed that signifies the rights and dignity of all individuals, both inside and outside correctional facilities.

Acknowledgments

I would like to thank my advisor for the valuable insight provided to me on this topic.

References

1. ACLU. (2022, August). *Captive labor: Exploitation of incarcerated workers: ACLU*. American Civil Liberties Union. https://www.aclu.org/news/human-rights/captive-labor-exploitation-of-incarcerated-workers
2. Adams , L. A. L. (2022, August). *Media portrayal of private prisons and inmates*. University of Louisville. https://ir.library.louisville.edu/cgi/viewcontent.cgi?article=5211&context=etd
3. Ahmed, H. (2019, August). *How private prisons are profiting under the Trump administration*. Center for American Progress. https://www.americanprogress.org/article/private-prisons-profiting-trump-administration/
4. Amy, J. (2013, May). *Mississippi prison run by Utah company called "barbaric."* The Salt Lake Tribune. https://archive.sltrib.com/article.php?id=56385710&itype=CMSID
5. Badmus, G. A. (2024). *Privatization and flawed punishment: An economic analysis and critique of private prisons in the United States and United Kingdom*. Northwestern Pritzker School of Law Scholarly Commons. https://scholarlycommons.law.northwestern.edu/njilb/vol44/iss1/3/
6. Bauer, S. (2018, September 25). *The true history of america's private prison industry*. Time. https://time.com/5405158/the-true-history-of-americas-private-prison-industry/
7. Brimhall, V. (2021, December). *The sad truth about private prison control in New Mexico*. The Sad Truth About Private Prison Control in New Mexico The Sad Truth About Private Prison Control in New Mexico. https://digitalcommons.law.seattleu.edu/cgi/viewcontent.cgi?article=2084&context=sjsj

8. Britannica. (2024, March 5). *War on drugs*. War on Drugs. https://www.britannica.com/topic/war-on-drugs
9. Brown, M. (2023, December 12). *Tennessee prisons mishandled sexual assault cases, saw staggering turnover, audit finds*. The Tennessean. https://www.tennessean.com/story/news/politics/2023/12/12/tn-department-of-correction-comptroller-audit-mishandled-sexual-assault-cases-corecivi-turnover/71892499007/#
10. Budd, K. M. (2024, February 21). *Private prisons in the United States*. The Sentencing Project. https://www.sentencingproject.org/reports/private-prisons-in-the-united-states/?eType=EmailBlastContent&eId=9118c83e-6507-45dc-a91b-3441e9a7b817
11. Burkhardt, B. C. (2017, December). *Who is in private prisons? demographic profiles of ...* ScienceDirect. https://ir.library.oregonstate.edu/downloads/4m90f178n
12. Carson, E. A. (2021, December). *Mortality in state and Federal Prisons, 2001–2019*. U.S. Department of Justice. https://bjs.ojp.gov/content/pub/pdf/msfp0119st.pdf
13. Casendino, A. (2021, October 27). *Convicts without care: How the privatization of healthcare in the U.S. prison system fails to protect inmates' health - berkeley political review*. Berkeley Political Review - UC Berkeley's only nonpartisan political magazine. https://bpr.studentorg.berkeley.edu/2017/01/28/convicts-without-care-how-the-privatization-of-healthcare-in-the-u-s-prison-system-fails-to-protect-inmates-health/
14. Stracqualursi, V. (2019, October 12). *California to shut down private prisons and immigrant detention centers | CNN politics*. CNN. https://www.cnn.com/2019/10/12/politics/california-law-ban-private-for-profit-prisons/index.html#
15. Criminal Justice Programs. (2021, May 4). *Private prisons vs. public prisons*. https://www.criminaljusticeprograms.com/articles/private-prisons-vs-public-prisons/#:~:text=The%20main%20difference%20between%20the,who%20runs%20traditional%20public%20prison
16. Cummings, A. D. P., & Craig, R. (2020, July 10). *Abolishing private prisons: A constitutional and Moral Imperative*. SSRN. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3630058
17. Equal Justice Under Law. (2017). *Mandatory minimums*. Opposing Mandatory Minimums. https://equaljusticeunderlaw.org/mandatory-minimums-1
18. EveryCRSReport. (2009, March 16). *Federal sentencing guidelines: Background, legal analysis, and Policy Options*. Federal Sentencing Guidelines: Background, Legal Analysis, and Policy Options. https://www.everycrsreport.com/reports/RL32766.html#:~:text=In%201984%2C%20Congress%20passed%20a,through%20the%20federal%20sentencing%20guidelines
19. Fenne, M. (2023, October 19). *Privatized prison healthcare seeks profit at patients' expense*. Private Equity Stakeholder Project PESP. https://pestakeholder.org/news/privatized-prison-healthcare-seeks-profit-at-patients-expense/#:~:text=Private%20companies%20may%20also%20reduce,of%20registered%20nurses%20(RN)
20. Gotsch, K., & Vasti, V. (2018, August). *The United States has the world's largest private prison population*. The Sentencing Project. https://www.sentencingproject.org/reports/capitalizing-on-mass-incarceration-u-s-growth-in-private-prisons/
21. Harris, A., Smith, T., & Obara, E. (2019, May). *Justice "cost points": Examination of privatization within Public Systems of Justice*. Criminology & public policy. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8059698/
22. Headley, A., & Garcia-Zamor, J.-C. (2014, August). *The privatization of prisons and its impact on transparency ...* International Journal of Humanities Social Sciences and Education.

https://citeseerx.ist.psu.edu/document?repid=rep1&type=pdf&doi=d3398ed1c06589cb523fcbc268e33f57a6cc1b27

23. Henry, B. F. (2019). *Private Prisons & Human Rights: Examining Israel's ban on private prisons in a US context*. Concordia law review. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6781874/
24. Holahan, P. (2023). *Exploring the side effects of privatized correctional health* ... Washington and Lee Journal of Civil Rights and Social Justice . https://scholarlycommons.law.wlu.edu/cgi/viewcontent.cgi?article=1558&context=crsj
25. Investigate. (2022, May). *Corecivic Inc*. CoreCivic Inc | AFSC Investigate. https://investigate.afsc.org/company/corecivic#:~:text=Through%20the%20for%2Dprofit%20model,of%20the%20criminal%20punishment%20system
26. Israel, J. F. (2019, May). *For-profit prisons: How lobbying has affected the way* ... For-Profit Prisons: How Lobbying Has Affected the Way America Houses Prisoners. https://www.bemidjistate.edu/academics/departments/political-science/wp-content/uploads/sites/40/2022/03/For-Profit-Prisons_-How-Lobbying-Has-Affected-the-Way-America-Houses-Prisoners28865.pdf
27. Kim, S. (2019, October 4). *Private prison firm quietly ramps up GOP lobbying efforts as Trump expands immigrant detention centers*. CNBC. https://www.cnbc.com/2019/10/04/private-prison-firm-ramps-up-lobbying-amid-trump-immigration-crackdown.html
28. Kuhn, C. (2021, April 7). *The U.S. spends billions to lock people up, but very little to help them once they're released*. PBS. https://www.pbs.org/newshour/economy/the-u-s-spends-billions-to-lock-people-up-but-very-little-to-help-them-once-theyre-released
29. Kychelhahn, T. (2014, April). State Corrections expenditures, FY 1982-2010. https://bjs.ojp.gov/content/pub/pdf/scefy8210.pdf
30. Lamica, J. (2023, February 6). *Whether private or public, prisons profit*. More Than Our Crimes. https://morethanourcrimes.org/voices/private-or-public-prisons-profit/
31. Longton, A. (2024, March 5). *Profit or principles: The private prison dilemma: Impact entrepreneur*. Go to Impact Entrepreneur. https://impactentrepreneur.com/profit-or-principles-the-private-prison-dilemma/#:~:text=Private%20prison%20and%20immigrant%20detention%20companies%20repay%20their%20debt%20holders,incarcerated%2C%20the%20higher%20the%20revenue
32. Luan, L. (2018, May). *Profiting from enforcement: The role of private prisons in U.S. immigration detention*. migrationpolicy.org. https://www.migrationpolicy.org/article/profiting-enforcement-role-private-prisons-us-immigration-detention
33. Lurie, J. (2020, October 12). *Private prisons have spent more on this election than any other in history*. Mother Jones. https://www.motherjones.com/politics/2020/10/private-prisons-have-spent-more-on-this-election-than-any-other-in-history/
34. Lutz, T. (2016, October). How Private Prison Companies Expand Their Control of America's Criminal Justice System. https://www.inthepublicinterest.org/wp-content/uploads/ITPI_BuyingInfluence_Oct2016.pdf
35. Mamun, S. (2020, March). *Private vs. public prisons? A dynamic analysis of the long-term tradeoffs between cost-efficiency and recidivism in the US prison system: Applied Economics: Vol 52, no 41*. Taylor & Francis Online. https://www.tandfonline.com/doi/full/10.1080/00036846.2020.1736501
36. Maruschak, L. M., & Buehler, E. D. (2021, November). *Census of state and Federal Adult Correctional Facilities, 2019*. U.S. Department of Justice. https://bjs.ojp.gov/content/pub/pdf/csfacf19st.pdf
37. Mason, C. (2024, February 21). *Private prisons in the United States*. The Sentencing Project. https://www.sentencingproject.org/reports/private-prisons-in-the-united-states/

38. Mukherjee, A. (2021, May). *Impacts of private prison contracting on inmate time served and recidivism*. American Economic Journal: Economic Policy. https://www.aeaweb.org/articles?id=10.1257%2Fpol.20170474
39. Neate, R. (2016, June 16). *Welcome to jail inc: How private companies make money off us prisons*. The Guardian. https://www.theguardian.com/us-news/2016/jun/16/us-prisons-jail-private-healthcare-companies-profit
40. Nott, J. E. (2022, February). *Colorado Bailing Out Private Prison Company on Taxpayers' Dime | Prison Legal News*. Prison legal News. https://www.prisonlegalnews.org/news/2022/feb/24/colorado-bailing-out-private-prison-company-taxpayers-dime/
41. OpenSecrets. (2024). *CoreCivic INC Profile: Summary*. https://www.opensecrets.org/orgs/corecivic-inc/summary?id=D000021940
42. OpenSecrets. (2024). *For-profit prisons summary*. https://www.opensecrets.org/industries/indus?ind=G7000
43. O'Neill, C. (2017, July). *Private prisons pour millions into lobbying state lawmakers*. Private Prisons Pour Millions Into Lobbying State Lawmakers - FollowTheMoney.org. https://www.followthemoney.org/research/blog/private-prisons-pour-millions-into-lobbying-state-lawmakers
44. Palta, R. (2014, March 13). *Why for-profit prisons house more inmates of color*. NPR. https://www.npr.org/sections/codeswitch/2014/03/13/289000532/why-for-profit-prisons-house-more-inmates-of-color
45. Phillips, G. (2022, October). *Private Prison Blues: The Effect of Private Prisons on Recidivism Rates and State Outcomes*. Cornell University. https://bibliography.icpsr.umich.edu/bibliography/citations/data/165675/fileDownload
46. Poyker, M., & Dippel, C. (2019, August 6). *How private prisons affect sentencing*. CEPR. https://cepr.org/voxeu/columns/how-private-prisons-affect-sentencing
47. Reynolds, M., & Rostad, K. (2001, April). *Creating Factories Behind Bars*. National Center for Policy Analysis . https://www.ncpathinktank.org/pdfs/ba152.pdf
48. Quandt, K. R. (2014, February 17). *Why there's an even larger racial disparity in private prisons than in public ones*. Mother Jones. https://www.motherjones.com/criminal-justice/2014/02/even-larger-racial-disparity-private-prisons-public-prisons/#:~:text=Once%20sentenced%2C%20people%20of%20color,programming%20than%20equivalent%20public%20facilities
49. Ros, P. (2017). *The case against private prisons*. AFSCME. https://www.afscme.org/blog/the-case-against-private-prisons#:~:text=Private%20prisons%20are%20more%20dangerous,assaults%20were%20nearly%2030%25%20higher
50. Rose, R. (2020, May). *The prison industry: Mapping Private Sector Players*. Worth Rises. https://worthrises.org/theprisonindustry2020#block-67a3162cb6487279c82d
51. Rubinkam, M. (2022, August 17). *Kids-for-cash judges ordered to pay more than $200m*. AP News. https://apnews.com/article/crime-trending-news-government-and-politics-6f30f575dc739415af1e5b47b1be50f0
52. Santora, M. (2013, August 23). *City's annual cost per inmate is $168,000, study finds*. The New York Times. https://www.nytimes.com/2013/08/24/nyregion/citys-annual-cost-per-inmate-is-nearly-168000-study-says.html#:~:text=City's%20Annual%20Cost%20Per%20Inmate,Finds%20%2D%20The%20New%20York%20Times

53. Sawyer, W., & Wagner, P. (2024, March). *Mass incarceration: The whole pie 2024*. Mass Incarceration: The Whole Pie 2024. https://www.prisonpolicy.org/reports/pie2024.html#:~:text=Together%2C%20these%20systems%20hold%20over,centers%2C%20state%20psychiatric%20hospitals%2C%20and
54. Shannon, M. (2020, February 19). *Senate bills passed Tuesday Target Criminal Justice, health care*. Washington State Wire. https://washingtonstatewire.com/senate-bills-passed-tuesday-target-criminal-justice-health-care/
55. Vera. (2021). *Incarceration statistics*. Incarceration Statistics. https://www.vera.org/ending-mass-incarceration/causes-of-mass-incarceration/incarceration-statistics#:~:text=The%20number%20of%20people%20incarcerated,to%20roughly%20500%2C000%20in%201980
56. Wadhwani, A. (2023, November 15). *Tennessee Department of Correction seeks $9.8m budget boost, CoreCivic pay raise • Tennessee Lookout*. Tennessee Lookout. https://tennesseelookout.com/2023/11/15/tennessee-department-of-correction-seeks-9-8-million-boost-for-corecivic-raise/