

# Human Rights Defense Center

DEDICATED TO PROTECTING HUMAN RIGHTS

March 7, 2017

**SENT VIA EMAIL ONLY**

Rep. Emanuel Cleaver II  
United States Congress  
2335 Rayburn HOB  
Washington, DC 20515

Rep. Luis V. Gutiérrez  
United States Congress  
2408 Rayburn HOB  
Washington, DC 20515

## **RE: Your March 2 Letter to CoreCivic and The GEO Group**

Dear Rep. Cleaver and Rep. Gutiérrez,

I serve as associate director of the Human Rights Defense Center (HRDC), a non-profit that is dedicated to protecting the rights of people held in U.S. detention facilities. I am contacting you in reference to your joint March 2 letter addressed to CoreCivic CEO Damon Hininger and George Zoley, CEO of The GEO Group – the nation’s two largest for-profit prison firms.

First, I want to thank you for expressing legitimate concerns regarding companies that profit from imprisonment and the detention of immigrants. HRDC has long opposed the privatization of correctional services, as we believe it is improper and immoral to incarcerate people for the purpose of generating corporate profit.

Second, according to a recent [McClatchy news report](#), Pablo Paez, spokesman for The GEO Group, reportedly said he welcomed an opportunity to meet with you both in order to “dispel the myths” about for-profit prisons. According to the article, Mr. Paez stated GEO’s focus was on reducing “recidivism and helping individuals successfully re-enter society.”

As Mr. Paez well knows, he is incorrect; as private companies, the focus of The GEO Group and CoreCivic is to generate profit. Indeed, that is why corporations exist: to make money.

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*Please reply to:*

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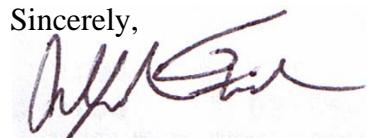
I offer the following evidence that private prison firms care very little about rehabilitation and reducing recidivism rates. I own a small amount of stock in both CoreCivic and The GEO Group as an activist investor, which allows me to attend shareholder meetings and submit shareholder resolutions. In 2014, I filed resolutions calling on both companies to expend just 5% of their net profit on rehabilitative and reentry programs for prisoners, beyond what they are required to spend pursuant to their contracts with government agencies.

Both CoreCivic and GEO filed formal objections to my shareholder resolutions with the SEC, seeking to exclude them from their proxy materials. They were successful – the SEC granted no-action letters, and my resolutions thus did not go to shareholders for a vote. This unequivocally demonstrates that neither The GEO Group nor CoreCivic have a “focus,” much less any actual interest, in providing rehabilitative or reentry programs for prisoners beyond the bare minimum they are required to offer pursuant to their contracts.

Copies of my 2014 shareholder resolutions submitted to both companies are attached to this correspondence; I can provide the objections filed by CoreCivic and GEO upon request.

Thank you for your time and attention in this regard. I encourage you to remain cynical with respect to claims by private prison companies that they care about anything other than their bottom line and their continued ability to profit from incarceration.

Sincerely,



Alex Friedmann  
Associate Director, HRDC

Attachments

## **RESOLUTION**

On Sept. 15, 2014, Corrections Corporation of America (“the Company”) announced that it will expand reentry programs at the Company’s facilities.

CCA president Damon Hininger pledged that CCA “would play a larger role in helping reduce the nation’s high recidivism rate,” noting that “Reentry programs and reducing recidivism are 100 percent aligned with our business model.”<sup>1</sup>

Recidivism rates for released prisoners are extremely high, with almost 77 percent of offenders being re-arrested within five years of release.<sup>2</sup>

The need to reduce recidivism rates for offenders held in the Company’s facilities is particularly important, as two recent studies concluded that prisoners housed at privately-operated prisons have higher recidivism rates.

A 2013 Minnesota study determined “that offenders who had been incarcerated in a private prison had a greater hazard of recidivism in all 20 models, and the recidivism risk was significantly greater in eight of the models.”<sup>3</sup>

A 2008 study of Oklahoma prisoners in public and private prisons found “a significantly greater hazard of recidivism among private prison inmates in six of the eight models tested.... In every categorical model (including the two that were non-significant), private prison inmate groups had a greater hazard of recidivism than did public inmate groups.”<sup>4</sup>

Although the Company provides rehabilitative programs at its facilities, such programs are typically required by the terms of the Company’s contracts with government agencies. This resolution provides an opportunity for CCA to do more to reduce the recidivism rates of offenders released from the Company’s facilities, and thus reduce crime and victimization in our communities.

**RESOLVED:** That the stockholders of the Company request that the Board of Directors adopt the following policy to be implemented beginning in fiscal year 2015, for the purpose of reducing recidivism for offenders in the Company’s facilities:

1. That by the end of the third quarter of each fiscal year, the Company shall expend funds equal to five percent (5%) of the Company’s net income for the prior fiscal year on programs and services designed to reduce recidivism rates for offenders in the Company’s correctional facilities.

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<sup>1</sup> <http://www.cca.com/press-releases/corrections-corporation-of-america-to-enhance-and-expand-reentry-programming-opportunities-that-reduce-recidivism>

<sup>2</sup> <http://www.bjs.gov/content/pub/pdf/rprts05p0510.pdf>

<sup>3</sup> [www.doc.state.mn.us/pages/files/9613/9206/2382/MN\\_Private\\_Prison\\_Evaluation\\_Website\\_Final.pdf](http://www.doc.state.mn.us/pages/files/9613/9206/2382/MN_Private_Prison_Evaluation_Website_Final.pdf)

<sup>4</sup> <https://www.prisonlegalnews.org/news/2009/dec/15/private-prisons-dont-make-better-prisoners/>

2. That the expenditure of the funds specified in Section 1 shall be *in addition* to any funds the Company already spends, intends to spend or is required to spend on rehabilitative or reentry programs and services pursuant to the Company's contracts with government agencies.
3. That the expenditure of the funds specified in Section 1 may be used to expand rehabilitative programs or services already provided in the Company's correctional facilities; to establish new rehabilitative programs or services; or as donations to non-profit organizations that provide rehabilitative or reentry programs and services for prisoners or released prisoners.
4. That the Company shall expend the funds specified in Section 1 proportionally among the Company's correctional facilities that are in active operation (vacant facilities not included), with such funds prorated according to each active facility's average daily population at the end of the prior fiscal year.

## **RESOLUTION**

Recidivism rates for prisoners released from correctional facilities are extremely high, with almost 77 percent of offenders being re-arrested within five years of release.<sup>1</sup>

The need to reduce recidivism rates for offenders held in the Company's facilities is of particular importance, as two recent studies concluded that prisoners housed at privately-operated facilities have higher average recidivism rates.

A 2013 Minnesota study determined "that offenders who had been incarcerated in a private prison had a greater hazard of recidivism in all 20 models, and the recidivism risk was significantly greater in eight of the models."<sup>2</sup>

A 2008 study of Oklahoma prisoners in public and private prisons found "a significantly greater hazard of recidivism among private prison inmates in six of the eight models tested.... In every categorical model (including the two that were non-significant), private prison inmate groups had a greater hazard of recidivism than did public inmate groups."<sup>3</sup>

Although the Company provides rehabilitative programs for prisoners at its facilities, such programs are typically required by the terms of the Company's contracts with government agencies. This resolution provides an opportunity for GEO Group to do more to reduce the recidivism rates of offenders released from the Company's facilities, and thus reduce crime and victimization in our communities.

**RESOLVED:** That the stockholders of the Company request that the Board of Directors adopt the following policy to be implemented by GEO Group beginning in fiscal year 2015, for the purpose of reducing recidivism rates for offenders in the Company's facilities:

1. That by the end of the third quarter of each fiscal year, the Company shall expend funds equal to five percent (5%) of the Company's net income for the prior fiscal year on programs and services designed to reduce recidivism rates for offenders in the Company's correctional facilities. For the purposes of this resolution, "net income" shall include net income received by the Company from both its U.S. and international operations.
2. That the expenditure of the funds specified in Section 1 shall be *in addition to* any funds the Company already spends, intends to spend or is required to spend on rehabilitative or reentry programs and services pursuant to the Company's contracts with government agencies.

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<sup>1</sup> <http://www.bjs.gov/content/pub/pdf/rptrs05p0510.pdf>

<sup>2</sup> [www.doc.state.mn.us/pages/files/9613/9206/2382/MN\\_Private\\_Prison\\_Evaluation\\_Website\\_Final.pdf](http://www.doc.state.mn.us/pages/files/9613/9206/2382/MN_Private_Prison_Evaluation_Website_Final.pdf)

<sup>3</sup> <https://www.prisonlegalnews.org/news/2009/dec/15/private-prisons-dont-make-better-prisoners/>

3. That the expenditure of the funds specified in Section 1 may be used to expand or enhance rehabilitative programs or services already provided in the Company's correctional facilities; to establish new rehabilitative programs or services; or as donations to non-profit organizations that provide rehabilitative or reentry programs and services for prisoners or released prisoners.
4. That the Company shall expend the funds specified in Section 1 proportionally among the Company's correctional facilities that are in active operation (vacant facilities not included), with such funds prorated according to each active facility's average daily population at the end of the prior fiscal year.
5. That the provisions of this resolution shall apply to the Company's correctional facilities both in the United States and internationally.