

# COMMUNITY CAGES:

Profitizing community corrections and alternatives to incarceration



AUGUST 2016

**PART OF THE**  
**Treatment Industrial Complex**  
#no2tic  
**SERIES**



**American Friends  
Service Committee**

# COMMUNITY CAGES:

## Profitizing community corrections and alternatives to incarceration

AUGUST 2016

(Part of the Treatment Industrial Complex Series)

Written by Caroline Isaacs, MSW  
American Friends Service Committee—Arizona

August 2016

Design by Catherine Cunningham

### ***Acknowledgements***

This report was made possible by a generous grant from the Langeloth Foundation.

AFSC Arizona would like to thank the following people for their contributions to and review of this report: Margot Veranes, Rebecca Fealk, Grace Gamez, Dalit Baum, Beau Hodai, Paula Arnquist and our colleagues at Grassroots Leadership, The Southern Center for Human Rights, and In the Public Interest.



**American Friends  
Service Committee**



# EXECUTIVE SUMMARY

As states pursue sentencing reform efforts to reduce prison populations and the federal government continues to grapple with comprehensive immigration reform, the private prison industry faces pressure to adapt to a shifting penal landscape that is moving toward alternatives to incarceration.

In response to these developments, the private prison industry began rebranding and expanding into subcontracted prisoner health care, forensic mental health treatment, and other “alternative” programming. In 2014, The American Friends Service Committee, Grassroots Leadership, and the Southern Center for Human Rights identified this emerging trend as the **Treatment Industrial Complex (TIC)**.

In the present report, we offer an in-depth analysis of the community corrections segment. *Community corrections* refers to “front-end” alternatives to incarceration, such as probation, home arrest, diversion programs, and “back-end” reentry programs such as parole, halfway houses, and work release centers.

Nearly two-thirds of people involved in the criminal justice system are not held in prison or jail, but are instead monitored via community correction programs. At the end of 2014, more than 4.7 million adults were under probation or parole.

For prison corporations such as Corrections Corporation of America (CCA) and GEO Group, this represents a huge untapped market for privatization. Smaller companies are also springing up to meet the demand for community corrections programs and related services.

In this report, we examine four different components of community corrections that are being aggressively privatized:

1. **Electronic monitoring** through the use of GPS ankle monitors and other mobile surveillance technology
2. **Day reporting centers** for individuals to “check in” and/or participate in rehabilitative programs and services
3. **Intermediate sanctions facilities** as an alternative to revocation to prison for technical violations of the terms of probation or parole
4. **Residential reentry centers**, more commonly known as halfway houses.

## Findings:

1. **For-profit prison corporations such as Corrections Corporation of America and GEO Group are moving to expand their holdings in the community corrections arena.**

Both have acquired smaller companies that hold contracts for electronic monitoring, day reporting, intermediate sanctions, and residential reentry. Both have “rebranded” themselves as providers of rehabilitative services with a focus on recidivism reduction.

2. **The niche market of community corrections is continually expanding, with new companies moving in to take advantage of lucrative government contracts and the opportunity to extract payment from those under supervision.**

Particularly in the field of electronic monitoring, the development of new technology and software has provided an entry point for new companies to compete for market share.

3. **The profitization of community corrections poses a serious threat to the movement to end mass incarceration.** Due to their extensive economic and political influence, corporations such as GEO Group and CCA are able to exploit reform efforts for their own financial gain. They can out-compete smaller, community-based service providers for contracts. In addition, their extensive lobbying and campaign contributions are being leveraged to influence the direction of sentencing reform efforts and other policy decisions at the state and federal levels.

4. **The pursuit of profit undermines the movement’s goals of shrinking the size and scope of the criminal punishment system.** While the best practices in the area of community corrections emphasize tailoring

*The alternatives to incarceration movement should be resulting in a strong downward push: Reducing the number of people incarcerated, but also moving people more quickly off all forms of supervision. In effect, there should be a substantial number of people, based on risk assessments and other factors, who are completely free of the system and allowed to resume their lives.*



interventions to provide the lowest level of security or surveillance necessary for the shortest amount of time, the incentive for private prison companies is to “widen the net” of people under ever-increasing levels of control.

The alternatives to incarceration movement should be resulting in a strong downward push: Reducing the number of people incarcerated, but also moving people more quickly off all forms of supervision. In effect, there should be a substantial number of people, based on risk assessments and other factors, who are completely free of the system and allowed to resume their lives.

This should be happening at the “front end,” where people are provided with appropriate services and accountability measures in lieu of either incarceration or probation. It should also be happening at the “back end” where individuals who have completed their sentences, are low risk of reoffending, and do not need additional support could be taken “off paper,” without cycling through a residential reentry center or being placed on electronic supervision.

However, the opposite appears to be happening. As prisons and detention centers fall out of favor, the number of people being placed on electronic monitoring and in post-release programs appears to be swelling.

This report offers an in-depth analysis of these issues, making the strong case for a nationwide examination of these trends to ensure that reform efforts are truly meeting their goal of providing alternatives to incarceration, not incarceration by another name.

## INTRODUCTION

**A**s states pursue sentencing reform efforts to reduce prison populations, and the federal government continues to grapple with comprehensive immigration reform, the private prison industry faces pressure to adapt to a shifting penal landscape that is moving towards alternatives to incarceration.

State and federal contracts represent roughly equal portions of the contracts held by both CCA and GEO Group. The private prison industry depends on expansion and acquisition of new contracts to maintain profit. Immigration reform that offers a ‘path to citizenship,’ and sentencing reform at the state and federal levels, threaten profitability margins for prison corporations.

In response to these developments, the private prison industry adapted. By rebranding and expanding into in-prison health care, mental health treatment, and other “alternative” programming, for-profit prison corporations seek to ensure growth and stability. In 2014, The American Friends Service Committee, Grassroots Leadership, and the Southern Center for Human Rights identified this emerging trend as the Treatment Industrial Complex (TIC).

In that report, we identified three segments of the Treatment Industrial Complex:

Segment 1: Privatization of civil commitment centers and forensic state mental hospitals.

Segment 2: Subcontracted prisoner mental health and medical care provided inside prisons and jails.

Segment 3: Community corrections, which includes reentry programs and non-prison “alternatives.”

In the present report, we offer an in-depth analysis of the community corrections segment. Community corrections is both the largest and fastest growing component of the Treatment Industrial Complex and poses unique challenges in the movement to end mass incarceration.



# PROFITIZING COMMUNITY CORRECTIONS

Economic, social, and political developments contributed to the growing movement to end mass incarceration in the United States. A major motivation to look outside of incarceration as a response to crime was the financial crisis of 2009. The economic recession forced states to make different budget decisions. Prisons are fundamentally expensive, while alternatives such as supervision and treatment are vastly cheaper. Additionally, high recidivism rates highlighted the failure of the punishment-only model at reducing crime and helping people return to their communities. The financial crisis opened the door to consider community corrections as an alternative to incarceration.

Changing public perceptions of drug addiction and mental illness are also motivating the move toward alternatives to incarceration approaches. The increasingly common view is that addiction and mental illness are social problems that arrests and incarceration will not fix, and which likely exacerbate the problem. However, the public and political dialogue began to markedly shift when the War on Drugs began to spread into communities once considered insulated from its reach. As a result, incarceration as a response to drug addiction and mental illness (frequently co-occurring morbidities) is being eschewed for public health prevention and therapeutic models. There is bipartisan support for a response to drug addiction and mental illness that is compassionate and treatment focused.

At the same time, the fear-based, “tough on crime” mentality of the 1990s has gradually been replaced by a pragmatic, scientific approach to addressing criminal behavior. Social science research has been translated into a set of model policies and programs referred to as evidence-based practices. In general, this approach emphasizes measuring the individual’s actual risk for violence or reoffending, tailoring interventions based on the client’s needs, and motivating people to comply through positive reinforcement rather than the threat of further punishment.

The growing consensus among practitioners and researchers is that community-based interventions that place individuals on the lowest level of supervision necessary for the shortest time necessary produce the best public safety outcomes. These are also the most cost-effective approaches. Essentially, the recommendation is to reserve scarce budget dollars for incarcerating those who truly need to be removed from society. Most others can be safely and effectively dealt with through less punitive interventions.

For these reasons, efforts to expand and support *community corrections* has become a popular trend.

*Community corrections* generally falls into two basic categories:

“Front-end” **alternatives to incarceration**, such as probation, home arrest, diversion programs, problem-solving courts (such as drug courts, mental health courts, and veteran’s courts), intermediate sanctions for technical violations of probation and parole, supervision and surveillance (including electronic monitoring)

“Back-end” **re-entry** programs for individuals returning to the community after a period of incarceration, such as parole, halfway houses, and work release centers.

Nearly two-thirds of people involved in the criminal justice system are not held in prison or jail, but are instead monitored via community correction programs.<sup>1</sup> At the end of 2014 more than 4.7 million adults were under probation or parole.<sup>2</sup>

Prison Policy Initiative analyzed the full spectrum of the criminal punishment system in 2016 and noted that probation is the leading type of correctional control utilized nationwide. They found that 56 percent of people under the control of the American criminal justice system are on probation, with another 11 percent on parole.<sup>3</sup>

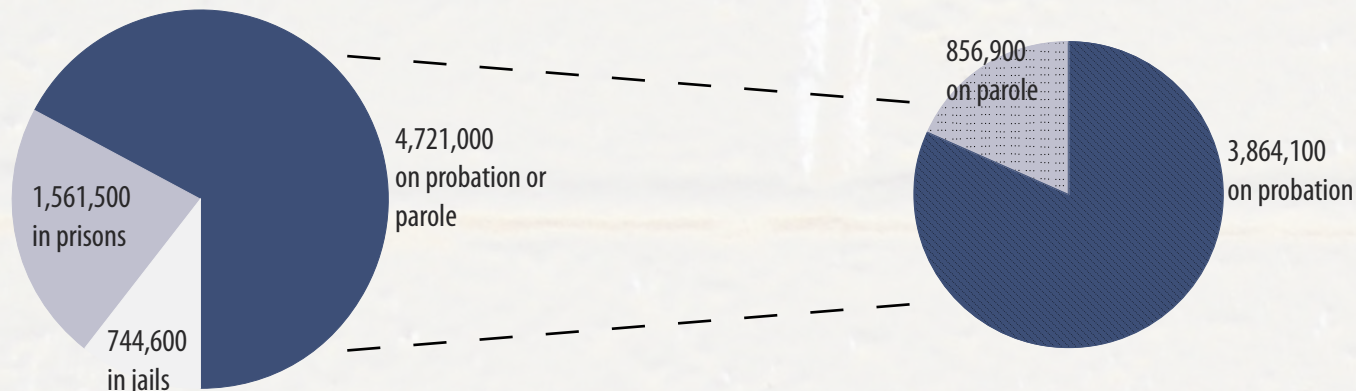
For prison corporations such as Corrections Corporation of America and GEO Group, this represents a huge untapped market for privatization. Smaller companies are also springing up to meet the demand for community corrections programs and related services.

Private corrections corporations are working hard to reconfigure their business models to sell what governments are currently buying.

*Nearly two-thirds of people involved in the criminal justice system are not held in prison or jail, but are instead monitored via community correction programs. At the end of 2014, more than 4.7 million adults were under probation or parole.*



**Figure 1. Americans Under Supervision, 2014**



## REBRANDING

Beginning around 2010, major for-profit prison operators began to pivot to take advantage of states' newfound interest in rehabilitation and alternatives to incarceration. As states began amending their sentencing laws to reduce prison populations, the major private prison companies had to adapt or face lost contracts. Their marketing and communications shifted from an emphasis on prison facilities, security, and cost savings to claims of providing rehabilitation and "services" to prisoners.

The spectrum of the criminal punishment system is incredibly diverse, spanning from non-prison treatment interventions to in-prison health care and rehabilitation programs to post-prison monitoring and reentry services. This "continuum of care" represents numerous opportunities for private companies to gain contracts to provide these services. GEO Group has blithely referred to this potential for cradle-to-grave supervision and control as "the Corrections Lifestyle."<sup>4</sup>

In order to quickly ramp up their capacity to take advantage of this emerging market, larger for-profit prison corporations acquired smaller companies that specialized in electronic monitoring, reentry services, and community corrections. These mergers and acquisitions allowed companies to absorb existing contracts without having to compete in bidding processes, which contributed to an exponential increase in company holdings.

In 2010, GEO Group acquired BI Incorporated, which makes electronic monitoring products, including GPS ankle bracelet monitors, voice verification technology, and alcohol monitors for individuals on home confinement. GEO Group now boasts a newly reorganized "Community Services" unit. GEO Community Services operates halfway houses, day reporting centers, and juvenile detention facilities. The Community Services segment represented 19 percent of GEO Group's operations in 2014.<sup>5</sup>

GEO Group's 2014 Annual Report promised to make an annual



<< Corrections Corporation of America website: [www.cca.com](http://www.cca.com)





investment of \$5 million in 2015 to expand its “GEO Continuum of Care” platform, which “will integrate in-prison rehabilitation with post-release services for inmates completing evidence-based programming in GEO facilities.”<sup>6</sup> It goes on to state:

*We believe our industry-leading diversified services position GEO to pursue additional opportunities in the delivery of evidence-based rehabilitation and reentry services, which is in-line with worldwide efforts to focus resources on offender rehabilitation and community transition programs, and we expect these opportunities to drive new growth and continue to create value for our shareholders.<sup>7</sup>*

In 2015, GEO Group acquired Soberlink, Inc., which describes itself as “the leader in mobile-breath sobriety monitoring.” The company makes smartphone breathalyzer tests and a Bluetooth device that enables wireless alcohol testing using an iPhone or iPad.<sup>8</sup>

Nationwide, the residential reentry center niche has mostly single-location providers with few large operators, which makes these “small fish” attractive to large corporations like CCA and GEO Group.

CCA has pursued this strategy aggressively. In August 2013, the company acquired Correctional Alternatives, Inc (CAI). In doing so, CCA absorbed CAI’s existing contracts providing work furloughs, residential reentry programs, and home confinement for San Diego County, the Federal Bureau of Prisons, and United States Pretrial Services and Probation.<sup>9</sup>

In 2015, CCA acquired four residential re-entry facilities from Community Education Centers, Inc. (CEC) for \$13.5 million. The re-entry facilities each have about 600 beds and were leased by the Pennsylvania Department of Corrections and the Philadelphia Prison System. Also in 2015, CCA acquired Avalon Correctional Services Inc. With this \$157.5 million deal, CCA now operates 17 re-entry facilities totaling 4,365 beds, making it the largest domestic owner of community corrections beds.<sup>10</sup>

The push into the residential reintegration market is aimed in part at expanding relationships with existing clients such as the Federal Bureau of Prisons (BOP). On any given day, the BOP has roughly 9,000 inmates in re-entry facilities nationwide and has been seeking additional funding to expand its reentry programs.

*We see the re-entry space as attractive because states are placing an increased emphasis on reducing recidivism back into prisons and utilizing re-entry services more commonly.<sup>11</sup>*

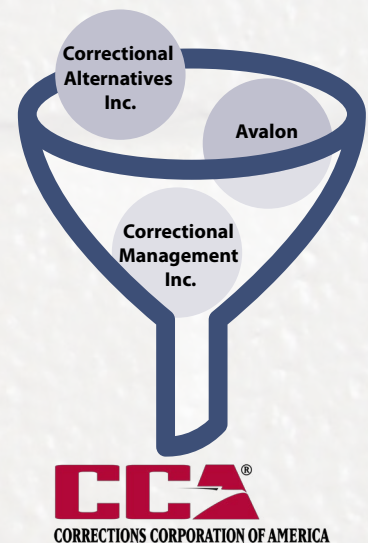
In 2016, CCA acquired Correctional Management, Inc. (CMI), which currently operates seven facilities providing community corrections and non-residential day reporting services in Colorado.<sup>12</sup>

Another emerging niche market is “alternatives” to immigration detention.

In response to complaints about conditions in detention centers from immigrant rights activists and attorneys, the federal government began pursuing a program to expand alternatives to detention for some immigrants and asylum seekers.

Incredibly, the contract for these “alternatives” was awarded to one of the private prison corporations that also runs the detention centers—GEO Group. GEO Group’s acquisition of BI Incorporated gave the company significant advantage in the immigration detention arena, and positioned GEO Group well to take advantage of the “alternatives to detention” policy shift.

Around the same time as GEO Group entered the alternatives to detention marketplace, there was an increase in women and children entering the U.S. from Central America seeking political asylum. The changing demographic raised additional concerns about how families and children were treated in the immigration system. The solution proposed by U.S. Immigration and Customs





Enforcement was to place these women on GPS ankle bracelet monitors in lieu of detention.

Once again, GEO Group's rebranding effort paid off substantially, in the form of an \$11 million-per-year contract for its subsidiary GEO Care, LLC, to run a supervised release program for women and children who are released from family detention facilities.<sup>13</sup>

GEO Group also runs one of these family detention facilities, the Karnes County Residential Center, which plans to expand to 626 beds. This expansion will increase the facility's revenues by an estimated \$20 million each year. Expansion ensures that the GEO Group will continue to profit from immigrant families, whether they are entering or exiting detention.<sup>14</sup>

## THREATS TO JUSTICE REFORM EFFORTS

The Treatment Industrial Complex represents a threat to well-intentioned reform efforts in the movements to end mass incarceration and decriminalize immigration. For-profit prison corporations like GEO Group and CCA are well-funded and adept at reading market trends. In addition, their extensive lobbying efforts at both the federal and state levels have situated them to influence policy and contracting decisions to their financial advantage.

Corporations such as GEO Group and CCA are able to exploit reform efforts in several ways:

- Out-compete smaller, community-based service providers for contracts
- Promote more restrictive options that incorporate a larger number of people
- Promote expanded use of supervision and surveillance for low-risk populations

Traditionally, for-profit prison corporations made their profits through charging a per-diem rate for each incarcerated person. This model depends on incarcerating the greatest number of people for the greatest length of time to maximize profit. Community corrections offers more profit-generating activities and a larger pool of potential "clients."

Residential custody still offers the greatest potential profit, but it also has the highest associated costs (staffing, security systems, food, medical care). For non-residential options, which cost less to administer, the profit potential is measured in the number of people supervised, level of supervision, length of supervision, and associated services, such as required drug testing, counseling and treatment, and job training.

It is in the interest of for-profit prison corporations, such as Avalon Correctional Services and GEO Group, to steer policy decisions in the direction that will generate the most profit for the company.

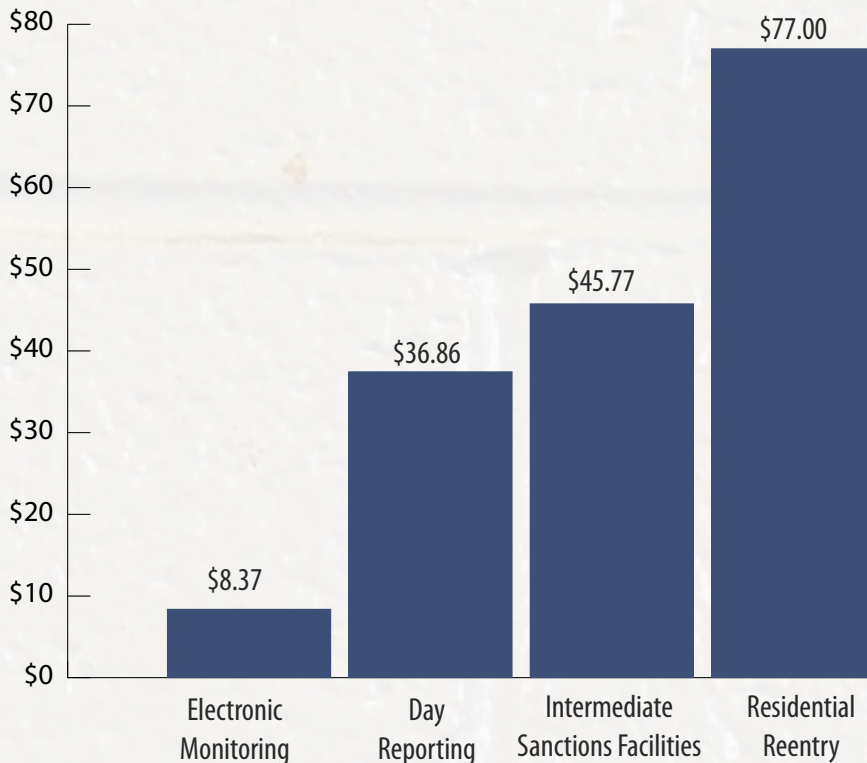
For example, in 2014, Oklahoma participated in the Justice Reinvestment Initiative (JRI), a nationwide campaign to reduce prison populations spearheaded by the Pew Charitable Trusts. Operators of private prisons and halfway houses in Oklahoma stalled reform legislation aimed at low-level offenders who violated terms of their release because it excluded the use of private facilities. The companies then advocated to have their halfway houses serve as the "intermediate sanctions facilities" spelled out in the law.<sup>15</sup>

An open records request yielded emails that show that leaders from Avalon Correctional Services and GEO Group both sought meetings with the office of Governor's Mary Fallin and Corrections Department officials regarding the JRI reforms. An email from a GEO Group lobbyist to the governor read, "We would like to hear your thoughts on JRI and future impact on corrections."<sup>16</sup>

The governor's campaign committee was the top recipient of corporate corrections funding, receiving \$38,250. Political action committees representing two private corrections companies with interests in the state have donated the maximum allowed, \$5,000, to the governor's 2010 and 2014 campaign committees.<sup>17</sup> The spending prompted at least one prominent state legislator to question the correlation between political spending and the push for privatized



**Figure 2. Per diem payments in community corrections**



<< Sources:

- *Electronic Monitoring: \$8.37 Cost of federal immigration "full service monitoring," Source: Department of Homeland Security, Office of the Inspector General, "US Immigration and Customs Enforcement's Alternative to Detention (Revised)," February 4, 2015. OIG-15-22.*
- *Day Reporting: this is the average 2015 per-diem payment of a contract between BI and Luzerne Co, PA: September 4, 2013*
- *Intermediate Sanctions Facilities: \$45.77, from contract between Management and Training Corp and Texas Dept of Criminal Justice for South Texas ISF, Contract #696-PF-11-13-C041, dated 12/18/09*
- *Residential Reentry: \$77.00 from Audit of Federal Bureau of Prisons Contracting for and Management of Residential Reentry Centers U.S. Department of Justice Office of the Inspector General Audit Division Audit Report 12-20 March 2012*

intermediate sanctions facilities. State Senator Constance Johnson declared, "[fo]llow the money... This whole notion of special interests having undue influence on the legislative process, this is proof."<sup>18</sup>

Private prison companies have tactically adopted the language of treatment and rehabilitation to keep pace with the shifting terrain of penal policy reform, and to maintain profitability.

For example, the Department of Immigration and Customs Enforcement (ICE) came under fire from immigrant rights advocates for the abysmal conditions in immigrant detention centers, about half of which are operated by for-profit corporations. In particular, the practice of "family detention" raised public opposition for placing young children in prison conditions. Usurping the rhetoric of immigrant rights advocates, ICE defended the practice as "keeping families together."

In 2015, a U.S. district judge castigated federal officials for failing to meet constitutionally required conditions for detaining immigrant children established by a 1997 court settlement, *Flores vs. Meese*. The judge prohibited the administration from holding children at centers not licensed to care for them and from holding families unless they posed a flight risk or a threat to national security.<sup>19</sup>

The response on the part of the state of Texas, where many such facilities are located, was to attempt to have the Texas Department of Family Protective Services issue an emergency rule in September 2015 to allow two such centers to be *formally licensed as childcare facilities*.<sup>20</sup>

Unsurprisingly, this has created an outcry among immigrant rights advocates, who note that the move doesn't change the fact that they are, in fact, punitive detention facilities that have a terrible track record of holding women and children in deplorable conditions. The licensure is being vigorously opposed by advocates like Grassroots Leadership in Austin, Texas. As of this writing, a judge has issued a temporary injunction to block the licensing process.<sup>21</sup>

Rather than simply releasing these families from unnecessary and traumatic detention, the Obama administration began referring immigrant and refugee mothers of young children to the *Alternatives to Detention* (ATD) program—a community-based supervision program that places them on GPS ankle bracelet monitors through a contract with GEO Group.<sup>22</sup>



On its face, the move gives immigrant rights advocates exactly what they've been demanding for years—moving people out of detention. But while it is certainly preferable to incarceration, many question whether this 24-hour monitoring is appropriate for the population.

This episode highlights the potential pitfalls facing reform advocates in navigating the movement of the for-profit incarceration industry into this new arena. Simply calling for “alternatives” is not enough. Advocates must be vigilant about how their recommendations are being applied in order to ensure that they truly are used as *alternatives*, rather than ensnaring individuals who do not require constant supervision.

## PRISON PROFITEERS AND THE CONSERVATIVE EMBRACE OF SENTENCING REFORM

One of the more notable aspects of the sudden culture shift toward sentencing reform is the prominent role of conservatives and “unlikely allies” in the conversation. The pack is led by Right on Crime, which promotes “The conservative approach to criminal justice: Fighting crime, supporting victims, and protecting taxpayers.”<sup>23</sup> Launched in 2010, the group boasts a who's who of conservative luminaries as signatories on its statement of principles, including Grover Norquist, Jeb Bush, and Newt Gingrich. Their principles embrace transparency and accountability of criminal justice agencies, reducing corrections spending in favor of more cost-effective approaches, and reform and rehabilitation.

Right on Crime has received high praise for its approach, and has been very effective in recruiting conservative players to the reform movement. But a closer look raises concerns about a hidden agenda.

Right on Crime is funded by the Texas Public Policy Foundation, which receives funding from GEO Group. Since GEO Group has identified reentry and alternatives as one of its key business areas, it is worth asking about how much say the funders of these groups have over the policy positions they take.

Under the topic of prison reform, among a variety of suggestions regarding reducing prison populations and holding them accountable for their performance with regard to reducing recidivism, is this bullet point:

- For those instances when prisons are necessary, explore private prison options. A study by The Reason Foundation indicated that private prisons offer cost savings of 10 to 15 percent compared to state-operated facilities. By including an incentive in private corrections contracts for lowering recidivism and the flexibility to innovate, private facilities could potentially not just save money but also compete to develop the most cost-effective recidivism reduction programming.<sup>24</sup>

Among the various recommendations for reforms to parole and reentry are:

- Utilize GPS technology to monitor those on parole, which is more efficient and effective than phone check-in.
- Expand the use of ignition interlock devices for DWI offenders who are on parole.
- Implement cost-effective technologies (such as bracelets) which monitor blood-alcohol levels through an offender's sweat and continuously send the results back to parole officers.<sup>25</sup>

These are all services provided by GEO Group's Community Services Unit.

The Reason Foundation is very strongly pro-privatization of corrections and correctional health care. Reason is funded by both GEO Group and Corrections Corporation of America. In the 2009 edition of Reason Magazine, the group honored the members of its “Torchbearers Society”: those who have contributed \$1,000 or more. It listed GEO Group as giving at the “Platinum Level,” and CCA as making a donation at the “Gold Level.”

Reason is also funded heavily by the Koch Brothers, who themselves have made a splash recently by signing onto the criminal justice reform cause. In 2015, the Koch's announced that they were making sentencing reform a priority,



and brought together conservative groups with unlikely allies such as the Pew Charitable Trusts, the National Black Chamber of Commerce, and the American Civil Liberties Union.<sup>26</sup>



The conservative American Legislative Exchange Council (ALEC)<sup>27</sup> has played an important role in criminal legislation at the state and federal levels for decades. The group was a key driver of the “tough on crime” wave that swept the nation in the 1990s. ALEC’s model legislation from that period includes “Three Strikes and You’re Out,” mandatory minimums, and “Truth in Sentencing.” More recently, the group has come under intense fire for its involvement in controversial bills like “Stand Your Ground” and Arizona’s anti-immigrant SB 1070.

Like their conservative brethren, ALEC now touts the need for reductions in prison populations. ALEC’s website now lists “Criminal Justice Reform” as one of their key initiatives, and claims the sentencing reform work in states like Texas as their own:

*ALEC members focus on new and innovative state policies that reduce prison populations, prioritize criminal justice spending and help rehabilitate and restore offenders’ lives. ALEC members’ work has sparked a new wave of state criminal justice reform legislation that is carefully crafted to maximize taxpayer dollars to protect the public while preventing overcriminalization and unnecessary prison stays.<sup>28</sup>*

Under the Prison Overcrowding initiative, more than 30 pieces of model legislation focusing on criminal justice were presented to ALEC committee members to adopt and introduce to their home states for possible legislation. A handful of these bills, including the Intensive Probation Act, Private Correctional Facilities Act, Community Corrections Performance Incentive Act, Community Corrections Performance Measurement Act and the Recidivism Reduction Act, contain information supporting private for-profit entities, or the programs offered by them.<sup>29</sup>

Private prison companies including GEO Group Inc., Corrections Corporation of America, BI Incorporated, and Management Training Corporation are either current members, have been members, or have attended an ALEC event.<sup>30</sup>

Clearly, there is an important place for conservatives and organizations of all affiliations in the movement to end mass incarceration, and their participation is both necessary and welcome. As with any coalition effort, there will be areas of agreement and disagreement as to goals, methods, and policy recommendations. But these partnerships require transparency so that all parties can be clear on the larger goals, strategies, and desired outcomes of a given program, project, or policy. Because so much legislative work depends on compromise, advocates and coalition partners deserve to know exactly where a group’s loyalties lie. Only then can appropriate compromises be negotiated and clear lines drawn where there is not agreement.

## UNDUE INFLUENCE

In 2011, the Justice Policy Institute described how the major for-profit prison corporations have spent decades investing in lobbying efforts, making campaign contributions to elected officials, and cultivating relationships with government actors in order to influence decisions regarding contracts and other policy decisions that impact their businesses.<sup>31</sup>

In recent years, companies like CCA and GEO Group have focused significant resources on federal actors—particularly those who had been negotiating comprehensive immigration reform in the Senate. The Gang of Eight — the group of senators tasked with writing 2013’s comprehensive immigration reform bill — received especially handsome campaign contributions. Gang of Eight member Sen. John McCain is the fourth highest career recipient of CCA campaign cash, according to OpenSecrets.org, and GEO Group has given Marco Rubio nearly \$40,000 in campaign donations — more than any other senator.<sup>32</sup>



According to federal lobby records, GEO Group spent \$1.95 million from 2010 through 2014 lobbying the federal government, including the U.S. House and Senate, the Department of Justice (DOJ), the Department of Homeland Security (DHS), the White House Office of Management and Budget, Department of Transportation, Department of Labor, the U.S. Marshal's Service, and Immigration and Customs Enforcement (ICE).<sup>33</sup>

GEO Group reported that the issues it lobbied on included Federal appropriations (Department of Justice and Homeland Security), opposing proposed closure of BOP prisons and ICE's Alternatives to Detention program. In 2014, federal contracts represented 42 percent of the company's profits, with 16 percent of revenues from ICE contracts alone.<sup>34</sup>

These tactics have also worked well for CCA, with a revenue of \$1.6 billion in 2014.<sup>33</sup> CCA does not provide breakdowns of their income based on services, so it is unknown how much revenue was derived directly from community correction initiatives, but a BOP contract with CCA's wholly owned subsidiary Correctional Alternatives Inc. (CAI) for a single residential reentry center cost \$11.5 million for services.<sup>36</sup>

For-profit companies also gain political access through cultivating relationships between the public and private sectors. Community Education Centers (CEC), a company that runs numerous halfway houses in New Jersey, profited from its close ties to Gov. Chris Christie. Mr. Christie, a Republican who took office in January 2010, has for years championed the company.

CEC began operating reentry centers in New Jersey in the late 1990s, then expanded to include contracts in Colorado, Pennsylvania, and other states.

The company clearly benefitted from relationships with the highest levels of state government. William J. Palatucci, a close friend, political adviser, and former law partner of Gov. Christie, is a senior vice president at Community Education Centers. Mr. Christie was registered as a lobbyist for the company in 2000 and 2001 when he was a lawyer in private practice. In early 2010, he hired the son-in-law of CEC's chief executive as an assistant in the governor's office.<sup>37</sup>

*The New York Times* reported that Community Education Centers received about \$71 million from contracts in New Jersey in the 2011 fiscal year, out of total halfway house spending of roughly \$105 million.<sup>38</sup>

Another emerging avenue for companies to influence decision-makers in these fields is through sponsorship of various professional criminal justice associations' annual conferences. The research and policy center *In the Public Interest* released a report on this practice, showing how corrections contractors use sponsorship, donations, vendor fees, and other financial strategies to gain access to the wardens, administrators, sheriffs, and corrections staff that gather at these events. They report that, in 2014, corporate entities contributed at least \$3 million to the five largest professional corrections associations.<sup>39</sup>

This trend now has been extended from corrections-related associations to those that serve professionals in the probation and parole, community corrections, and other "alternatives" fields. For example, the 2015 World Congress on Community Corrections, which is a collaborative effort of the American Probation and Parole Association and the

International Community Corrections Association, was sponsored by GEO Care, Satellite Tracking of People LLC, Management and Training Corporation, and Alvis House (which operates residential reentry programs in Ohio).<sup>40</sup>

It was not clear as of this writing how much each of these levels of sponsorship cost. But according to *In the Public Interest*, sponsorships of similar conferences generally run \$5,000 to \$10,000. Some will allow companies to sponsor the keynote speech, to the tune of \$30,000.<sup>41</sup>

This investment buys them unfettered access to a captive audience of administrators, wardens, and others who may have some part in determining what contracts are signed with their respective departments. The corporations put on workshops and have display

<< *Sponsors of the Third World Congress on Community Corrections,*  
<http://worldcongressoncommunitycorrections.org/sponsor.html>

The screenshot shows the website for the World Congress on Community Corrections. At the top, there is a navigation bar with links for Home, Program, Location, Register, and Sponsor/Exhibit. Below the navigation bar, the text reads "SPONSOR AND EXHIBIT" and "WORLD CONGRESS SPONSORS". Underneath, there are three categories of sponsors: PRESIDENTIAL, PLATINUM, and BRONZE. The GEO Care logo is listed under the PRESIDENTIAL category. The Satellite Tracking of People LLC logo is listed under the PLATINUM category. The Management & Training Corporation logo is listed under the BRONZE category.



booths to showcase their latest technology and products. And it is not unlikely that those who sponsor a keynote address have some say in what the topic and/or message might be.

## KEY COMPONENTS OF COMMUNITY CORRECTIONS PROFITEERING

### 1. Electronic monitoring



Electronic monitoring (EM) can include a variety of technologies and software systems that monitor a persons' location. This can include wrist/ankle bracelets, field monitoring devices, alcohol and drug testing devices, voice verification systems, and global positioning systems (4). Electronic monitoring is employed both as an "alternative to incarceration," alone or in tandem with other services such as outpatient treatment or day reporting, and on the "back end" to monitor those released from prison or detention.

### 2. Day reporting centers



This model of community-based supervision is employed across the spectrum with individuals on probation, diverting people from jail, providing pre-release services to people still technically in jail custody, and with those on parole. Many are designed as a "one-stop shop" providing supervision, drug treatment and testing, employment readiness, and other rehabilitative services. Others are simply an automated system that asks supervisees a series of questions to determine their compliance with the program.

### 3. Intermediate sanctions facilities



These facilities offer an alternative to revocation to prison or jail for violations of the terms of probation or parole, such as positive drug tests, curfew violations, or missed appointments with a parole officer. They are generally designed for shorter stays (90-180 days) and provide treatment, counseling, and supervision to address the nature of the violation.

### 4. Residential reentry centers



Residential reentry centers (RRC) more commonly known as halfway houses, provide housing and supervision to people exiting prison or who are near release. RRCs are intended to provide reintegration services, including employment counseling, financial education, and substance abuse support (5). RRC facilities exist at the federal and state prison level.

While this report lays out the various types of facilities and programs in the emerging Treatment Industrial Complex, these are by no means stand-alone categories. In fact, many states and municipalities blend the various approaches into their community corrections programs, with some aspects administered by the state agency, others contracted out to for-profit corporations, and still others to nonprofit service providers. This makes it hard to assess the full scope of the Treatment Industrial Complex.

For the sake of brevity, this report does not address the myriad other types of profiteering in the criminal justice field, such as drug treatment and mental health programs provided inside various correctional and "alternative" facilities. This segment alone is a huge potential source of profits in the field's newfound embrace of rehabilitation.

These four segments were selected for consideration because they represent some of the largest sectors of this emerging market. Collectively, they illustrate the continuum of profiteering in community corrections, from residential treatment (which generates the highest per diems) to supervision and surveillance, which make up for the lower per-day cost with higher numbers of individuals being monitored.



## Electronic monitoring



Electronic monitoring has been used with people under supervision since the 1960's. Technological advances such as global positioning systems (GPS) and location tracking technology has made the use of these devices, especially body attachment monitors, much more widespread.

Over the last three decades, the number of people in prison has soared, and state corrections' budgets grew exponentially. After the 2009 recession, governments began looking for cheaper options. This technology is popular with cash-strapped departments and municipalities because the corporations contracting with the government agency charge the sentenced individual for the cost of their own supervision. At the same time, electronic monitoring represents a more politically feasible option for prison reduction, while addressing constituency concerns about accountability and public safety.

This technology is used both on the "front end," in lieu of pre-trial imprisonment, for people on home arrest and other diversion programs or for probationers; as well as on the "back end" or for those released from jail or prison on community supervision. In addition, electronic monitoring is used with sex offenders, juveniles, truant students, domestic abuse offenders, and those accused of gang activity.

The use of electronic monitoring has increased by about 68% between 1998 and 2014.<sup>42</sup> Since most terms are less than a year, about 300,000 people experience electronic monitoring annually. In addition, an estimated 50,000 alcohol detection devices are in use, usually due to a DUI conviction.<sup>43</sup> Over 40 states and the District of Columbia have passed laws permitting and setting guidelines for the use of electronic monitoring.<sup>44</sup>

GPS Electronic monitoring devices record a person's location every 15-60 seconds, and transmits that information to the supervising entity.<sup>45</sup> If the person is not in an approved location or has removed or disabled the device, an alarm will alert the supervising authority.<sup>46</sup>

Other devices monitor the individual's blood alcohol level through their sweat, like a wearable breathalyzer test.

The monitors can weigh about two pounds, must be worn 24 hours a day, and need to be charged an average of five hours each day to remain active.

The majority of companies providing electronic monitoring are for-profit enterprises. BI Inc., owned by the GEO Group, 3M Electronic Monitoring, Sentinel Offender Services (which owns Satellite Tracking of People, LLC.) are some of the top companies taking government contracts at the federal, state and county level. However, the lucrative nature of the industry is attracting new players, such as SuperCom, an Israeli-based Smart ID and electronic monitor producer, which has predicted that this will be a \$6 billion a year global industry by 2018.<sup>47</sup>

Estimated revenue from such operations is believed to exceed \$300 million, with the amount expected to rise as governments are pressured to reduce costs without reducing convictions.<sup>48</sup>

*The use of electronic monitoring has increased by more than 31 percent since 2000. Over 40 states and the District of Columbia have passed laws permitting and setting guidelines for the use of electronic monitoring. The industry generates an estimated revenue of \$300 million.*

### **Electronic monitoring in state/county supervision**

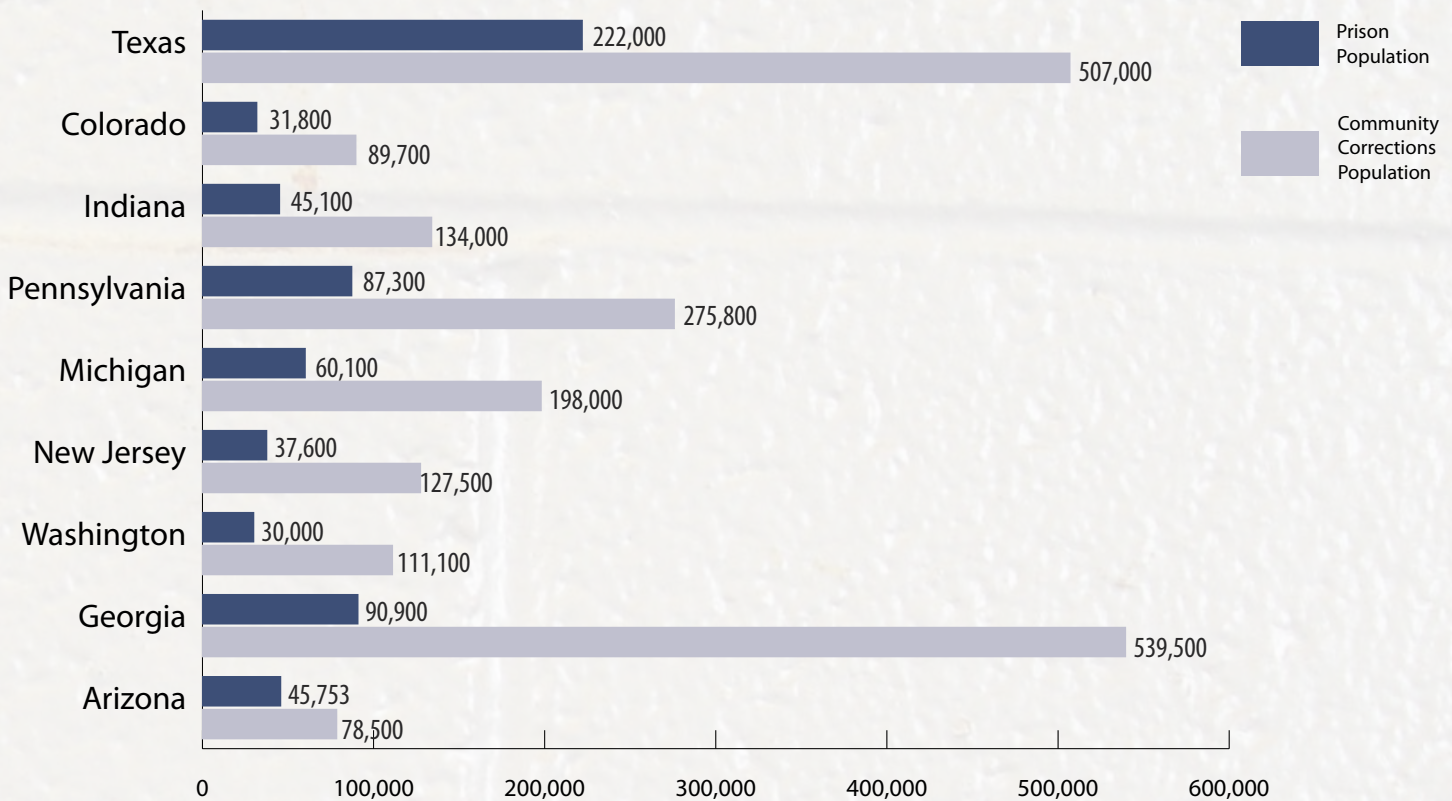
At the state/county government level, electronic monitoring services are used for pre-trial accountability (as an alternative to jail), parole/probation supervision, house arrest, and monitoring of those with specific convictions that are considered more likely to reoffend, such as domestic violence or sex offenses.

According to the Associated Press, at least 100,000 people convicted of sex offenses, on parole, and on probation were wearing electronic monitoring devices in the US in 2013.<sup>49</sup> Current statistics are unavailable, but it is likely that the number has increased and will continue to climb as new contracts are consistently being signed. States vary widely in their use of the technology. For example:

- California has placed 7,500 people on GPS ankle bracelets as part of a realignment program aimed to reduce prison populations.<sup>50</sup>
- North Carolina has tripled the use of electronic monitors since 2011.<sup>51</sup>
- Washington State has 20,000 people under electronic monitoring.<sup>52</sup>



**Figure 3. State prison populations versus community corrections populations, 2014**



Contracts for electronic monitoring provide not only the physical devices, but also transmitters, software, and technical support.

Daily fees for electronic monitoring can range anywhere from \$5.00 to \$40 per day, depending on the municipality and the private contact. This does not include fees such as installation/set up, ongoing maintenance, or other requirements, such as landlines or charges for lost/damaged equipment, all of which can range from \$150<sup>53</sup> to \$200<sup>54</sup> per item.

A nationwide survey by NPR found that 49 states — every state except Hawaii, plus the District of Columbia— now allow or require the cost to be passed along to the person ordered to wear one.<sup>55</sup> These costs can create an unreasonable burden for low-income or homeless individuals, as discussed below.

### **Electronic monitoring in immigration**

At the federal level, the Department of Homeland Security and Immigration and Customs Enforcement (ICE) have also adopted electronic monitoring.

During FY 2014, 48,170 people were in the *Alternatives to Detention* program, including the intensive supervision or electronic monitoring services provided by GEO Group.<sup>56</sup> In its FY 2016 budget request to Congress, DHS asked for this program to be expanded to 53,000 people per day at an annual cost of \$30.8 million.<sup>57</sup>

The program has two “supervision options”: Technology Only and Full-Service. Both programs contract for electronic monitoring, using either GPS ankle bracelets or voice recognition software for telephonic reporting.

As of February 2014, there were 10,833 active Technology Only participants and 11,368 in the Full-Service option. The Department of Homeland Security reports that the contractor charges \$0.17 a day per participant for telephonic monitoring and \$4.41 for GPS monitoring. Case management services that come with the Full Service option cost an average of \$8.37 per day.<sup>58</sup>

The *Alternatives to Detention* (ATD) program was designed to focus on ICE’s top priorities in immigration, which are those people with serious criminal histories and who pose a threat to public safety. However, according to ICE reports,



*"I asked, 'Why are you putting this on?'  
We're not assassins. We're not thieves.  
We've come to save our lives."*

*("Immigrant mothers, released from holding centers,  
but with ankle monitors," New York Times, 7/29/14)*

only 47% of the immigrants under supervision have been convicted of a crime. Thirty-one percent of people under supervision have no criminal history.<sup>59</sup>

Instead, electronic monitors are being used as 'collateral' to ensure that a person shows up for their scheduled immigration court date. Yet, it is doubtful that women who are seeking asylum in the United States would turn down a chance to go to court and obtain this protection. Over 90%

have expressed fear in returning to their native country, and are seeking US asylum.<sup>60</sup> Additionally, in an April 2015 US Citizen and Immigration Services report, showed that nearly 88% of those staying in the family specific detention facilities and who applied for asylum based on fear were recognized by ICE as having a credible reason for being fearful.<sup>61</sup>

Immigration attorneys in Texas filed a formal complaint with Homeland Security charging that migrants, many of whom were mothers of minor children, were being deliberately misled and/or coerced into agreeing to wear ankle bracelets in order to be released from detention.<sup>63</sup> The complaint alleged that immigrants were not adequately informed of their right to be released on bonds instead of the tracking devices. In addition, ICE personnel were meeting with the immigrants and obtaining their signatures without notifying immigration attorneys.<sup>63</sup>

Even more disturbing, the complaint charges that ICE personnel threatened to withhold medical care for their children and threatened the mothers with deportation if they chose to seek bond hearings instead of agreeing to wear the ankle monitors.<sup>64</sup>

### **Concerns regarding electronic monitoring profiteering**

Determining the effectiveness of electronic monitoring depends upon the stated (or understood) goal of the program. Is electronic monitoring being used to punish, to track, to rehabilitate or for some other purpose? The best practices for the community corrections field recommends a balanced approach between treatment, surveillance and

### **Libre by Nexus**

In addition to those companies that contract with government entities to provide electronic monitoring services, there is a new breed of profiteer that is using the technology to broker bonds for immigrants in detention centers.

Libre by Nexus is a surety company working with the for-profit bail bond industry. The company specifically targets families affected by immigration detention who are desperately seeking a way out of detention centers.

"Libre" means "free" in Spanish. The advertising used by the company plays on many of the themes and even messaging used by immigrant rights advocates in their opposition to the over-use of detention. The website proudly declares, "We reunite families."

Most bond companies require collateral in order to post an immigration bond, such as a house, credit card, or a cash deposit. Libre only requires a "co-signer," and this person does not have to be a US citizen or permanent resident.<sup>65</sup> For indigent immigrant defendants, this is a major advantage.

However, the company then uses expensive GPS monitoring as its collateral in underwriting detention bonds with recognized bail bond companies.

<< Libre by Nexus website, <http://www.librebynexus.com/>



### **How Nexus Helps**



**GET YOUR LOVED ONE OUT OF JAIL TODAY!**



Court can be very scary. If your loved one is waiting for a bond hearing, we can help.

Contact one of the lawyers on our legal team to see if we can help your loved one with free legal representation at their bond hearing!



accountability to prevent recidivism.

In the case of pretrial incarceration or detention, the stated goal of electronic monitoring is to ensure the defendant shows up to court. As an alternative to incarceration and/or a post-incarceration supervision tool, the goal is to ensure that the supervisee is adhering to the rules and requirements of his or her program, i.e. staying away from drugs and alcohol, not spending time with “criminal associates,” attending required classes or rehabilitation programs, and, perhaps most importantly, not committing new crimes.

The true effectiveness of this intervention has not been extensively studied, particularly when it comes to the diversity of populations who are now being subjected to increased supervision. The potential for reductions in recidivism must be balanced with other concerns, such as those listed below.

**Faulty Equipment:** The reliability of electronic monitoring varies widely. A study completed in 2007 in Arizona found that 70% of the alerts sent to supervising entities were false alerts—meaning the person did nothing wrong but the monitor reported that they did. This is due to technical issues such as signals lost in dead zones.<sup>69</sup> As reported by BI Inc., false alerts can be sent because of a low battery or while the device is charging.<sup>70</sup> Another report from Tennessee found that 82% of the 38,476 alarms that occurred from the 68 people they had on EM resulted from technology issues, not safety concerns.<sup>71</sup>

In 2012, following numerous issues with the GPS equipment breaking, batteries dying, and “ghost signals” that reported people miles away from their actual location, the State of California cancelled its contract with 3M.<sup>72</sup>

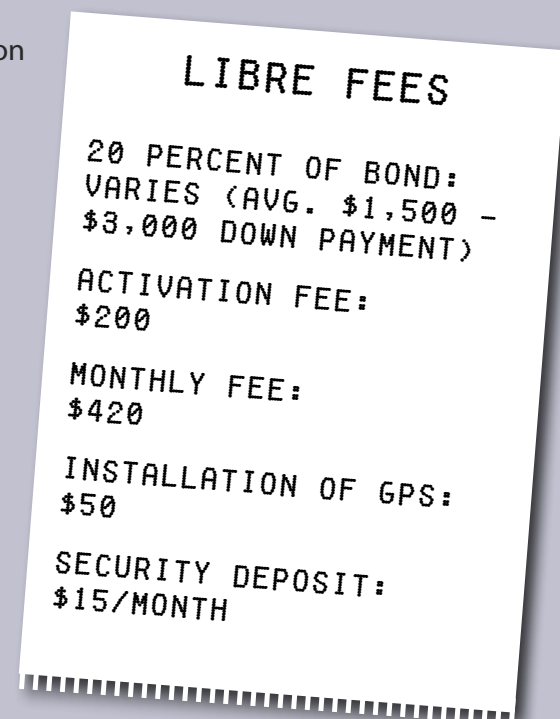
With the excessive false alarms and the incredible amount of data collected from EM, parole and probation officers often fail to properly follow up on alerts. An Associated Press study found that federal probation officers in New York often ignore alerts that lasted less than five minutes, as it was assumed that it was a technical issue. In Orange County, FL, the number of alerts was so overwhelming that the staff prioritized responding to alerts of removal only. This permitted one person being monitored to violate his curfew 53 times in one month without sanction, and allowed him to shoot three people as well as kill one person planned to testify against him.<sup>73</sup>

To be released from detention, a person must sign a contract agreeing to pay \$420/month, plus various other fees, for “renting” a GPS ankle monitor that they must wear at all times. The person must wear this until their detention hearings are completed, meaning they are either deported or granted asylum in the US, or until the total amount of the bond is paid, plus 20% interest.<sup>66</sup>

For bonds over \$5,000, the company requires an \$880 processing and installation fee, which is non-refundable. Neither the interest payment nor the installation fee is used toward paying off the bond.<sup>67</sup>

Immigration cases can take months or even years to settle. Families have reported paying thousands of dollars *more than their original bond* to cover the GPS contract, and still do not have a court date scheduled.<sup>68</sup> LBN is not regulated in any way, unlike for-profit bail bond companies, which must register as a certified company with the US Department of Treasury. LBN avoids this by outsourcing to a certified bail bond company, and then profits from the GPS rental agreement.

This type of predatory action can cause great harm to the individuals enrolled, as well as to the alternatives to immigration detention movement. LBN claims to provide case management, legal services, and holistic support, but few clients have seen those services. Instead, they lure people who are in detention and desperate to leave with a false freedom, enriching their business in the process.





In the worst cases, failures in equipment and reporting can result in people being arrested and imprisoned for parole violations that never happened.

**Surveillance vs. Support:** Instead of acting as one of many tools used alongside comprehensive treatment services, electronic monitoring often acts as a crutch for overworked probation and parole departments. It threatens a return to the “tail ‘em, nail ‘em, and jail ‘em” approach, in which the officer—or in this case, the device—is simply there to catch the individual if and when he or she violates the terms of probation or parole, leading to sanctions that often include reincarceration.

Pure surveillance, without the opportunity to meet with a case worker or parole officer to “check in,” get assistance, and talk things through, results in higher rates of violation. A Washington State Institute of Public Policy analysis of adult corrections programs found that supervision programs without a focus on treatment do not, in general, produce a reduction in recidivism rates.<sup>74</sup> Community supervision in some jurisdictions, however, continues to focus heavily on individual probationer accountability rather than on providing officers with the skills, tools, and resources necessary to reduce the risk of recidivism among their supervisees.<sup>75</sup> One monitored individual noted:

*The restrictions had no particular purpose in terms of my own development. They only seemed dedicated to keeping me under control. Moreover, there were no meaningful conversations with parole agents or case managers about how a person was supposed to advance, about the best place to find work, about the difficulties in getting a driver’s license or how I might go about re-establishing relationships with my family after a six and a half year absence. I was on my own with a plastic ankle bracelet and a box that made lots of beeps on the line every time I wanted to talk to someone on the phone.<sup>76</sup>*

Surveilling people without connecting them to treatment and resources does not solve the problem of crime and thus it does not enhance public safety. In fact, it represents a significant misallocation of taxpayer dollars.

**Net Widening:** Rather than serving as a true “alternative to incarceration,” electronic monitoring appears to be bringing new populations under state control. According to an analysis in the *Journal of Law and Policy*, most of those placed on electronic monitors haven’t committed serious or violent offenses and, were it not for monitoring, “at least some of these populations would not in fact be incarcerated or otherwise under physical control.”<sup>77</sup>

A negative incentive is sometimes even embedded in the contracts, as the cost for each device is reduced when more are ordered. In a 3M contract with the state of Arkansas, the price for an ankle bracelet and receivers drops from \$2.50 each when 500 or less units are ordered to \$2.25 at 501 to 1,500 units. This continues to the lowest cost option, which is only \$1.95 per unit when more than 3,000 are ordered.<sup>78</sup> This incentivizes governments to order more devices as a long-term cost saving measure, and prioritizes the use of electronic monitoring over other options solely because the equipment is available, not because it is the best option for that person and their circumstances.

**Stigma and Negative Impacts on Families:** Wearing a visible monitoring device immediately marks someone as a “criminal.” An ankle monitor can dissuade employers from hiring a person out of fear, and the stigma the monitor attracts can cause a person to isolate themselves. In this way, electronic monitoring can keep people trapped in the system rather than helping them to grow out of it.

A Department of Justice study found that, with the visible ankle monitor acting as a “scarlet letter,” those permitted

to go to work had a difficult time finding or holding jobs.<sup>79</sup> This is a huge issue, given that gaining employment is a crucial step in avoiding future offenses. Most people under supervision are in the low wage, flexible hours job market. The job sectors most available to them are fast food, cleaning and maintenance, gardening, or retail sales. Limitations on movement and schedule changes can interfere with other conditions of their supervision,

<< Example of a GPS ankle bracelet





creating a “Catch 22.”

Some supervisees have reported that they can be placed on “lockdown,” meaning they cannot leave their house at all, for virtually any reason for an indefinite period of time (as determined by the parole officer). They report that there is no means to appeal such a decision. One remarked, “it’s like you just turned my family’s house into another cell.”<sup>80</sup>

Eighty-nine percent of probation officers surveyed by the Justice Department felt that “offenders’ relationships with their significant others changed because of being monitored.” most offenders (65%) described the negative impact as stress from the nuisance and inconvenience, 10% said it changed family relationships because the supervisee stayed home more.<sup>81</sup>

Most (70%) of the officers feel that EM negatively impacts offenders’ relationships with their children because: (1) the children feel stressed about or ashamed of the parent-offender, (2) the restrictions on the places where the parent/offender can take them, (3) the limitations or prohibitions on visits with the children, and (4) the interruption it brings into children’s lives.<sup>82</sup> As one parent testified, “When it beeps, the kids worry about whether the probation officer is coming to take me to jail. The kids run for it when it beeps.” Another noted that his child repeatedly strapped a watch around his ankle “to be like Daddy.”<sup>83</sup>

People have also reported health issues due to constantly wearing the monitors. Issues range from skin abrasions, swelling of the foot or ankle, infections, severe leg cramps, headaches, and burns when charging.<sup>84, 85</sup>

**Penalizing the Poor:** Perhaps one of the most concerning aspects of for-profit corporations’ involvement in electronic monitoring is the fact that those under supervision are generally low income. At the same time, the proliferation of these programs is due in large part to their promises of cost savings to state and local jurisdictions. These savings are frequently, accomplished by requiring the supervisee to pay for the cost of the equipment, a telephone land line, and fees for the supervision itself. These costs are in addition to any other court-ordered fees or restitution. The combined expenses can become a significant burden on individual and families who are already financially stressed.

When people fall behind in their payments, they can be charged additional late fees. Ultimately, those who fail to pay can be sent back to prison or jail. This has given rise to concerns about a return to “debtor’s prisons.”<sup>86</sup>

An additional concern related to the use of electronic monitoring for pre-trial release from jail or immigrant detention is that it creates an unequal system of justice—only those who can afford it will be released. Rather than basing releases on risk assessment or other factors, the decision can rest solely on the person’s ability to pay.

Passing the cost of equipment, servicing, and supervision on to defendants and supervisee’s is a major incentive for cash-strapped state, county, and city governments struggling to pay for their “get tough” policies. Though, some jurisdictions have found that the contracts ultimately undermined promised cost savings because governments have to chase down indigent defendants who fall behind on payments.

At the same time, other counties are actually reaping an additional profit from these programs. In Mountlake Terrace, a suburb north of Seattle, the city contracts with a small electronic monitoring firm, which charges the town \$5.75 “per client.” Yet the person placed on electronic monitoring actually pays the city \$20 per day, resulting in a net revenue for the city of “approximately \$50,000 to \$60,000” per year, according to Mountlake Terrace county documents.<sup>87</sup>

Making justice system-involved people into profit-generating machines is inherently unethical. It is also a dangerous trend that ultimately undermines the public safety and rehabilitative goals of the criminal justice system.

## **Reentry centers and other “alternative” facilities**

### **Day reporting centers**



The concept of Day Reporting Centers emerged in the 1980s as a community-based intermediate sanction, delivered in a single location, which could be used as an alternative to incarceration.

Day Reporting represents a relatively low-cost means of supervising large numbers of individuals at varying degrees of intensity. Individuals can use an electronic kiosk to remotely “check in” or drop in to a center as little as once a week, or they can be required to participate in 8 hours of treatment programming daily. Many programs operate as a “one-stop shop,” where wraparound services are offered for individuals to participate in during the day, allowing them to return to their homes at night.



*As one parent testified, “When it beeps, the kids worry about whether the probation officer is coming to take me to jail. The kids run for it when it beeps.” Another noted that his child repeatedly strapped a watch around his ankle “to be like Daddy.”*

The spectrum of programs in counties and states include:

1. In-custody “pre-release” programming for jail inmates
2. Jail diversion for those released on their own recognizance, in lieu of posting a bond
3. Probationers
4. Parolees or recently released prisoners

As of this writing, there is no national data available to indicate just how many day reporting centers are in use across the country. An initial scan

indicates that the majority are administered on the county level by jails and probation departments. The range of programs and services is extremely varied.

Examples of Day Reporting include:

- **Georgia** operates 15 Day Reporting Centers and 17 “Day Reporting Center Lite’s” throughout the state for probationers and parolees. Low-risk probationers can utilize an automated system. More intensive programs include wrap-around services.<sup>88</sup>
- **Cook County, IL** utilizes day reporting as a jail diversion program. Participants are still considered “inmates,” and the program pairs day reporting with electronic monitoring.<sup>89</sup>
- **Sacramento, CA** utilizes day reporting for probation, parole, jail release, and state prisoners who have been released through the recent passage of Proposition 47, which retroactively made certain drug and theft offenses misdemeanors instead of felonies.<sup>90</sup>
- **Washington state** County Probation departments utilize day reporting for pre-trial jail releases in lieu of bond as well as for those who are non-compliant with the terms of their probation. The program is also used to monitor behavior pending placement in substance abuse treatment and mental health treatment.<sup>91</sup>

A major player in the day reporting center market is GEO Group, through its subsidiary BI Incorporated. The company boasts a total of 31 day reporting centers in California, Colorado, Kansas, Kentucky, Louisiana and Virginia.<sup>92</sup>

The original vision of a “Day Reporting Center” was a place where individuals came once a day to report to their probation or parole officer, possibly submit a drug test, and attend counseling. With the advent of technology, it is possible for people to “check in” remotely via a kiosk, further minimizing the disruption to their lives and the burden of supervision.

But many such programs appear to require 8-hour a day participation for set lengths of time. Some programs also place individuals on electronic monitoring, which represents a costly duplication of services. Likewise, the use of these programs as a “pre-release” program from jail has the potential to simply prolong the process before the individual can actually return to the community and resume their productive activities.

### **Intermediate sanctions facilities**



Technical violations of probation and parole are a driver of high incarceration rates in many counties and states. In 2014, technical violations accounted for 26 percent of all prison admissions in the US.<sup>93</sup>

Technical violations are typically failures to abide by the conditions of release, such as testing positive for drugs, missing appointments with parole officers, or violating a curfew—not committing new crimes.

Emerging best practices indicate that these digressions are best addressed through graduated sanctions, rather than a return to custody.

Graduated sanctions can include community service, increased drug testing, and loss of privileges. More serious infractions can be addressed through immediate, short-term stays in intermediate sanctions facilities. The recommended length of stay is one to three days, to allow people to maintain their employment, family and community ties.

Due to the tremendous costs associated with revoking technical violators back to prison, the use of graduated sanctions has been promoted by a range of government, academic, and social service entities.<sup>94</sup>



The most accepted model is “Swift and Certain Sanctions,” referring to research findings that individuals are more motivated to comply when punishment is immediate and guaranteed, rather than unduly harsh. Model programs like HOPE in Hawaii have proliferated around the country, touted at professional conferences and in industry publications.<sup>95</sup>

The highest level of sanction is a short-term stay in some type of residential setting. Sometimes county jails, residential reentry centers, or other non-prison facilities are used for this purpose, but increasingly, new facilities are being developed for this population, representing a potential source of income for for-profit operators.

The relative freedom of movement in these residential settings is variable. While a court order or threat of reincarceration can coerce participation, in most cases the individual is technically free to leave. In others, the facility is considered “secure,” offering little distinction from a jail or prison stay other than the fact that it also offers rehabilitative services.

As of this writing, there is no national overview or evaluation of the number, scope, and performance of these types of programs.

Washington State was the first to adopt the program statewide. In 2012, the state completely restructured their parole and probation systems to embrace the swift and certain model. Now, low-risk violations such as testing positive for drugs or alcohol automatically result in one to three days in a county jail. High-risk violations such as firearm possession continue to be addressed with a hearings process that could result in up to 30 days confinement. New crimes are referred to local prosecutors.

An evaluation of the program found that the model had reduced revocation jail stays from 30 to 120 days to about three. The report found that SAC participants were 20 percent less likely to be convicted of any crime, including felonies and property crimes. Further, SAC participants were 30 percent less likely to be convicted of a violent felony. And, finally, the evaluation discovered that the program resulted in significant cost savings. Every dollar spent on SAC saves the Washington Department of Corrections \$16. That amounted to over \$40 million saved at the time of the study.<sup>96</sup>

The positive results and costs savings appear tied to not only the swiftness and certainty of the penalty, but also the fact that it is short-term, allowing them to maintain their pro-social activities and connections to family and community. The Washington State study found:

*By reducing the duration of confinement for ‘low level’ violations, offenders were more likely to maintain employment, social supports and continue to participate and receive needed treatments and services in the community.” As Jacqueline van Wormer, the report’s co-author, reasons, “It’s easier to explain away a missed day to your employer than 30 [days].”<sup>97</sup>*

Unfortunately, this model is now becoming distorted into an excuse to create and/or contract out for new facilities that are variations on prisons, or take up wings in existing prisons.

Pennsylvania operates seven “Parole Violator Centers” where individuals who commit technical parole violations are placed in lieu of a return to prison. However, these are secure facilities where individuals are not permitted to leave the center without an official escort. All programming as well as meals and housing are provided on-site. Three of the centers are operated by non-profit organizations through contracts with the state: Gateway Foundation Corrections and Renewal, Inc.<sup>98</sup>

Texas has seven Intermediate Sanctions Facilities (ISF) that are operated through the Texas Department of Criminal Justice. Individuals who violate the terms of their supervision are court ordered to participate. Typically, the program lasts six months. They are billed as “community-based facilities allow the offender to retain some ties to family and local support mechanisms with programming that continues community contact including community service restitution and local rehabilitative services.”<sup>99</sup> Yet they are nevertheless secure facilities from which the individuals cannot leave freely until after discharge.

In addition, Texas has two State Contracted ISF’s which are secure lockdown facilities that completely remove the offender from the community and provide either substance abuse treatment or cognitive treatment. These programs



are targeted toward medium- and high-risk felons. These two facilities are operated by Management and Training Corporation.

It is likely that such for-profit corporations, with a background in prison facility management, would look to these programs as an avenue to expand their revenue. But states and local governments should be extremely cautious when pursuing these options. Recent research questions the usefulness and cost effectiveness of these programs unless there is a demonstrated need for intensive, residential treatment. Further, the parolee should be placed in the program immediately following a violation, not after a lengthy revocation and court order process.<sup>100</sup>

### **Residential reentry centers**



Residential Reentry Centers are what most people refer to as “halfway houses”—they ideally provide housing, treatment, case management and job assistance for a short period of time to assist individuals in their transition from prison to the community. The programs generally require a person meet certain eligibility requirements, often pertaining to conviction types, behavioral records, and support systems

before they are accepted.

One of the key areas of sentencing reform for many states is parole reform—reducing the length of time people serve in prison and/or increasing their opportunities for early release. Sensitive to charges of such policy reforms being “soft on crime” or “releasing criminals onto the street,” many states have opted for residential reentry programs to ensure that individuals are being monitored and provided with needed services to reduce their risk of recidivism.

According to the Sentencing Project, lawmakers in at least six states modified policies related to community supervision in 2015. California expanded eligibility for early release for people sentenced as juveniles and for those with a mental health or medical diagnosis. Oklahoma authorized reduced sentences for those who successfully complete a drug treatment program. The Governor of Oklahoma also directed the department of corrections to allow prisoners sentenced for violent offenses to earn good time in order to reduce their sentences. And Utah passed a law allowing people to earn early release credits of 30 days for each month people monitored on probation or parole were in compliance with their supervision requirements.<sup>101</sup>

In addition, safe and affordable housing is a huge barrier to individuals released from prison. The vast majority of incarcerated people were poor *before* they went to prison. With few opportunities to earn money inside prison, plus having to pay fines and restitution payments, and being charged for an array of basic needs by the prison (commissary, doctor visits, personal hygiene products), most people are released with very little money or none at all. They often have few marketable job skills and low educational attainment. And the “collateral consequences” of a felony conviction set up additional barriers—many housing providers will not rent to people with a record, and many employers will not hire people who have been incarcerated, regardless of the offense.

Residential reentry programs can fill this gap by providing a place for people to live while they are making the transition back into the community.

Most residential reentry programs are designed to provide minimal freedoms such as employment and out of facility visitation, but these are privileges and not guaranteed. Participants must still report in the evening and stay overnight.

The type and quality of treatment, rehabilitative programming, and job assistance provided vary widely, and despite significant research in this area and emerging best practices, to date there are no national standards or guidelines.

### **Residential reentry centers in federal and state jurisdictions**

The Federal Bureau of Prison (BOP) provides the best example of a standardized structure for Residential Reentry Centers. Federal reentry programs offer drug testing and counseling for alcohol and drug-related problems, employment training, and medical care, including mental health treatment.

The BOP currently has 215 active contracts, with over 9,000 beds for men and women. About 70% of these facilities are operated by nonprofit entities. The other 30% are through for-profit entities, with GEO Care and its subsidiaries securing the most contracts.<sup>102</sup> Most states or counties contract to private for-profit or nonprofit companies as well.

During their stay, individuals are required to pay 25% of their gross income, not to exceed the average daily cost of their placement. These are referred to as “subsistence payments.” If a person fails to make payments they can be returned to custody and reincarcerated.<sup>103</sup>



Because these programs are administered by the federal government and subject to a unified set of standards, it is possible to gather reliable data on their performance and outcomes. The Justice Department's Office of the Inspector General conducted an audit of the BOP's residential reentry programs in 2012.

The audit found that the six centers reviewed adequately met most of the requirements. However, the report identified deficiencies related to substance abuse testing, inmate subsistence payments, escapes, and authorized inmate absences. The OIG notes that these conditions increase the probability that inmates will not successfully transition back into society.<sup>104</sup>

At present there is no comprehensive survey of the use of halfway houses in the states. Available information indicates that there are a range of programs, including residential and non-residential. These are sometimes operated by state agencies, but more often are run by for-profit and non-profit entities. Some have state oversight and some operate completely independently.

As with so many other segments of the Treatment Industrial Complex, the two major players in residential reentry are GEO Group and CCA. GEO Group has 22 reentry facilities in four states.<sup>105</sup>

As of 2016, CCA owned or controlled 24 residential reentry facilities with a design capacity of 4,970 beds located in six states, making it one of the largest Community Corrections operators in the US market.<sup>106</sup>

A lesser known profiteer in this arena is Community Education Centers (CEC), a New Jersey-based for-profit company that manages jails, prisons and transitional centers throughout the United States. The firm operates six large halfway house facilities in New Jersey that contain 1,900 of the state's reentry beds. CEC also runs the 900-bed Albert M. "Bo" Robinson Assessment and Treatment Center (Robinson Center), which functions as both a halfway house and intake center for state prisoners transitioning into the halfway house system.<sup>107</sup>



### ***Issues in for-profit residential reentry centers***

Private operators make their profits by winning contracts. They win contracts by being the lowest bidder, yet at the same time, they have to provide the same or better service while still generating revenue for their company. As a result, these corporations are notoriously tight-fisted when it comes to their facilities' construction, amenities, programs and services available to prisoners, and, most significantly, staffing.

These companies often pay staff less than states or the federal government. They frequently offer minimal staff training, which can leave employees frustrated and unprepared to handle crises. As a result, facilities tend to have very high turnover rates and are chronically understaffed.

Essentially, the combination of low pay, understaffing, and having a "green" is a recipe for unstable and dangerous facilities. Staff who are new and under-trained may not have enough experience to notice when conflicts are brewing or know how to defuse them before they escalate.

The examples listed below are offered as illustrations of the nature of these problems, but are by no means an exhaustive list of all such problems and incidents.

#### ***Drugs and Violence***

- Some former halfway house residents and workers in New Jersey have reported that reentry facilities are often violent, dangerous and gang-infested, rampant with drugs and other contraband, and residents are not closely monitored. "This industry just infuriates me," stated Nancy Wolff, director of the Center for Behavioral Health Services and Criminal Justice Research at Rutgers University. "If you want to go there and sit in peer-run groups – or hang out and smoke and play cards and have access to drugs – it's a great place."<sup>108</sup>
- Methamphetamine, marijuana, weapons and other contraband were found during a surprise search of a CCA halfway house in southwest Oklahoma City in April of 2016. Nearly 40 grams of marijuana, a half gram of methamphetamine, alcohol and 26 cellphones were among the contraband found, according to a news release.<sup>109</sup>
- In 2015, a guard at an Avalon facility in Oklahoma was caught on video appearing incoherent and admitting to have taken drugs provided to him by one of the residents of the facility. The video was recorded on the



guard's own cellphone by another resident. In 2014, an Avalon facility in Tulsa came under investigation after a different video emerged showing residents fighting.<sup>110</sup>

### **Escapes**

- From 2009 through 2011, 16% of escapees absconded from CEC-operated facilities in New Jersey.<sup>111</sup>
- GEO Group transitional and prison facilities have reported numerous escapes. The most recent occurred in January 2016 at the Southeast Texas Transitional Center.<sup>112</sup> That same facility was scrutinized in 2012, when six escapes occurred.<sup>113</sup>
- Between 2008 and January of 2014, roughly 30 percent of the offenders at an Avalon facility in Tulsa reported for misconduct received write-ups for escape or related charges. Avalon staff labeled escapes as "failure to comply with the limits of confinement" in order to cover up the problem.<sup>114</sup>

### **Abuse and Unconstitutional Conditions**

- In Texas, where CEC runs a network of jails, almost every one of those facilities has been sued for alleged staff misconduct. The warden and head of security at one CEC-run jail were fired in 2012 after a former inmate sued the company, saying she was sexually assaulted repeatedly by the security officer and then forced by the warden to lie to investigators about the attacks. Sexual assault allegations led to two more lawsuits against CEC in 2014, one by inmates at another CEC jail, the second by a former inmate at a CEC immigration detention center.<sup>115</sup>
- In 2014, Oklahoma Department of Corrections cancelled a contract with Avalon after three separate investigations found concerns with contraband, safety of residents, and staff imposing fights as punishments. The Department told the company it had "lost confidence in the administration" of the facility.<sup>116</sup>

### **Mismanagement**

- A former guard at a San Diego halfway house initiated a hunger strike in 2016 to protest the deterioration of conditions after CCA purchased the facility. He observed cutbacks in staff, food, and programming meant to help inmates reintegrate into the community. He also reported forged documentation of searches and falsified hours spent training guards, but says his complaints were ignored by CCA officials.<sup>117</sup>
- In a CEC halfway house Colorado—the largest in the state—there have been reports of unchecked drug use and gang violence. State corrections inspectors reported in 2008 that administrators staged phony classes during their inspections, offering candy bars to residents if they would pretend to participate in counseling and job placement sessions.<sup>118</sup>
- Former employees at CEC's Robinson Center in New Jersey reported rampant falsification of prisoner records. The records reported providing drug treatment and other classes as well as drug tests, which staff said never actually occurred. And when classes were provided, they were given in a haphazard manner or by untrained employees who merely read the program materials to a group of residents.<sup>119</sup>

### **Lack of Standards and Oversight**

Despite the proliferation of these facilities, there are few regulations that ensure these programs provide safe environments and yield positive results. Both for-profit and nonprofit entities are contracting with governments to reduce the burden of reentry, but there is little monitoring to confirm that they are delivering rehabilitative, responsible, and humane services.

According to the Tampa Bay Times, many halfway houses in Florida are little more than flophouses that cram residents two or three to a room in dingy quarters with no job assistance, no trained staff and no support. Some are operated by individuals "with serious criminal records, including robbery, sexual assault and drug trafficking."<sup>120</sup>

Incredibly, state officials do not require reentry facilities to be licensed, thus it is impossible to track such incidents. In fact, without licensing, there is no way to know how many halfway houses are actually operating in Florida.<sup>121</sup>

The State of Pennsylvania has reported a high rate of recidivism of those who cycle through reentry facilities. A 2013 study by the Pennsylvania Department of Corrections (PDOC) found that prisoners sent to halfway houses were



actually more likely to re-offend than those released directly from prison. According to the study, 67% of prisoners sent to transitional facilities were rearrested or returned to prison within three years, compared to 60% of offenders released to the streets. Department of Corrections Secretary stated, “The focus has been on filling up beds. It hasn’t been on producing good outcomes.”<sup>122</sup>

While the theories and intentions behind the RRC model appear helpful to reducing recidivism, the reality is that many companies are using reform principles to widen their hold on the criminal justice market. Without proper accountability or determined desired outcomes, the residential reentry service model cannot provide the rehabilitation it promises.

When the main motivation for governments utilizing alternatives to incarceration is cost-savings, it is perplexing that measures of accountability and evaluation often do not take rehabilitation, resident safety, or staff retention into account. Particularly when the monies for these services are coming directly from government contracts, equating to billions of tax dollars.

When facility operators are found to be negligent, are compromising the safety of residents and the surrounding community, and are not reducing recidivism, it is clear that these programs are not living up to their promise of increased public safety. If people are not receiving healthy, safe, and accountable services, this investment serves only to add to the revolving door of recidivism.

## A BALANCED APPROACH TO COMMUNITY CORRECTIONS

The National Institute of Corrections and its partners in 2004 developed a set of principles known as evidence-based practices (EBP). The underlying philosophy is that any and all correctional practices and programs must be supported by rigorous applied research and evaluations.

The evidence-based practices for the community corrections field call for a balanced approach between treatment, surveillance, and accountability to prevent further abuse, holding offenders accountable and working toward long-term behavior change.<sup>123</sup>

But the trend toward outsourcing community corrections to for-profit operators undermines this approach by focusing on cost savings and awarding contracts to the lowest bidder. It is a basic truth that quality services cost more. To fulfill the vision of evidence-based practices in this field would mean using electronic monitoring in conjunction with wraparound services for supervisees, case management, and job assistance. It would mean that the person wears an ankle bracelet in addition to regular meetings with their parole or probation officer. But in reality, the proliferation of technology is being used to replace this direct personal connection.

Evidence-based practices point toward individually-oriented services instead of a one-size-fits-all approach. The science shows that the most intensive interventions should be reserved for the highest risk individuals. This is not just a matter of scarce resources. Research has found that placing low-risk individuals in high-intensity programs actually increases their failure rates. This is partially because lumping them together with people who have more serious issues may expose them to violence and “teach” them anti-social behavior.

In addition, interventions like ankle bracelets and placement in residential facilities away from their families and communities can disrupt the individual’s social networks and support systems—the very things that make them “low risk” in the first place.<sup>124</sup> Family support and connection to community resources like churches are key factors in supporting individuals to make the right choices and stay on track with the terms of their supervision.

The widespread acceptance of evidence-based practices in sentencing and corrections is in part fueling the



*The widespread acceptance of evidence-based practices in sentencing and corrections is in part fueling the movement toward de-incarceration, and this is a positive trend. But the good intentions of this movement are at risk of being undermined by both the deeply ingrained retributive nature of our criminal justice institutions and the power of the profit motive on the part of companies competing for contracts.*

movement toward de-incarceration, and this is a positive trend. But the good intentions of this movement are at risk of being undermined by both the deeply ingrained retributive nature of our criminal justice institutions and the power of the profit motive on the part of companies competing for contracts.

### **Carceral humanism**

James Kilgore, a writer and educator based at the University of Illinois, was among the first to identify this trend of “repackaging mass incarceration.” As the national conversation began moving toward addressing underlying issues behind criminal behavior such as drug addiction and mental illness, he highlighted the danger inherent in this new service-based approach, calling it “carceral

humanism.” He writes, “carceral humanism recasts the jailers as caring social service providers.”<sup>125</sup>

He particularly singles out the new embrace of community corrections as “non-alternative alternatives to incarceration,” which he rightly points out “purport to change things but in essence simply perpetuate the culture of punishment.”

*While many of these may be well-intentioned, and in some cases have positive effects, they typically involve heavy monitoring of a person’s behavior including frequent drug testing, limitations on movement and association, a whole range of involuntary but supposedly therapeutic programs of dubious value and very little margin of error to avoid reincarceration.*<sup>126</sup>

The alternatives to incarceration movement should be resulting in a strong *downward push*: Reducing the number of people incarcerated, but also moving people more quickly off all forms of supervision. In effect, there should be a substantial number of people, based on risk assessments and other factors, who are completely free of the system and allowed to resume their lives.

This should be happening at the “front end,” where people are provided with appropriate services and accountability measures in lieu of either incarceration or probation. It should also be happening at the “back end,” where individuals who have completed their sentences, are at low risk of reoffending, and do not need additional support could be taken “off paper,” without cycling through a residential reentry center or being placed on electronic supervision.

However, the opposite appears to be happening. As prisons and detention centers fall out of favor, the number of people being placed on electronic monitoring and in post-release programs appears to be swelling.

## **CONCLUSIONS**

Sociologists have long known that the over-use of probation expands the “net” of those under the control of the criminal punishment system:

*...[R]esearchers often found that expansions in probation increased overall punishment by drawing in more low-level cases (who might otherwise have been sentenced with community service hours, fines, or other less invasive punishments) and making these individuals more likely to be incarcerated in the future due to increased restrictions and monitoring.*<sup>127</sup>

Essentially, constant supervision sets people up to fail. The requirements of meetings, home visits, drug testing, and other mandatory activities are extremely challenging for even the most stable of individuals to meet. Add to that the instability that is often a feature of poor people’s lives—problems with transportation, illness, lack of child care, etc.—



and it is almost guaranteed that many will not be able to comply.

With the advent of electronic monitoring, 24-hour scrutiny means that any and all violations and offenses—even those that are relatively minor—will be detected, leading to a range of sanctions that serve primarily to keep people under increasing levels of control.

A similar net-widening trend is emerging in the use of “alternative” facilities. There is a serious concern that these are simply various versions of “prison lite,” without any proven benefits to public safety.

For local criminal justice agencies and elected officials, having this extra layer of supervision is a form of insurance—protecting them from accusations of “letting criminals back into the community.” For the companies holding these contracts, it is a revenue stream. The longer they can require participation, the more money they will make. While providing wraparound services like drug treatment, mental health counseling, and job assistance is valuable and often needed, there is no set of universal guidelines that require actual risk assessment to determine that these services are necessarily needed for each individual in the program. It is possible that very low risk individuals who would be perfectly safe to release without such programs or services are nonetheless required to participate.

While the best practices for those who commit technical violations of probation and parole dictate the use of a range of intermediate sanctions up to at most three days in jail, many intermediate sanctions facilities are mandating stays of 90 days to six months. A six-month stay undermines the benefit of a “swift and certain” approach, which shows that an immediate but short-term period of reincarceration is all that is needed to hold people accountable and get them back on track.

An additional concern, in the absence of standardized guidelines and operating procedures for these programs, is the decision-making process around completion of a given program. Particularly in day reporting and the various quasi-residential programs in community corrections, the decision about when an individual is ready to leave the program is left to the administrators of the program. On paper, these decisions are tied to things such as “completion of the individual treatment plan” or adherence to the terms of their supervision, the determination of which is at least partly subjective.

Unfortunately, this provides ample room for a self-serving or unscrupulous supervisor to determine that someone is not in compliance or has not satisfactorily met the requirements of the program. Particularly in the case of those programs that are operated by for-profit contractors, there is a perverse incentive to keep people as long as possible in order to generate the greatest amount of revenue.

With tools such as electronic monitoring becoming more widely available and reentry centers an increasingly attractive cost savings option for states and counties, the Treatment Industrial Complex will continue to expand until there is a recognition of the pitfalls and consequences of poorly contracted services. While there is a vital need to reduce the incarcerated population, it is important to ensure these programs do not simply ensnare more individuals in the system, spend tax dollars erroneously, or allow for profit without quality service.

This report is in no way suggesting that nonprofit or government-administered community corrections programs are “better” than those run by for-profit prison corporations. There are examples of programs run by each type of entity that are humane and effective, and plenty of dismal failures on all fronts.

The purpose of this report is to expose and question the role of the larger for-profit punishment and control industry in the burgeoning field of community corrections, and to alert decision-makers to the concerns related to the proliferation of these kinds of programs.

In addition, it is vitally important that change agents working to end mass incarceration be aware of the role of the industry and the potential pitfalls of simply recommending “alternatives to incarceration.”

The following recommendations are offered to begin to fix what is broken in the current approach, to avoid the unintended consequences of net widening, and to aid decision-makers and other stakeholders in evaluating the need, scope, and requirements of community corrections programs, particularly where for-profit companies are concerned.

## *Recommendations*

- 1. The overarching goal of sentencing reform efforts should be to shrink the size and scope of the entire criminal punishment system.** Individuals should be placed on the lowest level of security and supervision necessary for the shortest amount of time. Resources should be concentrated in community-based services



outside the criminal system to serve people before they require legal intervention.

- 2. Require all programs to adhere to evidence-based practices in community corrections.** Simply awarding a contract to the lowest bidder does not ensure that the program will deliver quality services or produce positive public safety results. Cutting corners can result in unsafe facilities. Using a blanket, one-size-fits-all approach is not only a waste of scarce resources, it can also be counterproductive.
  - a. The goal should be ensuring the success of supervisees, not punishing their failures. Programs should adopt a behavioral-management approach to supervision that prioritizes assisting offenders in leading successful, crime-free lives in the community. The role of a supervision officer in a behavioral-management model combines enforcement responsibilities with a duty to instruct and model pro-social behavior.
  - b. Base supervision requirements on the individual's level of risk. Assigning low-risk individuals to intensive supervision and programming can be counterproductive and costly. Reserve intensive supervision for moderate to high-risk individuals.
  - c. Tailor the intervention to the individual, taking into account both their treatment needs and their personal strengths. This requires the development of an individual treatment plan for each program participant.
  - d. Use graduated sanctions and incentives for reducing technical violations of probation and parole. Secure residential options should be immediate, short term, and reserved only for those who demonstrate a need for intensive, residential treatment.
- 3. Proper vetting, evaluation, and accountability of contract agencies.** Many of the problems identified in this report can be addressed to some degree through the contracting process. Taxpayers get the greatest return on their investment when contractors are required to demonstrate a record of success, adhere to evidence-based practices, and are transparent and accountable for their outcomes. The mentality of "cheaper is better" is simply incompatible with criminal justice services. To yield long-lasting results, quality in product and direct services must be ensured.
  - a. Conduct due diligence research into the background and past performance of potential contractors. As noted in this report, many of the largest players in the community corrections market have had serious problems with safety, ethics, management, and quality of services. Lawsuits, poor audits, or other performance measures, scandals, and lost contracts should counterbalance a low bid in the competitive award process in order to ensure quality programming.
  - b. Determine and incentivize positive outcomes. Contract awards, payments, and renewals should be tied to measurable outcomes, rather than cost savings or other factors. This includes the number of successful transitions from supervision, lower recidivism, work placements, length of sobriety, and other factors that can clearly demonstrate enhancements to public safety.
  - c. Contract locally. One feature of the Treatment Industrial Complex is the dominance of larger, for-profit industries in the community corrections sphere. These groups can easily out-compete small, local, nonprofit organizations for contracts due to their political influence and cash flow. But in many cases, there is inherent value in contracting with local agencies that have a track record of success in a given community. These types of agencies know the "landscape" of their community, including employers, service providers, and other programs. They are more likely to employ community residents than large corporate groups that often import their managers from other facilities.
  - d. Ensure accountability and penalties. Contracts should require regular monitoring, financial and record-keeping audits, and complete transparency in all areas of operation. Contracts should also stipulate clear and adequate consequences for non-compliance.
- 4. Prohibit predatory practices.** Decisions about supervision and interventions should be based on risk and need, not on the opportunity to generate a profit. Criminal justice is a core function of government and is a grave responsibility. When the state sees fit to deprive someone of their liberty, even if it is only through electronic monitoring, it assumes that responsibility entirely, including the responsibility to pay for it. As most people involved in the criminal justice system are low-income, it is both inappropriate and counter-productive to tie their "success" in community corrections to their ability to pay.



**5. Re-evaluate the appropriate use of immigrant detention and alternatives.** The application of criminal justice interventions to immigration-related issues is inappropriate. While the act of entering the country without authorization has been rendered a federal criminal offense, it is nonetheless a very different issue than rape or murder. The underlying motivation is fundamentally different and, therefore, the interventions must be as well. Incarceration has been shown to have little utility in terms of deterring either crime or migration. Alternatives to detention should be true alternatives, not simply a means to control greater numbers of immigrants. In particular, individuals and families who are fleeing violence and seeking asylum in the U.S. should not be subjected to constant supervision and the associated costs of ankle monitors. These families should be served through community agencies and other support structures that provide holistic services to aid in their transition.

## REFERENCES

1. Pew Center on the States. "One in 31: The Long Reach of American Corrections." Washington, DC: *The Pew Charitable Trusts*, 2009.
2. Bonczar, Thomas P., Kaeble, Danielle and Maruscha, Laura. "Probation and Parole in the United States, 2014." The U.S. Department of Justice, Office of Justice Programs, *Bureau of Justice Statistics*, 2014.
3. Rabuy, Bernadette and Peter Wagner, "Correctional Control: Incarceration and Supervision by State," *Prison Policy Initiative*, 6/1/16.
4. GEO Group 10-K filing US Securities and Exchange Commission (3/2013).
5. The GEO Group, Inc., Annual Report, 2015. <http://www.snl.com/Cache/1001209212.PDF?Y=&O=PDF&D=&FID=1001209212&T=&IID=4144107>
6. The GEO Group, Inc., Annual Report, 2015.
7. *Ibid*
8. Soberlink, Inc. "Soberlink Successfully Sells Criminal Justice Segment," Press Release, 11/18/15, <https://www.soberlink.com/soberlink-successfully-sells-criminal-justice-segment/>
9. "CCA announces acquisition of Correctional Alternatives, Inc.," *The Wall Street Journal*, 8/5/13.
10. Corrections Corporation of America, "2015 Annual Letter to Shareholders," [http://media.corporate-ir.net/media\\_files/IROL/11/117983/2015%20Annual%20Letter%20to%20Shareholders%20-%20Final.pdf](http://media.corporate-ir.net/media_files/IROL/11/117983/2015%20Annual%20Letter%20to%20Shareholders%20-%20Final.pdf)
11. "CCA Boosts Investment in Halfway Houses," *The Tennessean*, 10/19/15
12. "CCA Acquires Correctional Management Inc," Nasdaq GlobeNewsWire, 4/11/16 <https://globenewswire.com/news-release/2016/04/11/827544/0/en/CCA-Acquires-Correctional-Management-Inc.html>
13. GEO Group. "The GEO Group Awarded Contract By U.S. Immigration And Customs Enforcement for the Continued Provision of Services under Intensive Supervision and Appearance Program." *Business Wire*, 9/10/14. <http://www.businesswire.com/news/home/20140910005643/en/GEO-Group-Awarded-Contract-U.S.-Immigration-Customs>.
14. Burnett, John. "As Asylum Seekers Swap Prison Beds For Ankle Bracelets, Same Firm Profits." *National Public Radio*. 11/13/15.
15. Killman, Curtis and Cary Aspinwall, "Private Corrections companies hoped to cash in on Oklahoma reforms," *The Oklahoman*, 1/6/14
16. *Ibid*
17. *Ibid*
18. Watson, Joe "Does Political Spending by Private Prison Firms in Oklahoma Influence Prison Reform?," *Prison Legal News*, 7/13/15
19. Hennessey-Fiske, Molly "Immigrant Family Detention Centers Are Prison-Like, Critics Say, Despite Order to improve," *Los Angeles Times*, 10/23/15
20. Planas, Roque "Family Detention Centers Seek Child Care Licenses as Deadline Looms," *Huffington Post*, 10/22/15
21. Planas, Roque "Texas Judge Issues Another Blow to Family Detention," *Huffington Post*, 6/2/16
22. Burnett, John. As Asylum Seekers Swap Prison Beds for Ankle Bracelets, Same Firm Profits. *National Public Radio*. 11/13/15.
23. Right on Crime webpage: <http://rightoncrime.com/>
24. Right On Crime, Priority Issues, "Prisons," <http://rightoncrime.com/category/priority-issues/prisons/>
25. Right on Crime, Priority Issues, "Parole and ReEntry," <http://rightoncrime.com/category/priority-issues/parole-and-re-entry/>
26. Mak, Tim "Koch Bros to Bankroll Prison Reform," *The Daily Beast*, 1/13/15
27. Williams, Audrey, "Prison Overcrowding Threatens Public Safety and State Budgets," *American Legislative Exchange Council*, 4/8/14 <https://www.alec.org/article/prison-overcrowding-threatens-public-safety-state-budgets/>
28. <https://www.alec.org/issue/criminal-justice-reform/>
29. American Legislative Exchange Council <https://www.alec.org/issue/criminal-justice-reform/>
30. NIMISP. (2015, March 27). *ALEC Corporations*. (National Institute of Money in State Politics) [http://www.sourcewatch.org/index.php/ALEC\\_Corporations#For-Profit\\_Corporations](http://www.sourcewatch.org/index.php/ALEC_Corporations#For-Profit_Corporations)
31. Justice Policy Institute, "Gaming the System: How the Political Strategies of Private Prison Companies Promote Ineffective Incarceration Policies." June 2011.
32. "Private Prisons Fight Back," Truth to Power Series, Ozy, <http://www.ozy.com/fast-forward/private-prisons-fight-back/66970>



33. Corrections Corporation of America website, "SEC Filings," <http://www.cca.com/investors/financial-information/sec-filings>
34. GEO Group website, "SEC Filings," <http://www.sn1.com/irweblinkx/docs.aspx?iid=4144107>
35. Corrections Corporation of America. *Form 10-K: ANNUAL REPORT*. Washington DC : US Security and Exchange Commission, 2014.
36. Department of Justice. CORRECTIONAL ALTERNATIVES, INC DJBP0700RRCPTW10037WSB. *USA Spending*. 2015. <https://apps.usaspending.gov/TransactionSummary?SenderId=64678227&SPHostUrl=https%3a%2f%2fwww.usaspending.gov%2ftransparency&SpendingConfigKey=TransactionSummary&RecordID=D7257A6A-FDAE-4D12-8319-9CDD0EB36E58&AwardID=44261705&AwardType=C#ProductorService>.
37. Dolnik, Sam. "As escapees stream out, a penal business thrives," *The New York Times*, 6/16/12
38. Dolnik, Sam. "As escapees stream out, a penal business thrives," *The New York Times*, 6/16/12
39. "Buying Access: How Corporations Influence Decision Makers at Corrections Conferences, Trainings, and Meetings." *In The Public Interest* August 2015
40. World Congress on Community Corrections, program, <https://issuu.com/appainfo/docs/worldcongress-brochure?e=2618197/13892404>
41. "Buying Access: How Corporations Influence Decision Makers at Corrections Conferences, Trainings, and Meetings." *In The Public Interest*, August 2015
42. Kilgore, James, "Electronic Monitoring is Not the Answer: Critical Reflections on a Flawed Alternative," *Urbana-Champagne Independent Media Center*, October 2015. <http://centerformediajustice.org/wp-content/uploads/2015/10/EM-Report-Kilgore-final-draft-10-4-15.pdf>
43. *Ibid*
44. Office of the Inspector General, City of New Orleans, "Evaluation of the Electronic Monitoring Program Part Two: Implementation and Supervision," 12/3/14
45. *Ibid*
46. Yeh, Stuart S. "The Electronic Monitoring Paradigm: A Proposal for Transforming the Criminal Justice System in the US." Minneapolis : *Laws Journal*, 2014.
47. Kilgore, James "The Spread of Electronic Monitoring: No Quick Fix for Mass Incarceration," *TruthOut*, 7/30/14
48. Donlinar, Brian and Kilgore, James. "Carceral Conglomerate" Makes Millions From Incarcerated, Their Friends and Families. *TruthOut*. 2/13/15.
49. "Some Electronic Monitoring Alarms Go Unchecked," *Associated Press*, 2/29/13
50. St. John, Paige, "Tests found major flaws in parolee GPS monitoring devices," *Los Angeles Times*, 3/30/15
51. Kilgore, James "The Spread of Electronic Monitoring: No Quick Fix for Mass Incarceration," *TruthOut*, 7/30/14
52. Governor Signs Rep. Matt Shea's Home Detention Monitoring Accountability Bill, Washington State House Republicans' Press Release, May 18, 2015
53. Markowitz, Eric. Chain Gang 2.0: If You Can't Afford This GPS Ankle Bracelet, You Get Thrown In Jail. *International Business Times*. 9/21/15.
54. Sklaver, Stacey L. "The Pros and Cons of Using Electronic Monitoring Programs in Juvenile Cases." *The American Bar Association, Juvenile Justice Committee Newsletter*, July 2010.
55. Shapiro, Joseph. "Measures Aimed at Keeping People Out of Jail Punish the Poor," *National Public Radio*, 5/24/14
56. US Department of Homeland Security, "Budget-in-Brief Fiscal Year 2016," [https://www.dhs.gov/sites/default/files/publications/FY\\_2016\\_DHS\\_Budget\\_in\\_Brief.pdf](https://www.dhs.gov/sites/default/files/publications/FY_2016_DHS_Budget_in_Brief.pdf)
57. *Ibid*
58. *Ibid*
59. Sacchetti, Maria. "Program to track immigrants grows, drawing scrutiny." *The Boston Globe*. 3/17/13.
60. Gogolak, E.C. "Ankle Monitors Weigh on Immigrant Mothers Released From Detention." *The New York Times*. 11/15/15.
61. "USCIS Asylum Division Family Facilities Reasonable Fear." *US Citizen and Immigration Services*. 4/27/15. <http://www.uscis.gov/sites/default/files/USCIS/Outreach/PED-CF-RF-family-facilities-FY2015Q2.pdf>.
62. Harris, Lindsay, et al. "Public Complaint Regarding Coercion and Violations of the Right to Counsel at the South Texas Family Residential Center in Dilley." *American Immigration Lawyers Association*. 9/30/15. <http://www.aila.org/advo-media/press-releases/2015/coercion-intimidation-detained-mothers-children/complaint-regarding-residential-center-in-dilley>.
63. *Ibid*
64. *Ibid*
65. Nexus Services Inc. "The Libre Immigration Bond Process." *Libre By Nexus*. 2015. [www.librebynexus.com](http://www.librebynexus.com).
66. "Libre by Nexus Contract Materials, Immigration Electronic Monitoring Services, 2014." *Prison Legal News*. <https://www.prisonlegalnews.org/news/publications/libre-nexus-contract-materials-immigration-electronic-monitoring-services-2014/>.
67. Mateo, Lizbeth "When Libre does not mean freedom," *Criminal Law and Policy Blog*, 5/26/16 <https://crimlawandpolicy.wordpress.com/author/lizbethmateo/>
68. Alamada, Jorge Morales. "Congresista exige investigar a compañía que coloca grilletas a inmigrantes." *La Opinion*. 10/21/15.
69. Arizona State Legislature. "Joint Legislative Study Committee On Global Position System Monitoring." 11/6/07.
70. BI, Inc. "BI Incorporated Factsheet." *Colorado Department of Corrections*. <http://www.doc.state.co.us/sites/default/files/BI%20Fact%20Sheet.pdf>.
71. Hayes, Arthur, Jr. A. "Performance Audit." *Tennessee Comptroller of the Treasury*. September 2012. <http://www.comptroller.tn.gov/repository/SA/pa12036.pdf>.
72. St. John, Paige. "Tests found major flaws in parolee GPS monitoring devices." *LA Times*. 3/30/13.
73. "Analysis finds not enough monitoring of monitoring bracelets in US." *Fox News, Associated Press*. 7/28/13.
74. Vera Institute for Justice, "Potential of Community Corrections to Improve Safety and Reduce Incarceration," July 2013
75. *Ibid*
76. James Kilgore, "Reflections on a Research Agenda for Electronic Monitoring in the United States," Paper Presented to the 9th European Electronic Monitoring Conference "Electronic Monitoring, Probation and Human Rights" Frankfurt, Germany - December 12, 2014
77. Shenwar, Maya "Your Home is Your Prison," *TruthOut*, 1/19/15
78. Electronic Monitoring Contract: Arkansas and 3M Electronic Monitoring. Procurements and Contracts. *Arkansas Department of Finance and Administration*, 7/9/13. [http://www.dfa.arkansas.gov/offices/procurement/contracts/Pages/ElectronicMonitoringEquipment\\_3M.aspx](http://www.dfa.arkansas.gov/offices/procurement/contracts/Pages/ElectronicMonitoringEquipment_3M.aspx).
79. Shenwar, Maya "Your Home is Your Prison," *TruthOut*, 1/19/15
80. Kilgore, James "Repackaging Mass Incarceration," *Counterpunch* 6/6/14
81. Bales, William et al "A Quantitative and Qualitative Assessment of Electronic Monitoring," US Department of Justice Doc. No 230530. May, 2010.
82. *Ibid*
83. Shenwar, Maya "Your Home is Your Prison," *TruthOut*, 1/19/15
84. Gulskin, Jane. "'Something Better' Than Detention for Immigrants?" *TruthOut*. May 22, 2015.



85. Barron, Kyle and Santos Briones, Cinthya. "No Alternative: Ankle Monitors Expand the Reach of Immigration Detention." *The North American Congress on Latin America*. 1/6/15. <https://nacla.org/news/2015/01/06/no-alternative-ankle-monitors-expand-reach-immigration-detention>.
86. "The New Debtors Prisons," *The Economist*, 11/16/13
87. Markowitz, Eric "Electronic Monitoring Has Become the New Debtor's Prison," *Newsweek*, 11/26/15
88. Georgia Department of Community Supervision, "Probation Supervision Programs" <http://dcs.georgia.gov/probation-supervision-programs>
89. Martin, Christine "An Evaluation of the Cook County Sheriff's Day Reporting Center Program: Rearrest and Reincarceration After Discharge," *Illinois Criminal Justice Information Authority*, October 2000
90. "Yolo County Day Reporting Center: Year in Review 2014-2015, Sacramento County Office of Information
91. Washington State Institute for Public Policy, Benefit-Cost Results, Day Reporting Centers 2015.
92. GEO Care. Locations. *GEO Reentry Services*. 2016. <http://www.georeentry.com/locations/>.
93. Bureau of Justice Statistics, "Prisoners in 2014," *US Department of Justice*, September 2015
94. Lawrence, Alison "Probation and Parole Violations: State Responses," *National Conference of State Legislatures*, November 2008
95. Swift Certain Fair Resource Center, <http://www.scfcenter.org/>
96. Hamilton, Zachary et al. "Research Brief: Washington Swift and Certain," *Washington State Institute for Criminal Justice*, 2015
97. Tashea, Jason. "10 Things You Need to Know About Washington's Innovative Parole Program," *Huffington Post*, 11/4/15
98. Pennsylvania Department of Corrections, "Region III Facilities," <http://www.cor.pa.gov/Facilities/CommunityCorrections/Pages/Region-III-Facilities.aspx#.V737efkrKUK>
99. Texas Dept. of Criminal Justice, "State Contracted Intermediate Sanction Facility: Policy and Procedures for Community Supervision Placements," 6/9/05.
100. Vera Institute of Justice, "The Potential of Community Corrections to Improve Safety and Reduce Incarceration," July 2013
101. The Sentencing Project, "The State of Sentencing 2015: Developments in Policy and Practice." 2016.
102. Residential Reentry Management Centers. *Bureau of Prisons*. 2015. [https://www.bop.gov/about/facilities/residential\\_reentry\\_management\\_centers.jsp](https://www.bop.gov/about/facilities/residential_reentry_management_centers.jsp).
103. US Department of Justice. "Change Notice Community Corrections Center (CCC) Utilization and Transfer Procedures." *Federal Bureau of Prisons*. 12/16/98. [https://www.bop.gov/policy/progstat/7310\\_004.pdf](https://www.bop.gov/policy/progstat/7310_004.pdf).
104. United States Department of Justice, Office of the Inspector General, "Audit of the Federal Bureau of Prisons' Contracting for and Management of Residential Reentry Centers," Audit Report 12-20, March 2012.
105. GEO Care. Locations. *GEO Reentry Services*. 2016. <http://www.georeentry.com/locations/>.
106. "CCA Acquires Correctional Management, Inc," Corrections Corporation of America, news release, 4/11/16. <http://www.cca.com/investors/news-releases>
107. Community Education Centers website, "Reentry Locations" <http://cecintl.com/reentry/residential-reentry-locations/>
108. Gilna, Derek "When Halfway Houses Pose Full-Time Problems," *Prison Legal News*, 1/10/15
109. "Search of Oklahoma Halfway House nets Drug Cache," *The Oklahoman*, 4/21/16
110. "State opens investigation into private corrections company after release of video," *Fox25*, 8/19/15
111. Gilna, Derek "When Halfway Houses Pose Full-Time Problems," *Prison Legal News*, 1/10/15
112. Rogers, Brian. "Sex offender who absconded from Houston halfway house may be returned to prison." *Houston Chronicle*. 1/12/16.
113. Malisow, Chris. Thomas Lee Elkins, "GEO Group Lets Sixth Rapist Stroll Away From Halfway House in 24 Months." *Houston Press*. 10/8/12.
114. Aspinwall, Cary and Casey Smith, "Escape Dilemma at Avalon," *Tulsa World*, 4/6/14
115. Rubin, Anat "A Record of Trouble: California Looks to Halfway Houses, Finds a Company Cited for Violence and Escapes," *The Marshall Project*, 4/11/15
116. Oklahoma Department of Corrections, letter to Brian Costello of Avalon, "RE: Freezing count and depopulating Avalon Tulsa," January 14, 2014.
117. Pauly, Madison, "Former Guard Launches Hunger Strike to Protest Private Prison Company," *Mother Jones*, 7/6/16
118. Rubin, Anat "A Record of Trouble: California Looks to Halfway Houses, Finds a Company Cited for Violence and Escapes," *The Marshall Project*, 4/11/15
119. Gilna, Derek "When Halfway Houses Pose Full-Time Problems," *Prison Legal News*, 1/10/15
120. Martin, Susan Taylor "Felons, Drug Dealers Run Halfway Houses for Addicts," *Tampa Bay Times*, 11/18/12
121. Gilna, Derek "When Halfway Houses Pose Full-Time Problems," *Prison Legal News*, 1/10/15
122. *Ibid*
123. Council of State Governments, "A Call for Evidence-Based Policy: Sex Offender Electronic Monitoring has Advantages, Problems," January 2007
124. Latessa, Edward and Christopher Lowenkamp, "What Works in Reducing Recidivism?," *University of St. Thomas Law Journal*, Vol 3:3, 2006.
125. Kilgore, James "Repackaging Mass Incarceration," *Counterpunch* 6/6/14
126. *Ibid*
127. Phelps, Michelle "The Paradox of Probation: Community Supervision in the Age of Mass Incarceration," *Law & Policy*, Vol. 35, January-April 2013



# COMMUNITY CAGES:

Profiting community corrections and alternatives to incarceration

(Part of the Treatment Industrial Complex Series)

For more information, please contact:

American Friends Service Committee, Arizona

[afscaz@afsc.org](mailto:afscaz@afsc.org) or (520) 623-9141

[www.afscarizona.org](http://www.afscarizona.org)

Twitter: @afscaz

Facebook: <https://www.facebook.com/AFSCArizona/>



**American Friends  
Service Committee**