

# **Private Corrections: A Review of the Issues**

**Corrections Section  
Academy of Criminal Justice Science**

*Richard P. Seiter, Ph.D.*  
Executive Vice President and Chief Corrections Officer



**Corrections Corporation of America**

March 2008

## Introduction

Thank you Angie, for the nice introduction.

It really is a pleasure to be here this morning. I have in essence had two careers, both of which I enjoyed tremendously. Angie gave me a nice intro and background, but let me put some context on it in a way that introduces the topic I want to discuss today. I worked over 20 years in corrections administration – in four prisons (warden of two), as director of corrections in Ohio, as the first director of the NIC National Academy of Corrections, and as head of a \$400 M prison industry program. I thought I had done all I wanted and could do, and retired to a full-time tenure-track teaching position at Saint Louis University. I enjoyed teaching, research, and writing. I worked hard, wrote two books, several articles (one with Angie), applied for grants, was tenured and promoted to Full Professor. Life was really good. But, I did miss the action of correctional administration.

I must be frank with you. I had never been a fan of prison privatization; from 1984 when as Director in Ohio I first heard of an attempt to privatize prison operations. I had little contact with privatization over the years, however, and in my writings, was very objective about the pros and cons and did not have a fact-based position. In 2003, CCA asked me to be on an advisory committee made up of correctional professionals outside the private prison sector, and give them guidance on “how they were doing” in quality operations of correctional facilities. I agreed, dug in and learned a lot, and began to see a bigger picture of privatization. At the end of 2004, they asked me to come to work for them in my current position. So, I actually started a third career. I accepted the job because I thought I could add value; I could bring an emphasis on proactive correctional management that I believed in, and I could have a positive impact on the lives of thousands of staff and inmates. “Proactive corrections” is sound security, but active evidence based programming, quality delivery of services such as health care and food service, and professional staff positively communicating with inmates to create an environment of concern, responsiveness, and professionalism that reduces negative incidents.

My goal today is to address some of the issues or controversies surrounding private corrections. Quite frankly, I thought about talking about something safer, and not opening the controversy that my presentation may evoke. I know that some of you will disagree (that’s what I loved about the academic environment – it encouraged debate and the challenging of ideas). Many of you will cite data that may be inconsistent with what I am going to say. And many of you will believe that there is no room for profit making when it comes to imprisoning offenders. My goal is that we engage in a discussion and that you keep an open mind to the myths and facts surrounding private operations of prisons.

## Correctional Privatization

Let me first lay the groundwork for what private prison operators do. While there has been a flurry of discussion and debate about privatization of prisons over the past two decades, the concept of private correctional services is not new. Halfway houses have historically been private, usually not-for-profit operations, and community correctional agencies now regularly contract with private companies for electronic monitoring, day reporting centers, drug testing, and other program services. Many agencies contract with private companies to provide food services, medical and mental health care, educational programming, and substance abuse counseling. In 2002, 144 state and federal prisons contracted for

*(Continue...)*

food services and 447 for medical care for inmates (Camp 2003). Another 229 prisons had private contractors providing mental health services, and 190 prisons contracted for substance abuse services (Camp 2003).

The first private prison opened 1984, and today, there are an estimated 165,000 secure beds in the U.S. being managed by the eight largest private corrections providers. Much of the increased use of privately operated prisons came about during the late 1980s and 1990s, as states struggled to deal with an increasing problem of prison overcrowding. Private industry allowed governments to respond to rising capacity needs for often desperately needed bed and program space expansion. The growth has been estimated to continue in a very strong manner. According to the Pew Charitable Trusts report issued in 2007, “[s]tate and federal prisons will swell by more than 192,000 inmates over the next five years.” Just two weeks ago, they suggested there is a slowing of the growth, as state correctional populations only grew by 1.5% in 2007. Even with this apparent slowdown, there are still One in 100 adults are now confined in America’s prisons.

## **Partnership between Private and Public Corrections**

Many people try to “pit” the public against the private sector. However, federal, state, and county governments that use privatization think of it as a partnership, one by which the private sector provides specific services that are needed by public corrections agencies. These needs differ in every jurisdiction, and I will address some in a few minutes.

Let me discuss those things that the public and private partners share. Correctional administrators in both public and private systems have several common goals, to include safety of the community, staff, and inmates, the training and development of staff to professionally manage the inmate population, and the provision of quality corrections in a cost efficient manner. As well, the public and private sectors have a shared concern for improving our profession. Both the public and private sectors are proud of the services they deliver to our citizens, and are committed to meeting the expectations of the taxpayer and public officials responsible for overseeing our work.

CCA’s business model is to provide bed capacity when states need it, by building, owning, and operating correctional facilities that can be provided to government customers. Thinking of this type model, the following are the types of services that the private sector (at least a company with the scope and resources of CCA) provides to public correctional systems:

1. Speed/bringing beds on line quicker - According to Austin and Coventry, (2002) “... governments take five to six years to build a facility, whereas some private companies claim they can do it in two to three years (or less) (13).” In my own government experience, the normal process is a DOC recognition of the need for new capacity (often after it is already needed), time to convince the legislature of the need and to fund it, and extensive periods of time to contract for architects, design and bid the project, and to construct the facility. An example of the opposite is that CCA just received a contract with California in October 2007 with a requirement to build a new 3000 bed facility. We will take the first inmates into that facility in August 2008 – less than one year after a contract was signed.

*(Continue...)*

2. Access to capital –Part of the problem to build new government projects is the need for capital. The state may fund a project in the single year operating budget, but more likely they have a capital budget for which they may seek financing such as selling government bonds. The private sector can provide funding that is calculated into the per diem costs to the government customer so they do not have to extend their own lines of credit.
3. Flexibility – Many of you would argue that the state should seek non-prison alternatives to managing their offender populations, and I would not argue with you on that. But the bottom line is, they may truly need or believe that more prison beds is necessary at that time. Contracting with the private sector allows them the flexibility to change their minds, to create community corrections options, or to establish other ways to divert offenders from prison, without committing millions of dollars to bricks and mortar . Few government-private sector contracts have long term guarantees, so they can cancel the contract when they no longer need it.

### **Myth versus Reality of Private Corrections**

There are several myths that persist regarding the private operation of prisons. The most common include:

- Private prisons are not accountable to the public.
- The profit motive of private corrections encourages cutting corners that can reduce quality.
- Private prison companies lobby for longer sentences.
- Private corrections facilities do not offer adequate inmate programming.
- The profit motive of the private sector undermines safety in facilities.

### **REALITY: “Private prisons are accountable.”**

Private prisons almost always have extremely detailed requirements enumerated in their contracts by which accountability is easily measured and monitored. A study in the Harvard Law Review, “A Tale of Two Systems: Cost, Quality, and Accountability in Private Prisons” (2002) concluded, “there are many reasons to believe that private prisons are more accountable than public prisons, both because of heightened legal and market accountability for private firms and because accountability in the public sector is so limited (1891).” I can assure you that in all my days as a public correctional executive, I never had the oversight, expectations, or measurable outcomes we have with our CCA customers.

A government Request For Proposal (RFP) lists expected outcomes and may include liquidated damages for failure to maintain expected staffing levels, inmate involvement in program activities and other RFP requirements. Public customers usually assign full-time contract monitors to constantly measure performance against the contract requirements. They are also responsible for upholding the various standards required by building, health and fire inspectors. Contracts also provide the government customer the ability to cancel contracts with private companies if standards are not met. In CCA, we believe we can never get new business unless we perform well under our current business. Quality operations are a primary focus of everything I do. I am proud of the fact that CCA is committed to ACA

(Continue...)

accreditation. Nearly 90 percent of our 65 operating facilities have met the ACA's exacting accreditation standards, with an average score of 99.3 percent.

### **REALITY: "Private companies do not cut corners and reduce quality."**

The notion that private companies cut corners to maximize profits has not been supported by research. Many studies have found that quality is not sacrificed for profit (Archambeault and Deis 1996; Arizona Department of Correction 2000; Austin and Coventry 2001; Culp 1998; Knight and Hiller 1997; 1999; Lanza-Kaduce 1998; Logan 1991; Moore 1998; Thomas 1997; OPPAGA 2000; Urban Institute 1989). Segal and Moore (2002) analyzed 28 studies of the cost and quality associated with privatized facilities and found that "there is clear and significant evidence that private facilities provide at least the level of service that government run facilities do (9)." The authors go on to say that "[p]rivate correctional facilities have fared well against government-run facilities in almost all measures of quality (9)."

Research on private prisons has shown that quality care, custody, and control are not necessarily sacrificed for cost-savings (Harvard Review 2003; Segal and Moore 2002). In a review of cost, quality and accountability of private prisons, a Harvard Law Review study concluded that "none of the more rigorous [private prison] studies finds quality at private prisons lower than quality at public prisons on average." Segal and Moore's (2002) quasi meta-analysis of 28 comparative studies of cost and quality in public and privately managed correctional facilities corroborated the finding that private prisons do not result in reduced quality.

It can be argued that privatization can positively affect the quality of public prisons as well. Segal and Moore (2002) posited that privatization of corrections improves quality and cost management of public corrections systems. The authors suggest that this affect may be attributed to "a fear of being privatized themselves, [or] from pride in showing they can compete, or from being held to a comparison by higher authorities (2)." Mitchell (2003) found "[o]ther factors being equal, those states with a strong commitment to privatization in prison services spend significantly less per-prisoner per year than states without privatization (16)." Blumstein and Cohen (2003) also found that the existence of privatization promotes improved cost management in public facilities. In their study of public and private prisons, the authors concluded that the "existence of prisoners under private management in a jurisdiction seems to have had a restraining effect on the growth of expenditures on public prisons (1)." Thus, the introduction of competition through the private sector raises the standard to which both systems and the professionals therein employed model and measure performance.

Let me speak from a personal note. I would have never come to work for CCA if I felt I would have to sacrifice quality operations for profit. I can say for a fact we do the same things that the best public prison systems do to operate safe and secure prisons. Our vision is to be the "best" correctional system in the country. I believe we accomplish that through excellent performance of every area of prison operations: security, programs, and support services.

### **REALITY: Private Prisons do not lobby to increase the number of prisoners.**

Another often heard argument is that private prisons lobby for longer sentences and do what they can to try to increase the number of prisoners to increase their business opportunities. Let me point out a few

*(Continue...)*

things. First, CCA has a company policy against this and as far as I know, we have never done it. One of our VPs in fact testified before the US Sentencing Commission that some sentences could and should be reduced. Second, the largest increases in prison numbers have come about as the result of laws and regulations that were completely outside the influence of private prison companies.

- The War on Drugs (often credited with sparking prison population increases) started before the first private prison.
- Parole boards have reduced their percentages of releases and judges and parole boards have increased their revocation rates. This is a result of a general “tough on crime” public attitude and not anything to do with private prison operators.
- There are lots of examples of states/federal agencies that had large increases in inmates without lobbying influence. As an example, no private prison company even focused on CA because of the strength of the correctional officer union. No state was more crowded than CA nor increased their population by greater numbers. It was not until CA was in crisis and an emergency declared that CA sought private providers to offer beds.

### **REALITY: Private Prisons offer effective inmate programming.**

It is sometime assumed that private prisons do not offer effective inmate programming. Some even suggest that private entities do not wish to rehabilitate inmates, reduce the number of inmates, and therefore undercut profits. This could not be further from the truth. I would suggest that privatization increases the overall scope and frequency of inmate programming. Due to budget shortfalls, rehabilitation programs in many public corrections facilities have been cut or remained static in the face of growing needs for programming and intervention. However, most private prison companies have not cut back on programming services, believing inmate programs are important and can be provided at a reasonable price to their public customers. An example, the Secretary of Corrections in CA recently told me he was building reintegration centers, as their overcrowded conditions had taken all program space for beds, and they were not providing any significant programming. Our CA contracts require us to keep productively occupied through work or programs 100% of the inmates we house for 32.5 hours per week.

CCA focuses on the provision of evidenced-based programming for as many inmates as possible. As an example of CCA's programming emphasis, in 2007, CCA had an average daily enrollment of more than 30,000 inmates in academic education and vocational programs. Academic education offerings include ABE/GED, Mexican education programs, and life skills. We awarded over 3,000 GEDs during the year. Vocational offerings include certified instruction in specialty trades such as masonry, carpentry, plumbing, computers, painting, horticulture and more. As well, in 2007, 14,449 CCA inmates were enrolled in faith-based programs. And, we currently have approximately 3,300 CCA inmates enrolled in addictions treatment and other cognitive behavior programs. Our addictions treatment and cognitive behavior programs are structured according to an evidence-based model that provides a state-of-the-art and proven program delivery.

We recognize that active and positive programs improve prison management and create a safer environment for staff and inmates. Active programs improve the morale of inmates and enhance communications

(Continue...)

between staff and inmates. This reduces facility tensions, enhances intelligence gathering, and improves inmate accountability.

While some research has suggested that rehabilitative programming in privately operated facilities produces a lower rate of recidivism than their public counterparts (Bales et. al. 2003; Thomas 1998), overall, the studies examining post-release outcomes between public and private prison inmates have shown mixed results. Results from a Florida study comparing recidivism of releasees from private and public prisons found that recidivism of releasees from the private prisons was lower than for those released from public prisons and, of those who reoffend, the crimes were less serious for the private prison releasees (Lanza-Kaduce 1999). An evaluation of the privately managed Dallas County Judicial Treatment Center found that graduates of the treatment center showed a rate of recidivism that was 50 percent lower than that of individuals in public facilities (Knight and Hiller 1997; 1999). However, when the Government Accounting Office (GAO) conducted a comprehensive review of five outcome studies of private prisons completed since 1991 in Texas, New Mexico, California, Tennessee and Louisiana, analysts did not believe that three of these studies were sufficiently designed to validate results, but found outcomes from the remaining two indicated minimal or no differences between the public and private prison operations. Other studies have also failed to find any significant differences between the outcomes of offenders released from public versus private prisons (Cheung 2002).

In 2007, CCA had an average daily enrollment of more than 30,000 inmates in academic education and vocational programs. Another 14,449 inmates were enrolled in 29 residential faith-based programs in 26 facilities. Currently, approximately 3,300 CCA inmates are enrolled in addictions treatment and other cognitive behavior programs. These programs typically last 9-12 months, and are operational at 22 of our facilities; many of these are affiliated with the National Association of Alcohol and Drug Abuse Counselors (NAADAC). We have over 5,500 inmates complete and graduate from these programs each year.

## **REALITY: “Private prisons are safe”**

Perhaps most important misconception is that the profit motive of private prisons undermines safety. The reality is that private prisons are safe. While some research found that private facilities experience fewer escapes, inmate disturbances, riots and inmate deaths than some public facilities (Archambeault and Deis 1996; Austin and Coventry 2001; Moore 1998; Urban Institute, 1989), other studies have produced findings showing that private prisons had higher escape rates and more positive results from drug tests (Camp and Gaes 2002). Finally, other studies have shown that the safety of private prisons is comparable to that of the public sector (Arizona Department of Correction 1997; Segal and Moore 2001). While these results regarding safety of private prisons are mixed, private prisons are concerned with and ardently monitor the safety of the inmates, staff and citizens in the surrounding community. In terms of safety, the private sector provides a correctional environment and services that strive to be at least equal to the environment and services provided by the public sector.

## **CONCLUSION**

In my mind, there are legitimate concerns and differences as to whether private, for-profit, companies should own and operate prisons. Apart from that, there is little difference, and in my mind, few reasons

*(Continue...)*

to criticize how private prisons operate. Our goal is to have high quality, safe and secure prisons. Not only is it the crux of what I have been trained to do and strive to do at CCA, there is no good business reason to do anything else.

From my experience in the private sector, academia and public sector at both the state and federal level, I believe that the private corrections industry has established itself as a viable and dependable partner to government. Private industry professionals – many of whom have retired from the federal, state or local corrections systems and moved into private operations – take professionalism and quality of service extremely seriously. Not only can private operators provide flexibility and cost efficiency to government agencies, they do so without sacrificing quality or safety.

## References

- Association of Private Correctional and Treatment Organizations (APTCO)*. 2005.
- Arizona Department of Corrections*. 2000.
- Archambeault and Donald Deis*. 1996. "Cost Effectiveness Comparison of Private vs. Public Prisons in Louisiana". *Department of Accounting, Louisiana State University: Baton Rouge, LA*.
- Austin, James and Garry Coventry*. 2001. *Emerging Issues on Privatized Prisons*. U.S. Department of Justice, National Council on Crime and Delinquency: San Francisco, CA.
- Bales et. al*. 2003 "Recidivism: An Analysis of Public and Private State Prison Relationship in Florida." December.
- Blumstein, James and Mark Cohen*. 2003. "The Interrelationship between Public and Private Prisons." Manuscript funded by the Corrections Corporation of America and the Association for Private Correctional and Treatment Organization. April.
- Camp, Camille Graham*. 2003. *The Corrections Yearbook: Adult Corrections 2002*, Criminal Justice Institute: Middletown, CN.
- Camp, Scott and Gerald Gaes*. 2002. "Growth and Quality of U.S. Private Prisons: Evidence from a National Survey." *Criminology and Public Policy*. July: 427-449.
- Culp, Richard*, "Privatization of Juvenile Correctional Facilities in the U.S.: A Comparison of Conditions of Confinement in Private and Government Operated Programs," *Security Journal*, vol. 11, no. 2-3 (December 1998), pp. 289-301.
- Greenberg, Douglas*, "Crime, Law Enforcement, and Social Control in Colonial America." *The American Journal of Legal History*, vol. 26, no. 4 (Oct., 1982), 293-325.
- Knight, K. and M.L. Hiller*, "Community-based Substance Abuse Treatment: A One Year Outcome Evaluation of the Dallas County Judicial Treatment Center" *Federal Probation*, vol. 62, no. 2 (1997).
- Knight, K., M.L. Hiller, and D.D. Simpson*, "Evaluating Corrections-based Treatment for the Drug-Abusing Criminal Offender", *Journal of Psychoactive Drugs*, vol. 31, no. 3 (1999).

(Continue...)

- Lanza-Kaduce, Lonn, Karen F. Parker, and Charles W. Thomas, "A Comparative Recidivism Analysis of Releasees from Private and Public Prisons," *Crime and Delinquency*, 1999, 45(1), pp. 28-47.
- Logan, Charles H., "Well Kept: Comparing Quality of Confinement in a Public and a Private Prison," National Institute of Justice (Washington D.C.: 1991).
- Mitchell, Matthew, "The Pros of Privately-Housed Cons: New Evidence on the Cost Savings of Private Prisons", (Tijeras, N.M.: Rio Grande Foundation, March 2003).
- Moore, Adrian T., "Private Prisons: Quality Corrections at a Lower Cost", Policy Study No. 240 (Los Angeles, C.A.: Reason Public Policy Institute, 1998).
- Office of Program Policy Analysis and Government Accountability (OPPAGA), "Private Prison Review: South Bay Correctional Facility Provides Savings and Success; Room for Improvement", Report No 99-39 (Tallahassee, Florida: March 2000).
- Segal, Geoffrey and Adrian Moore. "Weighing the Watchmen: Evaluating the Costs and Benefits of Outsourcing Correctional Services." *Reviewing the Literature on Cost and Quality Comparisons, Part II*. Los Angeles, CA: Reason Public Policy Institute.
- Thomas, Charles W. "Comparing the Cost and Performance of Public and Private Prisons in Arizona." Arizona Joint Legislative Committee: April.
- Urban Institute. 1989. "Comparison of Privately and Publicly Operated Corrections Facilities in Kentucky and Massachusetts". Washington D.C.: Urban Institute.