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# PRIVATE CORRECTIONS INDUSTRY NEWS BULLETIN

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*Reporting on Prison Privatization and Related Issues*

April 1999

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## Poor Monitoring of Colorado Contractors

An audit of the Colorado Division of Youth Corrections (DYC) has revealed serious shortcomings in the state's oversight of private contract juvenile facilities.

The audit found that the DYC failed to conduct one or more quarterly inspections of 53 of 57 contractors during a 15-month period in 1997-98. Thirty-eight suicide attempts, 62 escapes, 95 assaults and 16 sexual assaults occurred at privately-operated juvenile facilities in the same period of time.

Although Colorado has almost doubled the number of juvenile offenders placed in privately-operated

facilities over the past five years, the state has not hired additional inspectors to monitor them.

DYC employees failed to verify that youths were receiving their prescribed treatment, failed to ask them if they were in a safe environment, and failed to interview them alone so they would not be intimidated or influenced by private contract facility staff.

The audit reported that education and treatment programs at contract facilities were often inadequate and concluded there was "no rational basis" for the large fees paid to private contractors. The audit also

cited deficiencies at the privately-operated Glen Mills School in Pennsylvania, where 45 Colorado youths are housed.

The highly critical DYC audit comes less than a year after the High Plains Youth Center in Brush, Colorado operated by Rebound, Inc. was closed following a state inspection that documented physical and sexual abuse, high employee turnover, and mismanagement by company staff. Rebound's license to operate the facility was revoked in April 1998. □

Sources: *PPRI*, March 1999; *The Denver Post*, April 26, 1998.

## UKDS Staff Not Charged in Prisoner's Death

Seven U.K. Detention Services (UKDS) staff members suspended since March '98 in connection with the death of inmate Alton Manning will not face criminal charges. UKDS is a subsidiary of CCA based in England.

Manning, 33, died on Dec. 8, 1995 at HM Prison Blakenhurst after

being restrained by UKDS staff during a search for drugs. According to a forensic pathologist his death was caused by respiratory impairment resulting in asphyxiation.

An autopsy revealed that Manning had bruises on his neck and back, eight visible injuries to his face, blood spots in his eyes and abrasions

on his arms and legs. No drugs or alcohol was found in his body.

Although the seven UKDS employees involved in Manning's death will not be charged, they still face an inquiry by the Prison Service into their conduct. □

Source: *PPRI*, March 1999.

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## WANTED

Articles, clippings and news reports regarding the private corrections industry — please include the source and date of all materials submitted.

## OK Sheriff Challenges Jail Privatization

In Aug. 1998 *PCINB* reported that Tulsa Co., Oklahoma had contracted with CCA to operate a 1440-bed jail, and that the sheriff had filed a lawsuit against the privatization plan. The legal battle is now headed to Oklahoma's supreme court.

Tulsa County Sheriff Stanley Glanz is challenging the concept of privatizing correctional services on Constitutional grounds. "Our real issue," said Glanz, "is that people in jails have Constitutional rights. When they delegate the keeping of the jail to a private company . . . you as an inmate will lose your Constitutional freedoms, things that are guaranteed to you."

Glanz contends that privatization of correctional services "is totally alien to the fundamental tenets of democracy," and is a violation of the separation-of-powers doctrine set forth in the Constitution.

Glanz received a favorable ruling in District Court but the decision was reversed on appeal; he has received support from the Tulsa Co. Fraternal Order of Police, the Oklahoma Sheriff's Association and the National Sheriff's Association.

Tulsa County Commissioners formed the Tulsa County Criminal Justice Authority in 1995 to build and administer a new jail; in 1997 the Authority negotiated a contract with CCA, which had been heavily lobbying in Oklahoma. Sheriff Glanz was excluded from the Authority; under the contract with CCA, the sheriff's office would have no control over the privately-operated jail. □

Source: *The New Federalist*, Feb. 15, 1999.

## Wisconsin May Lease Private Prison

On March 16, Wisconsin Corrections Secretary Jon Litscher told the legislative Joint Finance Committee that he had spoken with a private company building a 1,200-bed prison in Stanley but had not discussed leasing the facility.

State law bars state prisoners from being housed in privately-operated prisons in Wisconsin, though legislation has been introduced that would lift that restriction to alleviate the need to send prisoners to contract facilities in other jurisdictions. Wisconsin houses about 2,600 inmates in out-of-state facilities. The state's proposed 1999-2001 corrections budget includes funding for over 9,000 contract prison beds.

The private prison in Stanley is being built by the Oklahoma-based Dominion Group. Litscher informed the Joint Finance Committee that he had exchanged information with Dominion — including staffing patterns at state prisons — and that company officials had visited at least one Wisconsin facility.

Litscher has raised the possibility of leasing the Dominion prison and staffing it with state employees. He acknowledged, however, that there are no definite plans to do so. Litscher told the committee members that leasing or buying the facility was "purely speculative."

Sen. Bob Jauch observed it makes little sense for Wisconsin to send inmates to contract facilities in other jurisdictions when a private prison is under construction within the state. □

Source: *Milwaukee Journal Sentinel*, March 17, 1999.

### Other Private Corrections Industry Resources

Corrections and Criminal Justice Coalition (CCJC), Route 2, Box 1144, Harpers Ferry, WV 25425 (888) 315-8784; [www.ccjc.com](http://www.ccjc.com). A consortium of anti-privatization corrections employees' unions.

Corrections USA (CUSA), P.O. Box 394, Newton, NH 03858 (603) 382-9707; [www.cusa.org](http://www.cusa.org). A professional association of public corrections employees opposed to prison privatization.

Prison Reform Trust, 15 Northburgh Street, 2nd Floor, London, EC1V 0JR England; phone: 011-44-171-251-5070; e-mail: [prt@prisonreform.demon.co.uk](mailto:prt@prisonreform.demon.co.uk). Publishes the *Prison Privatisation Report Int'l (PPRI)*, which covers news about the private corrections industry in the U.S. and abroad.

Private Corrections Project, Center for Studies in Criminology and Law, Univ. of Florida, Gainesville, FL 32611 (352) 392-1025; web site: [web.crim.ufl.edu/pcp](http://web.crim.ufl.edu/pcp). Conducts research into prison privatization. Note that the Project receives funding from the private corrections industry; Prof. Charles W. Thomas, director of the Project, is also a director of Prison Realty Corp.

Reason Foundation, 3415 S. Sepulveda Blvd. #400, Los Angeles, CA 90034 (310) 391-2245; [www.reason.org](http://www.reason.org). A libertarian-oriented think-tank that favors prison privatization. Note that the Foundation receives funding from Wackenhut, Securicor and U.S. Corrections.

### CCA Loses Motion to Dismiss Lawsuit

On June 4, 1997, Richard W. Marshall, currently incarcerated at a federal prison in Lompoc, California, filed suit against CCA and various CCA employees due to events that occurred while he was being held at the CCA-operated Central Arizona Detention Center (CADC).

Marshall stated in his lawsuit that he suffered a broken rib when he was arrested and had requested medical attention after arriving at the CADC. Marshall said that although his injury was documented by medical staff he received only Advil and Tylenol, was not X-rayed for 10 days and was not seen by a doctor.

In addition to raising a claim of delay of adequate medical care, Marshall also contended that CCA has a policy and custom of allowing RNs and LPNs to diagnose medical conditions and order treatment, that CCA security staff are inadequately trained in regard to medical needs of prisoners, and that "sick call" and "pill call" procedures at the CADC result in delayed access to health care services. He alleged that these deficiencies stem from cost cutting measures intended to reduce medical expenses at the facility.

CCA refuted Marshall's allegations, objected to his attempt to file an amended complaint, and in April 1998 moved to dismiss the suit.

On Jan. 28, 1999 U.S. District Judge Earl H. Carroll denied CCA's motion, describing the defendants' arguments as being "disingenuous." The case was remanded to a magistrate judge for further proceedings. □

Source: *Marshall v. Crandel, et al.*, U.S.D.C. Case No. 97-1194-PHX.

### CCA to Pay \$4.5 Million in Attorney Fees

At least nine CCA shareholders sued the company in April '98 after CCA announced plans to merge with Prison Realty Trust, claiming the merger wasn't in their best interests.

The suits were consolidated in Davidson County Chancery Court in Tennessee, and were settled last December when CCA made certain adjustments to the merger. The merger was approved by shareholders in both companies and became effective on Jan. 1, 1999 (see *PCINB*, Dec. 1998, pg. 7).

In a related settlement, CCA agreed on March 18, 1999 to pay \$4.5 million to attorneys representing the shareholders who filed suit. The attorneys, including the Nashville law firm of Barrett, Johnson & Parsley, had requested a contingency fee of \$9.5 million; they were awarded \$4 million in fees and \$480,007 in expenses.

The CCA-Prison Realty Trust merger resulted in a combined company, the Prison Realty Corp., which trades on the New York Stock Exchange under the symbol PZN. □

Source: *The Tennessean*, March 19, 1999.

### CORRECTION

*PCINB* reported in March that Washington inmates transferred to a CCA facility in Olney Springs, Colorado were involved in a disturbance two days after their arrival. The prison — the Crowley Co. Corr. Facility — is operated by Correctional Services Corp., not CCA. We regret the error.

### In the News

Prison Realty Corp. is building a 1,524-bed medium-security prison in Millen, Georgia. The \$45 million facility will be leased to CCA and is expected to house state and county inmates; it is scheduled to open in July 2000. The prison is being built on 100 acres purchased from the county for \$100,000. Sources: *The Tennessean*, March 31, 1999; *USA Today*, April 2, 1999.

The Columbia Care Center, a private medical prison in Columbia, South Carolina operated by Just Care, Inc., has treated 12 inmate patients since it opened six months ago. Warden Bill Davis says the facility needs at least 100 patients a day to break even. Source: *USA Today*, March 24, 1999.

A former inmate at the Wackenhut-operated Coke Co. Juvenile Justice Facility in Bronte, Texas has filed a lawsuit claiming she was sexually and emotionally abused at the facility. She accuses the company of negligently allowing the abuse to occur. Source: *USA Today*, March 23, 1999.

The City Council in Delta Junction, Alaska has reached a settlement with Allvest, Inc. to build and operate an 800- to 1050-bed prison at Fort Greely. The settlement rules out competitive bidding on the project; Allvest will operate the prison for five years before the contract is rebid. Source: *USA Today*, April 1, 1999.

## CCA Faces Opportunity, Opposition in D.C.

*PCINB* has previously reported CCA's efforts to win a Federal Bureau of Prisons contract to house Washington D.C. inmates in a facility the company plans to build in Ward 8, the District's poorest community (see *PCINB*, Nov. 1998, pg. 5).

The Bureau of Prisons' initial contract bid was for a single 2,200-bed facility, but the agency changed the bid last year due to "several serious incidents in various privately operated correctional facilities." The new contract proposal calls for two smaller prisons.

Congress, which has oversight of the District's corrections system, has mandated that D.C. prisoners be housed in privately-operated facilities. At least 2,000 District inmates must be transferred to private prisons by the end of 1999.

Hoping to cash in on this opportunity, CCA has hired several influential D.C. lobbyists and CCA executives have been making cam-

paign donations to District politicians. The company also has offered to hire former D.C. mayor Marion Barry to give motivational speeches to inmates. Barry was instrumental in implementing prison privatization in the District, including a 1997 contract with CCA to operate the D.C. Correctional Treatment Facility.

However, CCA faces opposition from a coalition of community and environmental groups that is fighting the company's plans to build a 1,280-bed prison in Ward 8 — the coalition has demanded an alternative strategy for improving the economically depressed area that does not rely on a prison. A rally against the CCA facility was held Feb. 27.

The D.C. Zoning Commission will consider CCA's proposal to rezone its Ward 8 property for a prison at a public hearing scheduled to take place on April 15. □

Source: *PPRI*, March 1999.

## Wackenhut Reports 1998 Earnings

On Feb. 18, 1999 Wackenhut Corrections Corp. reported annual revenue of \$311.8 million in 1998, a 51% increase over the previous year. Wackenhut's net income for 1998 was \$17.2 million — up 45% from \$11.9 million in 1997.

The earnings data was exclusive of a change in accounting policy for start-up costs adopted by the American Institute of Certified Public Accounting late last year that affects all private prison companies. Wackenhut's 1998 net income after the change in accounting policy was

\$5.3 million.

Wackenhut vice-chairman and C.E.O. George C. Zoley boasted the company won over 50% of the competitive bids in the private corrections industry in 1998. Wackenhut and its subsidiaries operate 41 correctional and detention facilities in the U.S., United Kingdom and Australia with a combined capacity of 28,151 beds; thirteen other facilities are under development. □

Source: Wackenhut press release, Feb. 18, 1999.

### In the News

Mark Donatelli, an inmate advocate, has called for increased state supervision of the Wackenhut-run Lea Co. Corr. Facility in Hobbs, New Mexico following a disturbance in which 150-170 inmates ransacked the prison's kitchen and dining areas. Thirteen guards were injured in the melee. Source: *USA Today*, April 9, 1999.

Colorado state senator Ed Perlmutter recently introduced legislation that would have barred private prisons operating within the state from housing inmates from other jurisdictions. His proposed legislation was rejected. Source: *Denver Rocky Mountain News*, April 10, 1999.

On Jan. 29, 1999 Public Benefit Corp. contacted CCA and District of Columbia officials, claiming that CCA owed over \$1.52 million for more than a year's worth of utilities. Public Benefit owns D.C. General Hospital, which supplies the CCA-operated Correctional Treatment Facility with heat and hot water. Public Benefit Corp. threatened to cut off the utilities and initiate legal proceedings if CCA failed to pay its outstanding bill. Source: *PPRI*, March 1999.

Shareholders in Correctional Services Corp. and Youth Services International, one of the nation's leading juvenile justice service providers, approved a proposed merger of the two companies on March 30, 1999. Source: *PPRI*, March 1999.

### FEA Van Accident Update

On April 3, 1997 a van operated by an inmate transportation service caught fire on I-40 near Dickson, Tennessee, immolating six prisoners locked in a wire-mesh cage in the back of the vehicle. The van belonged to the Memphis-based Federal Extradition Agency (FEA), which despite its official-sounding name is a private company owned by former bounty hunter Clyde Gunter.

Families of the inmates burned alive in the accident filed a wrongful death and negligence lawsuit against FEA, and recent developments in the suit have provided additional information about the fatal incident.

The two drivers of the van, Anthony Wilson and Oliver Harvey, said they had notified company officials about strange noises the vehicle was making the same day of the accident. "FEA told them to keep driving," said Tim Maloney, an attorney representing the families of the prisoners who died.

"This case is taking a pretty sinister turn as far as what really happened," stated Maloney. "We've got a real comedy of errors, and what we are finding out is that the defendants

are all pointing fingers at each other." FEA officials did not comment on the pending lawsuit.

An investigation following the accident found that a faulty universal joint had caused the van's drive shaft to fall out, puncturing the gas tank and sparking an intense fire. The van had logged over 260,000 miles.

Debra Raper, a prisoner who had been dropped off in Memphis just hours before the fatal accident, said she and other inmates had complained to the drivers about knocking noises coming from the van. Maloney observed that a third FEA driver not present during the accident had asked to be taken home because "he didn't want to ride in that van anymore."

Richard I. King, John Cannon, Monty B. Crain, Steven Hicks, David Speakman and James V. Catalano, all inmates being transported to Florida for parole and probation violations, died in the 1997 accident.

No criminal charges have been brought against FEA or any of the company's employees. □

Sources: *The Jackson Sun*, April 10, 1999; *The Tennessean*, April 9, 1999.

### Riot at CSC Juvenile Facility

Youthful offenders at the Correctional Services Corp.'s Bayamon Juvenile Detention Center in San Juan, Puerto Rico rioted on Feb. 23, 1999 and held seven staff members hostage for 14 hours.

Almost fifty detainees took control of four buildings; they set fires, destroyed security cameras and damaged other property at the 120-

bed detention center. At least ten inmates and seven employees were injured during the disturbance.

The rioters surrendered after CSC staff agreed to move some of the detainees to another facility and to discuss complaints about medical care and recreation services. □

Source: *PPRI*, March 1999.