

CORRECTIONAL CAPITALISM IN THE “LAND OF THE FREE”



HOW PROFIT FUELS AMERICA'S
PRISON INDUSTRY AND KEEPS OUR
CITIZENS IN CAPTIVITY

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PRISM
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Here is a real public policy puzzle: The crime rate in 2003 was almost exactly the same as it was in 1973,¹ but the prison population grew sevenfold. Why? If levels of offending did not change, what caused the number of inmates to rise from 300,000 to nearly 2.3 million?²

The “crack spike” of the late 1980s and early 1990s, media exploitation of high-profile cases, and law-and-order demagoguery by politicians all played their parts, of course. But one important factor contributing to prison expansion is almost always overlooked: the quiet emergence of a powerful prison-industrial complex.

Just as organized labor and big business formed a military-industrial complex during the Cold War to sell the Pentagon high-priced weapons systems, so do guards unions and private correctional corporations exploit the war on crime today to siphon \$63 billion out of public coffers each year.³ Managing prison infirmaries, for example, generates \$2 billion in revenue annually for companies like Correctional Medical Services and Prison Health Services.⁴ And in the Golden State, the California Correctional Peace Officers Association ensures that salaries for guards start at \$73,000—roughly \$20,000 more than teachers’ salaries.⁵

In this age of trillion-dollar deficits, a mere \$63 billion might not seem significant to some. As long as the various Departments of Corrections are doing some good, why worry about one more example of government waste? Instead of looking at it only as another example of pork barrel spending, we need to look at precisely how those billions of correctional dollars are transferred from taxpayers to prison corporations and guards unions: by keeping 2.3 million human beings in cages.

That is a truly awesome number of Americans who are being denied the most quintessential of American values: freedom. In fact, the U.S. locks up a higher percentage of its own citizenry than any other nation on earth.⁶ While only 4.6 percent of the global population lives in America, 22 percent of the world’s prisoners are housed in U.S. correctional centers.⁷ The incarceration rates of other industrialized countries are one-fifth (England, Canada) to one-tenth (Japan, Scandinavia) of America’s.⁸

Becoming the world’s greatest jailer is a dubious distinction indeed. To justify this large-scale deprivation of liberty, our 4,573 jails and penitentiaries⁹ had better be able to demonstrate that they serve some purpose greater than enriching the prison-industrial complex. They had better be able to show that they are making our streets significantly safer.

That, however, is something they cannot do.

“MODEST REDUCTION IN CRIME”

Between 1991 and 2001, the number of inmates in the U.S. rose 51.6 percent, and the crime rate dropped 29.5 percent.¹⁰

But that does not mean the former caused the latter, any more than the cock’s crow causes the sun to rise. According to criminologists, only about a quarter of the 29.5 percent decline in crime can be attributed to the rise in the incarceration rate. A buoyant economy, a smaller population of crime-prone teenagers, and changes in law enforcement practices account for most of the reduction.¹¹

This point is so important that it bears repeating: *Only about one-quarter of the drop in crime is due to higher rates of incarceration.* To put this in numbers: increasing the size of America’s prison system by more than half (51.6 percent) lowered crime by only 7.3 percent (that is, one-quarter of 29.5 percent). Why do criminologists give increased incarceration so little credit for decreasing crime? Because those states that experienced enormous growth in their penitentiary populations lowered their crime rates no more—and in some cases less—than those states whose incarceration rates increased by more modest margins.¹² While Texas’ prison population grew 139.4 percent between 1991 and 2001, for instance, its crime rate dropped 34.1 percent. During the same period New York’s incarceration rate rose just 10.9 percent, but its crime rate plummeted 53.2 percent.

Figures from New York City illustrate the disconnection between prison and crime even more dramatically. Between 1993 and 2006, the number of homicides in the Big Apple fell by 70 percent, even as the inmate population dropped from 21,449 to 14,129. “What we’ve seen in New York is the fastest drop in crime in the nation, and we did it while locking up a lot less people,” boasts Corrections Commissioner Martin F. Horn.¹³

According to Jonathan Turley, law professor at George Washington University and frequent commentator on CNN, “It would be hard to make the case that the rising prison population has lowered the crime rate. I expect that there is some impact, but the population of criminal actors in society is so large that it would be difficult to show a pronounced effect.” Former New York Corrections Commissioner Michael Jacobson also “does not believe there is a direct cause and effect [relationship] between incarceration and crime rates,” and conservative criminologist James Q. Wilson found that “very large increases in prison population can only produce modest reductions in crime rates.”¹⁴ In a meta-analysis of current criminological research, the Vera Institute concluded in 2007, “The most sophisticated studies available generally agree that increased incarceration rates have some impact on reducing crime rates, but the scope of that impact is limited.”¹⁵

THE “RISING” CRIME RATE

Some observers of the national scene will raise an immediate objection to this analysis. Citing widespread media reports in late 2006 of an upsurge in violent offenses, they will argue that the relationship between crime and incarceration must

be more complex than is being suggested here.

But a closer look at the FBI's annual report, *Crime in the United States, 2006*, reveals a startling fact: The crime rate is actually falling. While the number of violent offenses did indeed rise by 1.9 percent, the number of nonviolent property crimes also dropped by an identical 1.9 percent.¹⁶ And since there are roughly 7.5 nonviolent offenses committed for every violent one,¹⁷ the decrease in the former more than offsets the increase in the latter. Thus America experienced roughly 155,000 fewer crimes in 2006 compared with 2005.¹⁸ The bad news: Of the total number of offenses committed, a greater number were violent in 2006 than in 2005.

However, even the latter statement is subject to a major qualification: Nearly the entire rise in violent crime was due to a 7.2 percent increase in armed robberies. The number of murders, assaults, and rapes, on the other hand, changed only marginally.¹⁹

"[B]efore this speculation gets out of hand, as it did with the juvenile superpredator frenzy in the mid-1990s, let us look more closely at what we know—at what the data actually say," recommends the American Correctional Association's journal, *Corrections Today*. "In all, there is little statistical support for an upcoming crime wave."²⁰ Brian Roehrkasse of the U.S. Department of Justice agrees, pointing out that the overall [violent and property] crime rate "was the lowest crime rate measured...in more than 30 years."²¹

So why did publications like *Time* hyperventilate about "the next crime wave" in late 2006?²² In part to sell magazines, of course, but also because the law enforcement community had just launched a major campaign to improve its cash flow.

According to the *Washington Post*, federal grants to local and state police "have been cut by more than \$2 billion since 2002." This led "many police chiefs and law enforcement officials [to] complain that the Bush administration has retreated from fighting traditional crime in favor of combating terrorism."²³ As *USA Today* explained, "The International Association of Chiefs of Police ... has been pushing for more crime-fighting funds."²⁴

What the story of the "rising" crime rate of 2006 illustrates, then, is the powerful role of financial interests in determining criminal justice policies. As we turn now to our primary subject, prisons, let us continue to ask Cicero's eternal question: *Cui bono?* Who profits?

THE NATION'S THIRD-LARGEST CITY

While both the media and politicians contributed to the spread of jailhouse fever, it is important to keep in mind that they do not benefit from the correctional system directly. They live off the sizzle, not the steak: the high-profile, televised trials and the tough-on-crime rhetoric. So long as networks get their

ratings points and candidates get the votes, they do not actually need physical jails and penitentiaries.

Only the prison-industrial complex needs those. To understand the vast range and scale of moneymaking opportunities behind bars, it helps to think of America's 2.3 million inmates as this nation's third-largest city, exceeding Houston by a quarter of a million residents.²⁵ Here are some financial facts:

- Building the physical infrastructure to house this population earns architects and construction companies \$4.3 billion annually.²⁶
- Operating private prisons is a \$2-billion-a-year industry, dominated by Correctional Corporation of America (CCA) and the Geo Group.²⁷
- Feeding convicts is the key to Aramark Correctional Services' success: The world's third largest food services company, it provides a million meals a day to inmates in 1,500 private and government-operated facilities.²⁸

And correctional capitalists develop new ways to turn a buck behind bars. The anti-immigrant hysteria that swept America in the summer of 2006, for instance, will primarily benefit CCA and Geo, since they operate detention centers for deportable aliens. According to Wall Street analysts, profit margins for these immigration prisons exceed 20 percent, and demand is expected to grow by \$200 to \$250 million every 12 to 18 months.²⁹

GREASED PALMS

How do correctional entrepreneurs persuade government officials to spend taxpayer dollars on their products? Through the judicious use of campaign contributions, of course. After California's Democratic Governor Gray Davis closed several private prisons in 2003, for instance, the Geo Group gave \$58,000 to Republican gubernatorial candidate Arnold Schwarzenegger and donated another \$10,000 to an initiative committee tied to the governor. Was it pure coincidence that Geo was awarded a no-bid contract to reopen one of the two shuttered facilities after Schwarzenegger's election?³⁰

When Geo had trouble filling its new Reeves County Detention Center in Texas, it hired a gentleman named Randy DeLay to lobby the federal Bureau of Prisons (BOP) to send inmates there. Randy's brother Tom just happened to be the most feared man in Washington, D.C., at that time, so the company got what it wanted: several hundred warm federal bodies. Cynics might be forgiven for seeing a connection between BOP's policy decision and the \$100,000 check Geo subsequently gave to Representative DeLay's personal charity.³¹

In 2005 the Colorado state auditor released a scathing report on that state's \$53 million contract to house 2,800

prisoners in six private penitentiaries, four of them owned by CCA. Not only were none of the commercial correctional centers' medical clinics licensed by the Department of Public Health and Environment, but nine inmate deaths—including two arguably preventable ones—were not reported to state authorities. According to State Rep. Liane McFadyen (D-47), "It's clear that the for-profit prison industry has no desire to follow their contracts."³²

The state auditor found other problems, too: CCA facilities have a high rate of staff turnover because the corporation's guards are paid less and receive fewer benefits than guards in state correctional centers. As a result, private prisons are frequently short-staffed—so short-staffed, in fact, that Colorado levied \$126,000 in fines against CCA in 2006. Critics of prison privatization have calculated, however, that paying fines costs CCA less than hiring a full complement of guards.³³

But even as the state auditor was bringing to light the hazards of correctional entrepreneurship, Colorado awarded two new contracts to CCA for massive expansions of its facilities, as well as additional contracts to Geo and Cornell Companies.³⁴ How can this be? Prison reform activists point to the fact that CCA and its executives gave at least \$43,000 to Colorado political parties and candidates like Governor Bill Owens.³⁵

In the 2005–2006 election cycle, the Geo Group gave a total of \$114,157 to Republican candidates nationwide, compared to \$74,725 to Democrats. However, the largest single beneficiary of Geo's largesse was Bill Richardson, Democratic governor of New Mexico, who received \$42,750 from the company in 2005 and 2006. Geo currently operates two prisons and one hospital in New Mexico and may soon get a contract for a new correctional center in Clayton, N. Mex.³⁶

From political and charitable donations like these, it is only one small step to outright corruption. In 2005, John G. Rowland, former governor of Connecticut, was sentenced to one year and one day in federal prison for accepting \$100,000 in bribes associated with no-bid contracts for the renovation and construction of two juvenile prisons. According to the indictment, part of the bribe was paid in gold coins—which were found buried in the yard of one of the conspirators.³⁷

Sometimes the business world's lust for correctional dollars takes on an almost comical aspect. When the Colorado Department of Corrections attempted to lower operating costs by buying less beef and more ground turkey, Terry Fankhouser of the Colorado Cattlemen's Association wailed, "[T]his decision sorely disappoints and offends Colorado's



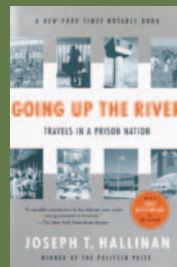
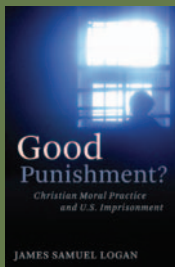
DIG DEEPER:

three recent books that look at America's culture of incarceration

Good Punishment? Christian Moral Practice and U.S. Imprisonment by James Samuel Logan (Wm. B. Eerdmans, 2007) critiques the American obsession with imprisonment as punishment, calling it “retributive degradation” of the incarcerated. Uncovering the devastating social consequences of imprisonment, Logan earnestly explores how Christians can best engage with the real-life issues and concerns surrounding the American practice of imprisonment.

Governing through Crime: How the War on Crime Transformed American Democracy and Created a Culture of Fear by Jonathan Simon (Oxford University Press, 2007) analyzes the fascinating history of the U.S. War on Crime and calls for passive citizens to become engaged partners in the management of risk and the treatment of social ills.

Going Up the River: Travels in a Prison Nation by Joseph Hallinan (Random House, 2003) explores an America of struggling towns and cities left behind by the information age and desperate for jobs and money. Hallinan shows why the more prisons we build, the more prisoners we create, placating everyone at the expense of the voiceless prisoners, who together make up one of the largest migrations in our nation's history.



beef producers.”³⁸ National newspapers had great fun with ranchers who “cried fowl” and “talked turkey” to “get beef back behind bars.” But Republican State Sen. Ken Kester (R-2), whose district includes Colorado's largest cattle ranches, understood that this was no laughing matter to his constituents. In a press release, the senate communications director celebrated Kester's valorous and eventually successful defense of cattlemen: “I want to know, where's the beef?”³⁹

“NOT CLINICAL PROBLEMS BUT BUSINESS PRACTICES”

As we saw earlier, companies like Correctional Medical Services (CMS) and Prison Health Services (PHS) earn \$2 billion a year by operating infirmaries within jails and penitentiaries. States typically pay these businesses a set fee of \$2,700 annually per inmate, and the corporations' profits depend entirely on providing medical services that are worth less than that: The less they treat, the more they keep.⁴⁰ According to critics, the structure of these contracts virtually ensures dangerously substandard medical care.

PHS, for instance, has been blamed for two dozen deaths in New York alone. “What we were dealing with was not clinical problems but business practices,” said James E. Lawrence, director of operations of the State Commission of Corrections, which investigated these fatalities.⁴¹ CMS has even developed “a long checklist of conditions, known as a ‘protocol pathway,’ [to] discourage treatment” of seriously ill convicts, *Harper's* magazine reports.⁴²

What does privatized medicine behind bars look like in practice? Ask the family of Justin Farver, a 23-year-old with a history of cerebral palsy, mental illness, and suicide attempts. After he killed himself in an Illinois jail that contracted with Correctional Medical Services, it emerged that the nurse who had screened him upon intake had lacked any psychiatric training or experience whatsoever. Another nurse later testified that their supervisor had instructed them to refuse inmates mental health services “so that CMS would not get stuck with the medical bills.”⁴³

PRISON LABOR

When we turn to prison sweatshops, we again find large companies and government agencies setting aside the usual rules of free enterprise to benefit themselves, not the public. Law-abiding citizens lose good jobs because inmates' wages are so low; and convicts lose educational programs because those cost money, whereas work programs generate revenue. Thirty U.S. states now rent out their inmates to private firms that need cheap, compliant, legally powerless workers.⁴⁴

In 2002 American prisoners produced \$1.5 billion worth of goods and services. Delco, Dell, TWA,⁴⁵ Wal-Mart,⁴⁶

Upjohn, Toys “R” Us, Chevron, IBM, Microsoft, Boeing, and Nintendo are only a few of the major corporations that have employed inmate workers.⁴⁷ Even local and state governments are using convict labor for data entry, record keeping, and call center operations.⁴⁸

Federal Prison Industries (FPI) produces all of the helmets used by the U.S. military, camouflage shirts and pants by the hundreds of thousands, various weapons components, and cable harnesses for TOW and Patriot missiles. In 2002, the company’s total sales to the federal government amounted to \$678.7 million, of which \$400 million went to the Department of Defense.⁴⁹ And whatever FPI cannot supply, Woolrich, Inc. can: In 2005 it signed several contracts totaling \$100 million to use federal inmates to manufacture military pants and jackets.⁵⁰

Sound like a good idea? Perhaps not to former Honda autoworkers who lost their jobs to prisoners paid one-tenth of what they once were. Or to ex-employees of Linn County Mills in Oregon who were replaced by a convict work crew that saved the company between \$600,000 and \$900,000 annually.⁵¹ Or to inmates in California, where Governor Schwarzenegger has expanded for-profit work programs even as he cut correctional educational funding by 20 percent and eliminated 300 prison teachers.⁵²

Convicts do not even benefit by learning a trade they can

use upon release,⁵³ because the most popular forms of correctional enterprise are garment manufacturing and telemarketing. Outside of prison, however, most U.S. clothing factories and call centers have been moved overseas. Thus Professor Gordon Lafer of the University of Oregon believes that using American inmates to perform this work is little more than a corporate public relations ploy to avoid the controversy over off-shoring.⁵⁴

EXPLOITING PRISONERS’ FAMILIES

The ingenuity of correctional businessmen does not end there, however. In recent years they have discovered convicts’ families as a major source of revenue. Because inmates typically earn only 22 to 45 cents per hour, cheating them out of their prison wages is hardly worth the effort. But some convicts, at least, have relatives and friends who want to relieve their incarcerated loved ones’ misery—a potential goldmine for companies and their allies inside Departments of Correction (DOCs).

How do entrepreneurs and prison administrators siphon money from inmates’ families into their own coffers? By privatizing all 240 canteens in Florida’s correctional system, for example. As soon as Keefe Commissary Services had taken over in 2003, the corporation’s willing helpers in the DOC allowed three 10 percent, across-the-board price hikes and

Continued on page 16.

A BETTER WAY

FAITH-BASED AND COMMUNITY OUTREACHES OFFER EFFECTIVE ALTERNATIVES TO INCARCERATION

BY TONI ROSS AND KRISTYN KOMARNICKI

America’s growing prison population and subsequent overcrowding have prompted some in the criminal justice system to look for ways to reduce the number and/or duration of jail sentences. The alternative sentencing movement recognizes that treating substance addiction, mental health issues, and educational deficits is often more effective than incarceration in rehabilitating offenders. In this scenario, the justice system, community, and offender work together to restore and reintegrate the lawbreaker. Sometimes used in lieu of incarceration and sometimes in conjunction with it, these programs offer pre- and post-release support and reeducation that can result in a safer society for all of us.

Faith-based and community organizations have in this growing movement a golden opportunity to offer hope and healing. By partnering with the courts and the broader community, they become valuable participants in the restorative process. Here we highlight a handful of the most innovative and effective programs across the country.

Correctional Capitalism in the “Land of the Free”

continued from page 13.

—to ensure that the higher prices did not result in a reduced sales volume—raised the weekly purchase limit twice, from \$65 to \$85 to \$100. Convicts’ paychecks typically amount to no more than \$20 to \$40 per month, so they by themselves could neither afford the increased prices nor take advantage of the higher purchase limits. To make this business model succeed, therefore, Keefe and the DOC were clearly counting on inmates to send money-begging letters to their relatives and friends.

And of course this ploy worked: The DOC’s annual profits from canteen operations leaped from \$15.6 to \$23 million in one year, while its partner, Keefe, earned so much that it preferred not to disclose its income from the deal. Florida’s auditor general issued a lengthy report, and it was scathing indeed. Virtually all of its criticisms, however, were directed at the DOC’s failure to protect the state’s financial stake in this moneymaking scheme.⁵⁵

But the commingling of government and corporate interests is in fact the real problem here. In July 2006, after being ousted by Governor Jeb Bush, the former director of the Florida Department of Corrections, James Crosby, and one of his division heads, Allen Clark, accepted plea agreements for “corruptly accepting” \$130,000 in kickbacks from a Keefe subcontractor. No doubt the Sunshine State’s auditor general would describe these men as two bad apples, not harbingers of a systemic or structural failure. According to the *New York Times*, however, ongoing investigations into Florida’s prison system have yielded over 20 arrests.⁵⁶

An even more efficient way to financially exploit prisoners’ loved ones is through correctional telephone services. In many states convicts are allowed to make only collect calls, with all sorts of fees and surcharges tacked on by corporations like AT&T, Verizon, and Sprint. As a result, the prison telephone business is worth \$1 billion per year.⁵⁷

In Virginia, the 32,000 inmates housed in state penitentiaries (as opposed to local jails) each generate an average of \$225 annually for MCI WorldCom.⁵⁸ But that is nothing compared to the San Mateo County, Calif., jail: There, each prisoner runs up an average of \$1,375 a year in telephone charges.⁵⁹ Who pays these enormous bills? Convicts’ relatives and friends, of course—almost always people with limited incomes who just want to hear their loved ones’ voices.

For the privilege of gouging them, telephone companies pay DOCs commissions of 40 to 60 percent. Thus the New York prison system received \$93 million per annum from MCI (until mid-2007),⁶⁰ while a small state like Virginia gets a still-respectable \$6 to \$7 million a year. To maximize both



the company’s and the DOC’s income, prison officials there deliberately “rejected an earlier proposal that offered lower rates,” according to court testimony.⁶¹

Thus a typical 15-minute long distance call made from a Virginia correctional center until recently cost \$9.20. In the federal Bureau of Prisons, by contrast, phone companies are not allowed to bilk convicts’ relatives, so that same 15-minute long distance call costs only \$3.00 there. Price disparities like these led the Virginia State Corporation Commission (SCC) to order MCI to lower its rates.⁶²

But thanks to a special bill sponsored by State Sen. Thomas K. Norment (R-3), Virginia’s General Assembly retroactively removed the correctional telephone contract from the SCC’s jurisdiction, thereby nullifying its ruling against MCI. Could there be any connection between Norment’s quick, effective action and the fact that MCI had just given him the third-largest campaign contribution of any legislator in the then-current political cycle?⁶³

If the senator and his financial masters thought this ended the matter, however, they had not counted on Jean Auldridge, director of the prison reform advocacy group Virginia CURE. She successfully lobbied the General Assembly to create a debit card calling system that would cut the cost of prison phone calls by two-thirds. According to State Del. James H. Dillard II (R-41), the reform’s sponsor, “This has been an injustice for a long time. ... Now is the time to do the right thing.”⁶⁴

All’s well that ends well? Not in the world of the prison-industrial complex! The new phone system has meanwhile been implemented: MCI is still running the show, and that \$9.20 call has been reduced by only 80 cents to \$8.40. As Auldridge put it to the *Virginian Pilot*, “They’re sticking it to us again.”⁶⁵

“SAVE SOUTHAMPTON CORRECTIONAL CENTER”

That was the slogan printed on T-shirts worn by 300 guards and their family members as they demonstrated in Richmond, Va.’s, Capitol Square in 2002.⁶⁶ Immediately after his 2001 election, Democratic Governor Mark Warner proposed shutting down three of the state’s 43 penitentiaries: Southampton, Brunswick, and Staunton. Little did he realize just how difficult it is to trim back the prison-industrial complex even marginally.

Not only corporations like MCI, but also correctional officers’ unions and associations will go to any lengths to keep prison dollars flowing. Guards have their Democratic henchmen in the legislatures, just as business has its Republican lackeys. In many cases, they work together.

More than 747,000 men and women are now employed as guards, administrators, medical staff, teachers, and therapists in correctional centers across America.⁶⁷ According to the Urban Institute, nearly one-third of U.S. counties have at least one jail or penitentiary; in Florida, 78 percent do.⁶⁸ A Virginia

Department of Corrections fact sheet explains, “With layoffs in the coal industry, prisons are vital to the local and regional economy.”⁶⁹ A similar brochure from the California DOC promises “600 to 1,000 new jobs and an annual payroll of \$20 to \$52 million” if towns agree to host a penitentiary.⁷⁰ To many politicians and voters in economically depressed areas, that sounds like a very good deal indeed.

Southside Virginia is one such poor region, and two of the three prisons that Governor Warner wanted to close in 2002 are located here. In response to growing local unrest, Public Safety Secretary John M. Marshall organized a hearing at which guards and local elected officials expressed their fear of mass unemployment in vivid terms: “This is tearing my life apart,” testified correctional officer Mike Reynolds. Normally a proponent of criminal justice reform, State Sen. L. Louise Lucas (D-18) changed her tune when her constituents’ jobs were at stake: “Hopefully your conscience will say to you, ‘We can’t do this to Southside.’”⁷¹ Local residents collected 6,000 signatures on a petition opposing closure—quite an achievement given the fact that the two towns host-

WORKING FROM THE INSIDE OUT: INNERCHANGE FREEDOM INITIATIVE

In contrast to the corporate and political interests that drive the industrial-prison complex, Prison Fellowship wants to help men and women get out—and stay out—of jail. Its InnerChange Freedom Initiative (ifiprison.org), launched in a Texas prison in 1997 and currently operating in nine prisons in six states, is a voluntary, values-based program drawn from biblical truth. Participants, who are typically within 18-24 months of release, are not required to be Christians to take part in the program, but many of the inmates who participate do end up making or renewing a commitment to Christ.

The goal of IFI is to reduce the alarmingly high recidivism rates in the U.S. by helping incarcerated men and women become emotionally healthy, productive citizens before they return to the general population. The program, run mostly by highly trained volunteers from the community, includes academic studies, life-skills training (interpersonal communication, personal finances, anger management), and in-depth Bible study. Each inmate participant is paired with a mentor and receives support from a local faith community for at least six months after release from custody. Independent studies show that IFI graduates are approximately 60 percent less likely to be rearrested than those who do not participate in the program.



IFI made headlines when a federal judge ruled in 2006 that it was unconstitutional for the organization to receive state funds for its program in an Iowa prison. This ruling stemmed from a lawsuit filed by Americans United for Separation of Church and State. In December 2007 an appeals court upheld the unconstitutionality of state funding for a faith-based program but overturned the initial order for the program to be shut down and for IFI to repay the \$1.5 million it collected from the state for contracted services from 2000-2006. IFI has been operating exclusively on private funds since July 1, 2007.

“We are grateful to the Eighth Circuit for refusing to handcuff people of faith who are helping corrections officials turn inmates’ lives around,” said Prison Fellowship President Mark Earley. “What was at stake here, at its heart, is public safety. The keys to reducing recidivism and protecting the public from repeat offenses are the very kinds of effective rehabilitation and re-entry services provided by the Inner-Change Freedom Initiative.”

ing Southampton and Brunswick Correctional Centers have only 167 and 1,275 residents, respectively.⁷²

In the end, all the petitions and protests were successful. Governor Warner came to realize that eliminating just 600 guards' jobs, out of 747,000, was simply too big a sacrifice. To save face, he shut down one prison: Staunton Correctional Center in northern Virginia, where there is plenty of other work. The two Southside penitentiaries would remain open, the governor explained, because the Department of Corrections had just handed him a new projection that called for more prisons, not fewer.⁷³ Nobody asked him why this should be so, at a time when the state's crime rate was falling to record lows.⁷⁴

Is Virginia unique in this regard? Unfortunately not, as New York Governor Eliot Spitzer discovered in 2007. Because the Empire State's correctional population had fallen from 71,000 to 63,000 since 1999, he proposed forming a commission to study whether some prisons could be closed. But Lawrence Flanagan, president of the New York State Correctional Officers and Police Benevolent Association, immediately objected, "We're not open to any closures at this point."⁷⁵

Having donated over \$1.8 million to state lawmakers in recent years, the guards union could count on support from politicians like State Sen. Elizabeth O'Connor Little (R-45). "There are over 5,000 correctional officers living in my district," she told the *New York Times*. Prisons "have a tremendous economic impact"—both on her constituents and, one might legitimately suspect, on her campaign fundraising efforts.⁷⁶

Smart politician that he is, Governor Spitzer soon recognized the futility of his plan to shut down unneeded correctional centers: "I don't want to suggest that it's happening soon," he told lawmakers in a budget address.⁷⁷

CALIFORNIA DREAMIN'

While correctional officers in Virginia and New York are only beginning to learn how to wield their collective power, the 31,000-member California guards union has essentially co-opted that state's entire political spectrum. An investigation by the *San Jose Mercury News* revealed that the California Correctional Peace Officers Association (CCPOA) doled out an astonishing \$12.6 million in campaign contributions to state legislators of both parties between 2000 and 2004.⁷⁸ That bought enough bipartisan allegiance to push through a 37 percent pay increase for correctional officers in July 2004, over Governor Schwarzenegger's objections.⁷⁹ As we saw earlier, the average guard's starting salary will now rise to \$73,000 (not including benefits)—more than twice the average wage in the next-highest-paying state.⁸⁰

"In almost every way, the [CCPOA] seems to have the state administration outgunned," reports the *Washington Post*. Union representative Joe Bauman brags, "We sit down to the nego-

tiating table, and we use our laptops. Meanwhile, [California government officials] are using a calculator that you get with a carton of cigarettes."⁸¹

But the CCPOA does not restrict its advocacy to standard union issues like pay and benefits. For instance, the organization considers private prisons a threat to its power, so it convinced then-Governor Gray Davis—recipient of \$3.4 million in CCPOA contributions—to close four of them. After Schwarzenegger's election, the union showered former State Sen. Jim Brulte (R-31) with six-figure donations, whereupon he began lobbying Schwarzenegger to shut down the remaining five private correctional centers.⁸²

"[T]erminating college and vocational education programs in prisons statewide" is another CCPOA priority, according to the *Los Angeles Times*.⁸³ Why? Because the correctional system needs a steady inflow of recidivists to keep penitentiaries at full capacity. If inmates were to reform and then fail to re-offend upon release, a few prisons might actually have to close!

Fortunately for the guards union, parole and probation officers are CCPOA members as well, so there is no real danger of having "too few" recidivists.⁸⁴ California parole and probation officers send ex-convicts back to the penitentiary at eight times the rate of their Texas colleagues; even minor offenses, like being drunk in public or driving more than 50 miles from home, suffice to take a released inmate's freedom away again.⁸⁵ To the CCPOA, successfully reintegrated former prisoners are a threat to their members' job security—a threat that union parole and probation officers work hard to eliminate.

This kind of thinking also motivated the CCPOA's decision to spend \$101,000 to lobby for passage of the state's "three strikes and you're out" bill in 1994.⁸⁶ In 2004, it invested another \$1 million to defeat Proposition 66, which would have excluded nonviolent offenders from this draconian law.⁸⁷ To scare taxpayers into supporting its "keep the prisons full" agenda, the CCPOA's annual budget typically includes up to \$1 million for TV ads, a figure that rises to \$10 million during election cycles.⁸⁸ Much less well known is the fact that the union also donates six-figure sums to Crime Victims United of California.⁸⁹ Could it be that crime victims are just another tool to help the CCPOA maintain access to correctional dollars?

MANUFACTURING THEIR OWN FUTURE CUSTOMERS

When we began this examination of the profit motive in the sevenfold growth of the correctional system over the last 30 years, we noted that the prison-industrial complex's role in the war on crime parallels that of the military-industrial

Continued on page 23.

Correctional Capitalism in the “Land of the Free”

continued from page 18.

complex’s role in the Cold War. Both complexes derive(d) their power from the quiet collusion of organized labor and big business, and both complexes exploit(ed) fear to enrich themselves at taxpayers’ expense. However, there is also a major difference between the two. While the overpriced weaponry produced by the military-industrial complex successfully deterred large-scale attacks by the Soviet Union, the bloated correctional system does little to reduce crime. In fact, there are increasing signs that the prison-industrial complex may be contributing to crime.

Every year America’s correctional facilities discharge 672,000 inmates who have finished their sentences.⁹⁰ Of these, 67.5 percent will re-offend within three years of their release.⁹¹ So all of those extra jails and penitentiaries built since the 1970s can truthfully be described as factories that produce 453,000 brand-new recidivists every 12 months. And as luck and good planning would have it, the prison-industrial complex stands ready to welcome them all back

to “the big house.”

What the correctional system has created here is the perfect business plan: Prisons are literally manufacturing their own future customers. And there appears to be little hope of ending this \$63-billion-a-year fraud on the American public. If anyone challenges the prison-industrial complex, he or she is quickly denounced as “soft on crime.” So the penitentiary population keeps on growing, by an average of 3.3 percent annually since 1995.⁹²

Crime may not pay, but prison sure does. ■

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(Editor’s note: due to space limitations, the end notes for this article have been posted at esa-online.org/EndNotes.)

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