

Private Corrections Institute, Inc.

October 26, 2007

Dear Committee Members:

My name is Frank Smith and I'm the National Field Organizer for the Private Corrections Institute. PCI is a non-profit clearinghouse for national research and the education of the public, journalists, public officials and others interested in information about the privatization of corrections based in Tallahassee, Florida. and have a board composed of nationally recognized activist professionals in the field from Alaska to Tennessee.

I have worked in and around the corrections field for the past 36 years starting with post-incarceration case management and counseling for Federal parolees. Since 1996 I've focused increasingly on the study of for-profit prison in the U.S., and to a lesser extent, subcontractors. For a decade I did this as a volunteer, full time for the last eight years. I've testified before legislative committees in four different states before coming to Pennsylvania today.

My comments today will be an overview of some of the historical difficulties with contracting out correctional services. I welcome any questions about these services from staff or committee members. I want to touch on a few areas that have not been covered much in the local or national press.

One is the lack of accountability. Besides closely following the sorry state of the industry around the country, beset with endless scandals, I have obtained monitors' reports from around the country, especially from those states that have exported prisoners, sometimes thousands of miles, to distant states. It is clear that such monitoring is typically abysmal. The sending states demonstrate next to no true oversight. While some for-profit prisons were in absolute turmoil, such as a long-troubled CCA prison in Brush, Colorado, monitoring reports from the various sending Departments of Correction show nothing but uneventful business as usual.

In the last month, focus on private prisons in Texas has occupied news headlines from the Dallas Morning News to the Wall Street Journal. The GEO-operated Coke County Juvenile Justice Center exploded onto the front page when it was finally discovered to be totally out of control.

Reports from on-site monitors employed by the State of Texas evidenced no hint of how filthy, how incredibly dangerous Coke was. Prompted by an independent Ombudsman's report and by a sending county's monitor, the Texas Youth Commission administrators finally took a closer look. After an unannounced visit, TYC emptied the prison by removing its 195 wards in just a few days and cancelled GEO's contract. Seven members of its local monitoring staff were summarily dismissed. It was found that four of them had worked for the GEO Group prior to being hired by the TYC.

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That was not dissimilar to other situations around the U.S. Here in Pennsylvania, the Department of Public Welfare indicated it would not renew the operating permit for Cornell's New Morgan Academy in Berks County. The licensee surrendered its permit only a day before that anticipated outcome. 16 cases of substantiated sexual abuse and 15 cases of physical abuse had been reported in its two years of operation. There had been escapes.

While the operator was spinning that disaster, claiming that it was an aberration, it was having almost the same problems at its Alexander Youth Services Center in Arkansas. Cornell made the same claims there, that this was unique and abhorrent to corporate policy.

PCI has also have investigated subcontractors. As a result of our findings and our contacts in New Mexico, for instance, the Pittsburg supplier of medical services had its contract terminated and a legislative audit was conducted to try to correct the widespread problems exposed by a series of high level professionals who found the courage to become whistleblowers.

I was on a panel of the national Commission on Safety and Abuse in America's prisons on November 2, 2005. Also on the panel was the Vice President for Operations for CCA. He made repeated assertions that contractual provisions for liquidated damages kept the operators honest. I was astonished by that statement because I only knew of two states, Oklahoma and Colorado, where liquidated damages seemed to be the practice, and in Colorado only after post-riot legislative audits and intervention. In neither of these states did the assessment of damages have a particularly salutary effect, though they were all for six figures.

After the panel was over, I quickly contacted the directors of corrections whom I knew from around the country, all of who had terrible, notorious problems with these for-profit operators. Not a single one of their states had ever collected a dime in liquidated damages.

In conclusion I have found no reason to believe that any state can or would effectively monitor the private correctional services for which it pays so dearly. It would be dealing with corporations that are supremely mindful of their bottom line and are willing to substantially compromise ethics in order to elevate profits. In my opinion, putting them in charge of Pennsylvania's correctional services would be akin to hiring the fox to watch the hen house.

Thank you all for your interest in this difficult situation and your dedication in serving the interests of your constituents and the state of Pennsylvania.

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