

Private Prisons Turn a Handsome Profit

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While the nation's economy flounders, business is booming for The GEO Group Inc., a private prison firm that is paid millions by the U.S. government to detain undocumented immigrants and other federal inmates. In the last year and a half, GEO announced plans to add a total of at least 3,925 new beds to immigration lockups in five locations. The Immigration and Customs Enforcement (ICE) agency and the U.S. Marshals Service, which hire the company, will fill the beds with inmates awaiting court and deportation proceedings. GEO reported impressive quarterly earnings of \$20 million on February 12, 2009, along with an annual income of \$61 million for 2008—up from \$38 million the year before. But the company's share value is not the only thing that's growing. Behind the financial success and expansion of the for-profit prison firm, there are increasing charges of negligence, civil rights violations, abuse and even death.

Detaining immigrants has become a profitable business, and the niche industry is showing no signs of slowing down. The number of undocumented immigrants the U.S. federal government jails has grown by at least 65 percent in the last six years. In 2002, the average daily population of immigration detainees was 20,838 people, according to ICE records. By 2008, the average daily population had grown to 31,345.

Since 2003, more than a million people have been processed through federal immigration lockups, which are part of a network of at least 300 local, state and federal lockups, including seven contracted detention facilities. GEO operates four of those seven for-profit prisons.

Numerous investigations and reports have documented problems at GEOs immigration detention facilities.

At the company's Northwest Detention Center in Tacoma, Washington, federal prosecutors charged a GEO prison administrator in September 2008 with "knowingly and willfully making materially false, fictitious, and fraudulent statements to senior special agents" with ICE, according to court filings. A February 2008 audit found that over a period of more than two years ending in November 2005, GEO hired nearly 100 guards without performing the required criminal background checks. The GEO employee responsible, Sylvia Wong, pleaded guilty. In the plea agreement the federal government stated that Wong falsified documents "because of the pressure she felt" while working at the GEO lockup to get security personnel hired at the detention center "as quickly as possible."

Two months before the fraud charges, a study by the Seattle University School of Law and the nonprofit group OneAmerica reported that conditions at the Tacoma facility violated both international and domestic laws that grant detained immigrants the right to food, due

process and humane treatment.

Federal immigration officials have the authority to incarcerate undocumented immigrants, asylum-seekers, and even lawful permanent residents while they await hearings with immigration judges or appeal decisions. ICE reports the average length of stay is 30 days, but detentions can last years, according to a November 2008 ICE fact sheet.

Pramila Jayapal, executive director with OneAmerica, took part in interviewing a random sample of more than 40 immigrants detained at the Northwest Detention Center, which holds approximately 1,000 immigrants at any given time.

“It’s a very giant concrete box. It’s just like a jail,” said Jayapal. “You’re only supposed to meet in the client area, which is only a few rooms.”

One inmate from Mexico, Hector Pena-Ortiz, told interviewers that guards had interrogated and handcuffed him twice, demanding that he sign immediate deportation papers despite the fact that he had a pending appeal. Under federal law, immigrants cannot be deported from the United States if their immigration legal cases are still pending. During one of the incidents, guards admitted to having a file on the wrong inmate, Pena-Ortiz said.

In addition to violations of legal rights, inmates cited food as a major concern. The vast majority of the 40 prisoners interviewed at the facility said rations were inadequate and sometimes rotten. Inmates with financial resources depended on food bought from the lockup’s commissary. Others went hungry. A man identified in the study as “Ricardo” said he had lost 50 pounds of his original 190-pound weight since arriving at the detention center.

ICE officially denied the claims in the report, but in 2005, annual agency inspections at the Northwest Detention Center documented problems with the quality and quantity of food and found that some meals were so poor, guards had to collect and replace them.

Looking for opportunities

The Tacoma lockup, site of the most recent GEO controversy, is located on top of a former toxic waste dump that borders coastal wetlands near the Port of Tacoma, Washington. In August 2008, the firm announced plans to expand its 1,030-bed Northwest Detention Center to 1,575 beds, “to help meet the increased demand for detention bed space by federal, state, and local government agencies around the country.”

Just four months after GEOs announcement, ICE notified government contractors that the agency was looking for a contractor-owned and -operated detention facility. According to federal procurement data, the new facility should be capable of providing 1,575 beds—the same number GEO was set to build—to be completed no later than September 2009—the same date GEO had set for the completion of its own construction project.

Lorie Dankers, ICE spokeswoman in Washington State, implied that the similarity in numbers and date was a coincidence. “I would never comment, nor have I in the past, on what GEO is doing and why they’re doing it. That’s a business decision that GEO made,” said Dankers. “To insinuate that there was some kind of connection, or that they has some inside information as to the request, that would be incorrect.”

Dankers added that ICEs request for more space is still in the “pre-solicitation” phase, meaning that there is no guarantee a contract will be offered, and the agency is simply requesting information from contractors to “gauge interest.”

“I don’t have any information one way or the other as to what would happen,” Dankers said. “I think often times, if I had to speculate, they see where there’s a need. I think they’re always looking for opportunities.”

Canceled contracts

And opportunities, like prisoners, abound. GEO owns more than 62,000 prison beds in the United States, with approximately 3,000 beds used for detained immigrants. The company also claims a global market share of 25 percent of the private corrections industry. Currently, the Northwest Detention Center incarcerates immigrants mainly from Oregon, Washington and Alaska, according to Dankers.

In the last five years, criminal immigration prosecutions have surged by 388 percent according to federal court data obtained by the Transactional Records Access Clearinghouse at Syracuse University in New York. The most recently available court information shows that there were 11,454 prosecutions in September 2008 alone. Adding to GEOs profitability and prospects are immigration laws introduced in the 1990s, the expanding use of immigration detention without bond, and a greater emphasis on prosecutions after 9/11.

The company’s relationship with government officials has also proven valuable in winning corrections contracts.

In 2006, while on the state payroll as director of prisons at the Colorado Department of Corrections, Nolin Renfrow helped GEO obtain a \$14 million-per-year contract to detain 1,500 inmates in a proposed state prison project in the northern part of the state. Renfrow was moonlighting for GEO—with an expected compensation of \$1 million—when a 2007 state audit and news reports uncovered the public servant’s business deal.

The audit found that Renfrow’s actions could “arguably present a conflict of interest and result in a breach of ... the public trust,” because state law prohibited an “employee from assisting any person for a fee or other compensation in obtaining any contract.”

The county district attorney with jurisdiction over Renfrow declined to press criminal charges, but in the wake of the scandal, officials with the state’s corrections department rescinded the contract.

Prisons as money makers

Immigrant facilities are not the only GEO lockups that have sparked claims of negligence and abuse.

In 2007, the firm settled a lawsuit with the family of an inmate for \$200,000. LeTisha Tapia, a 23-year-old woman incarcerated at the GEO-owned Val Verde Correction Facility in southern Texas, told her family in July 2004 that she had been raped and beaten after being locked in the same cell-block with male inmates. Shortly after, she had hung herself in her cell. The nonprofit Texas Civil Rights Project sued GEO on behalf of Tapia’s family.

“The jail drove this young woman to kill herself,” charged the family’s attorney, Scott

Medlock, in a February 15, 2006 press release from the Texas Civil Rights Project. “GEO cuts corners by hiring poorly trained guards, providing inmates with cut rate medical care, and running their facility in a grossly unprofessional manner.” Citing confidentiality provisions in the settlement, Medlock refused further comment.

More recently, in 2008, civil liberties attorneys sued the company for failing to provide adequate medical attention to inmates outsourced from Washington, DC, to the Rivers Correctional Institute, located in North Carolina and overseen by GEO through a contract with the federal Bureau of Prisons. That same year, Idaho state authorities removed 125 inmates from a GEO prison after an investigation—spurred by the suicide of a detainee at the facility—revealed poor staff training and healthcare.

“Pretty immediately when people started going to Rivers we started to get letters about how bad the healthcare was, and just how people were really scared of dying there,” said Deborah Golden, an attorney with the DC Prisoners Project, a group that is representing inmates in the legal case against GEO. One inmate named in the report, Keith Mathis, claims he was denied medical treatment for a cavity until the tooth became infected and caused an open ulcer on his face that eventually “burst open,” requiring surgery and three days hospitalization.

“The more we looked into the situation the more we realized it was a systemic problem,” said Golden. “I suspect that it’s a pattern all over. When you try to run prisons as money makers what you do is cut back on the most expensive thing you can, which is medication and medical care.”

GEO has said it will not publicly comment on pending legal cases or abuse claims by third parties, including nonprofit groups. Company spokesman Pablo Paez says that on the subject of business plans, “we have no comment beyond what’s in our public disclosures.”

Despite a wide array of grievances and tragedies, GEO has accrued contracts worth more than \$588 million in federal tax dollars since 1997, according to available federal procurement data. And as long as federal officials continue to remand a growing number of inmates and immigrants over to private businesses, without imposing strict oversight, GEO will likely remain profitable.

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