

**A Contributing Influence:
The Private-Prison Industry and Political Giving in the South
By Edwin Bender, Research Director**

Introduction

Major corrections companies around the country saw startling growth in the mid-1990s, both in the number of prisons they operated and in their profits. The stock price for Corrections Corporation of America alone increased elevenfold from January 1995 to August 1997, from \$4.12 a share to nearly \$45 a share. By comparison, the Standard & Poor's index merely doubled during the same period.

But the heady days of soaring stock-price increases appear to be a thing of the past for CCA, Wackenhut Corrections, Cornell Corrections and other private-prison companies. The industry now finds itself hamstrung by its own failure to deliver on promises of lower costs and better services, crippled by incident after incident of violence, killings and mismanagement,¹ and facing declining corrections budgets as state economies turn dark.

George Zoley, CEO of Wackenhut Corrections, has acknowledged the industry's problems and as late as May 2001 said his company's future is in long-term federal and international contracts and running mental hospitals and addiction-treatment centers.²

But the companies have not abandoned their state prison efforts and their quests for taxpayer-subsidized profits. Evidence of this is the **\$1,125,598** contributed by private corrections companies to **830** candidates in **14** Southern states during the 2000 election cycle, **90** percent of which went to

¹ Sources for stories about the problems with private prisons are numerous. An ABC News Special Report in March of 1998 titled "Profit & Punishment: Prisons Brought Jobs – and Murder – to Youngstown," detailed the problems inherent in the private prison industry. Ted Koppel and Nightline followed with an investigation in March 1998 with a series that focused on the private-prison industry in Texas. *Mother Jones Magazine* has done extensive pieces on the industry's woes. Perhaps one of the most telling is "Steel Town Lockdown," by Barry Yeoman, May/June 2000, which details the events surrounding a daylight escape from the Northeast Ohio Correctional Center and how Corrections Corporation of America dealt with the event. For other Mother Jones investigations, search its Web site, <http://www.mojones.com>, for "private prisons." Also, a Web site maintained by the Florida Police Benevolent Association, http://www.flpba.org/private/shame_map.html, provides a comprehensive record of problems that have plagued private prison corporations across the country.

² Evan Perez, "Wackenhut Corrections, CCA need to reverse bad publicity, overbuilding," *The Wall Street Journal*, May 9, 2001, B4. The industry's shift to federal contracts is analyzed by Judith Green, criminal-justice policy analyst and former fellow with the Open Society Institute of the Soros Foundation and the Institute on Criminal Justice of the University of Minnesota Law School, in "Bailing out private jails," *The American Prospect*, Sept. 10, 2001, pgs 23-27. Ms. Greene also reviewed this report.

incumbent and winning candidates who would be making policy and budget decisions in their next legislative sessions.

In fact, in a handful of Southern states — specifically Florida, Georgia, Mississippi, North Carolina, Oklahoma and Texas, which are among the most heavily invested in privatization in the country — corrections companies maintained their key role of housing prisoners and receiving taxpayer money.

The National Institute on Money in State Politics, in an attempt to gauge the influence private-corrections companies sought in state corrections policy and budgeting, examined campaign contributions made during the 2000 election cycle to legislative and statewide candidates in the Southern states. The Institute then examined corrections-related legislation considered in states where the industry gave heavily, and, where possible, correlated the contributions with the policy.

The Institute found that in a number of states, private-prison companies either were able to maintain their positions as service providers for state corrections systems despite adverse budget pressures or were able to repel efforts to reduce state reliance on private corrections companies.

In many cases, lawmakers considering the policy decisions received campaign contributions from the companies that stood to profit from the decisions.

Methodology

The National Institute on Money in State Politics is a nonpartisan, nonprofit organization dedicated to increasing the public's understanding of the role political donations play in the public-policy process. This study of the contributing patterns by private-corrections corporations in Southern states is the second the Institute has done on players in this industry. The first, "*Private Prisons, Politics & Profits*," was released in late 2000 and is available on the Institute's Web site, www.followthemoney.org.

The contribution data was compiled by the Institute³ from contribution-and-expenditure reports filed with the state disclosure agency in each state studied. The reports covered the last complete election cycle in each state. While most states studied had elections in 2000, Alabama, Kentucky,

³ In some cases, local groups assisted the Institute in compiling the data. For example, Democracy South was instrumental in compiling and auditing the North Carolina data.

Louisiana, Mississippi and Virginia had their major elections in either 1999 and/or 1998 and reports from those cycles were used.

Institute staff researched the contributor databases and assigned an occupation code to all contributors whose occupation or employer it could identify. The Institute's occupation code is based on the Standard Industry Codes used by the Securities and Exchange Commission.

To determine corporate contributors for this study, the Institute went further and compiled a list of corrections company executives using information from the Securities and Exchange Commission and business reference sources, such as Hoover's and Web pages maintained by the companies. In addition, the Institute compiled lobbyist lists from official state disclosure agencies and conducted a systematic search of news stories to identify officials and employees from specific private prisons in the South. The study included contributions made by lobbyists representing the private corrections companies as well as those from other employees of the firms.⁴

The contributions and employee lists were compared to produce the Institute's list of corrections company-affiliated donors to state-level political campaigns in Southern states during the 2000 election cycle.

While this study focuses on the role campaign money plays in the public-policy process, it represents only a piece of the puzzle. It is difficult if not impossible to quantify the role lobbyists play in the process beyond their campaign contributions. They spend hundreds to thousands of hours in the halls of the Legislatures presenting their information and arguments to lawmakers, and they make a lot of money doing so. They also often spend years developing legislative strategies, presenting a bill one session knowing it will be defeated, but opening the door for a different, more passable proposal the next time around. Also, companies and individuals that sub-contract with prison companies are difficult to identify with certainty because of disclosure limitations, so their campaign contributions are not included in this study even though they could play a substantial role in the public-policy process.

⁴ The lobby firms employed by the corrections companies often were some of the largest in the particular state and had numerous other clients. While it is true that lobbying firms can represent a variety of clients, they are not required to apportion their contributions among their clients. Furthermore, because a firm can muster all its forces at any given time to a given issue or bill, the Institute included all contributions from firm members to candidates in this study.

This study offers a handful of examples of how current state campaign-financing systems put lawmakers in the unenviable position of having to defend themselves against conflict-of-interest charges or being in situations where an appearance of impropriety exists.

The Contributions

Privatized-corrections companies contributed more than **\$1,125,598⁵** to **830** candidates in **14** Southern states in the 2000 election cycle. The total includes contributions from the companies, their executives and those in the lobbying firms representing the companies' electoral and legislative interests and was split **54** percent to **46** percent in favor of Democratic candidates.

These interests also split **\$96,432** almost evenly between political party committees in **14** states, giving Republican committees **49** percent and Democratic committees **48** percent. The balance went to caucus committees.

The states studied, with totals for industry contributions given to candidates and party committees in each state, are:

State & Year	Number of checks	Number of Recipients	Total to Candidates	Total to Parties
Texas	323	156	\$361,293	\$9,500
North Carolina	590	107	\$226,519	\$5,150
Florida	381	122	\$158,485	\$34,722
Louisiana '99	90	56	\$71,455	\$6,300
Virginia '99	191	92	\$63,454	\$10,700
Georgia	150	84	\$56,650	\$15,500
Tennessee	110	44	\$52,631	\$6,000
Oklahoma	131	54	\$52,125	\$2,050
Mississippi	75	37	\$41,085	\$1,000
Arkansas	182	61	\$26,125	\$500
Kentucky '98-2000	21	14	\$8,350	\$5,010
Alabama '98	2	1	\$4,500	\$0
West Virginia	2	1	\$2,000	\$0
South Carolina	1	1	\$925	\$0
Overall Total	2,249	830	\$1,125,598	\$96,432

⁵ The \$1.1 million-plus contributed by private-prison interests to candidates in Southern states is in line with the contributing levels of other specific-interest industries, such as gambling and casinos, which gave almost \$1.1 million, or tobacco sales, which gave \$737,496. But it is less than the amount given by liquor wholesalers, who gave \$2.1 million; electric utilities, which gave \$2.5 million; or insurance companies, which gave \$5.3 million in the region.

The major private-prison industry contributors during the 2000 election cycle in the Southern states were executives and lobbyists for the largest private corrections companies in the country. The top companies include:

- Corrections Corporation of America (CCA), which made more than **600** contributions totaling more than **\$443,300** to candidates in **13** of the 14 states studied, excluding only South Carolina. CCA also gave **23** contributions totaling more than **\$36,580** to state political party committees;
- Wackenhut Corrections, which gave **336** contributions totaling more than **\$237,750** to candidates in **six** states – Arkansas, Florida, Louisiana, Mississippi, Oklahoma and Texas. Wackenhut made **eight** contributions to state political committees for **\$33,850**;
- Cornell Corrections, which made **284** contributions totaling nearly **\$100,000** in **three** states– Georgia, North Carolina and Texas. Cornell Corrections gave to state political party committees twice for a total of **\$3,000**;
- Correctional Services Corp., which gave **208** contributions in **two** states – Florida and Texas – totaling more than **\$97,670**. Correctional Services Corp. gave to state party committees **13** times for a total of more than **\$12,800**.

The companies focused their political money largely on legislative races in the 14 states: **775** legislative candidates received **70** percent of the industry's contributions, with **83** percent of that going to campaign winners. The remaining candidates ran for statewide offices, such as governor, lieutenant governor, secretary of state and auditor.

Foremost on the list of legislative candidates receiving prison industry money were:

- Rep. James Laney of Texas, who received **five** contributions totaling **\$33,600**, including one **\$25,000** check from Corrections Corporation of America's lobbying firm;
- Rep. James Black of North Carolina, who received **17** checks totaling **\$12,400**;
- Sen. John Wilder of Tennessee, who received **12** checks totaling **\$10,000**;
- Sen. Marc Basnight of North Carolina, who received **11** contributions totaling **\$9,200**;

- Sen. Debby Sanderson of Florida, who received **19** checks totaling **\$8,100**.

Fourteen gubernatorial candidates received just **10** percent of the contributions (The number is low in part because only six of the 14 states had races for governor in the time period studied. Most gubernatorial races in the country took place during the 1998 election cycle). Winning gubernatorial candidates received more than **52** percent of the total given in these races. Top recipients were:

- Gov. Michael Easley of North Carolina, who received **65** contributions totaling **\$40,675**, including **26** contributions totaling **\$15,950** from the Cornell Corrections lobbying firm and **26** totaling **\$15,475** from the firm that represented Tennessee prison builder Ray Bell Construction;
- Candidate Richard Vinroot of North Carolina, who lost to Easley in the general election. He received **71** contributions totaling **\$22,156** from the same sources that gave to Easley;
- Candidate Dennis Wicker of North Carolina, who lost in the primary to Easley. Wicker received **30** contributions totaling **\$14,155**, again from the same sources that gave to Easley;
- Gov. Mike Foster, Jr., of Louisiana (1999), who received **two** contributions totaling **\$10,000**, both from the firm representing Corrections Corporation of America;
- Gov. Ronnie Musgrove of Mississippi, who received **eight** political gifts totaling **\$7,300**, including **\$4,750** from Carothers Construction, a prison builder.

As has been seen in previous election cycles, the companies' focused giving was a formula for access and success.

The companies gave more than **70** percent of their contributions to winning candidates who went on to hold office in their states. An additional **20** percent was contributed to either incumbents or sitting candidates who did not run in the elections. So, only **10** percent of the industry's contributions went to losing candidates.

Totals given in each state appear to have been affected to some extent by contribution limits in each state. In Texas, for example, where no limits exist on political giving, checks ranged in size from \$100 to \$10,000; 38 percent of the checks were for \$500, 26 percent were for \$1,000 and five percent

were for \$2,500. In North Carolina, where limits are high at \$12,000 for the entire three-election cycle, a similar pattern exists, with checks ranging in size from \$50 to the single-election limit of \$4,000; 23 percent were for \$250, 21 percent were for \$500 and 11 percent were for \$1,000. In both cases, the absence of strict limits opened the door to a wide range of and extremely large, five-figure contributions.

But in Florida, with a \$500 per-election limit (\$1,500 for the three-election cycle if a primary runoff is required), nearly three-quarters of the contributions were at the maximum, and the contribution range was a more constrained \$25 to \$500. More than one-third of the candidates receiving corrections-company contributions received the two-election maximum of \$1,000, indicating that more money might have been available had the limits been higher.

While a clear contributing pattern is less obvious in other states, it does appear that the totals given by the prison companies might have been larger had limits not been in place in some states.

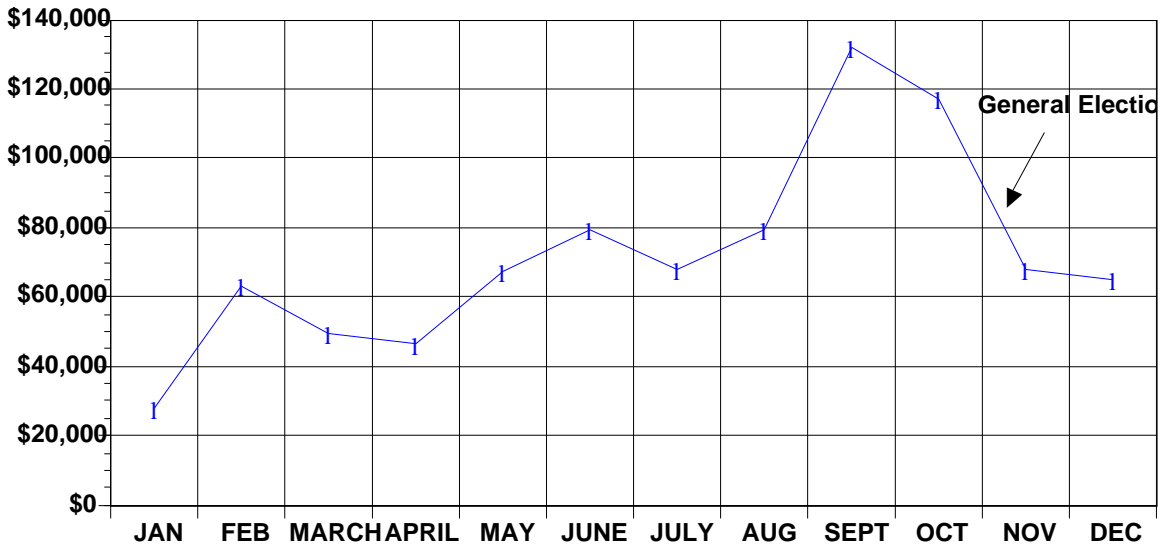
To get the most impact from their political dollars, the companies timed their political gifts strategically. Roughly one-fourth of the contribution total was given in the first year of the two-year election cycle, a time when few were watching who was giving what to whom. Seventy-three percent of those dollars went to incumbents. So the industry was currying favor with incumbent candidates many months before the beginning of the main election season.

More than one-third of the remaining total was given to candidates in the last weeks before the general election when many races are all but decided, or just after the election, when elected candidates begin vying for committee assignments for the upcoming legislative sessions

By strategically timing its contributions, the industry was able to ensure that a large percentage of its money went to candidates who were all but certain to win, thereby improving their odds for access during upcoming public-policy debates.

The following chart shows the flow of political gifts in the final months of the two-year election cycle:

Industry contributions made during last months of the election cycles⁶



The States

The Institute's survey of legislative activity in the 14 Southern states found several places in which prison interests either saw pro-industry measures passed or they prevailed over unfriendly legislation. In North Carolina, for example, legislators approved an expensive expansion of the state prison system using private prison builders. In Mississippi, lawmakers overrode a gubernatorial veto to fund private correctional facilities despite questions about the need to do so. In Georgia and Florida, measures aimed at limiting private prisons or industry influence died in committees. And in Oklahoma, a sentencing reform measure reduced the number of non-violent offenders but increased the number of crimes for which an inmate would be required to serve a long term, thereby ensuring a large inmate population.

In all these cases, which are detailed below, lawmakers who could influence the outcome of the policy debate received campaign contributions from the people who stood to benefit from the decisions.

In several of the states, though, the Institute found no clear or compelling evidence of corporate efforts to move legislation, primarily because many Southern states faced severe and limiting budget problems in their 2001 legislative sessions. For example, in Tennessee — home of Corrections Corporation of America (CCA) and several private prisons — a \$300 million

⁶ Primary-election dates in Southern states vary, with Texas occurring in March, West Virginia and North Carolina early May, Virginia, South Carolina, Mississippi and Alabama early June, Tennessee early August, Florida early September and Louisiana early October, just weeks from the general election.

revenue shortfall spurred a populist tax revolt that limited lawmakers' spending.⁷ At roughly the same time, CCA was attempting to sell seven of its prisons to pay down its own debts.⁸ And in South Carolina, which faced a \$500 million budget shortfall in 2001, lawmakers considered more state-owned and not private facilities.⁹

The case studies below offer a glimpse of the way in which campaign contributions from special interests can raise serious questions about how public policy is determined and how taxpayer dollars are spent.

North Carolina

Poor staffing and management practices, escapes and violence in private correctional facilities prompted North Carolina lawmakers in 1997 to impose limits on construction of new private prisons. In the spring of 2000, the legislature passed a ban on the importation of out-of-state prisoners to private facilities. Continuing concerns caused state corrections officials to take over operations at the two existing CCA facilities in the fall of 2000 and lease the facilities back for \$5 million a year.

But the state's move away from private correctional services did not stop the expansion of the state corrections system, to the benefit of private companies and at great expense to taxpayers. The 2001 Legislature, when confronted with the corrections department's estimates that up to 10,000 new beds would be needed in the next decade,¹⁰ decided the state needed more prisons. And with Senate Bill 25, which was signed by Gov. Michael Easley in May 2001, lawmakers authorized the state to contract out with private prison-construction firms for up to three new 1,000-bed prisons, which the state would then buy back using a complicated purchase-and-lease process. The Legislature finally agreed to move ahead with two facilities. The estimated cost of building the prisons was \$75 million each.¹¹ But the lease-back procedure will bind the state to a 20-year contract that had an estimated total cost of \$246.6 million, with the state leasing the facilities from a separate bonding authority. In addition, the annual operating costs for each new

⁷ Paula Wade, "Budget plan \$1 billion larger," *The Commercial Appeal*, Feb. 21, 2001, A1.

⁸ Getahn Ward, "CCA may sell seven prisons for cash to reduce debts," *The Tennessean*, March 15, 2001.

⁹ *The Post and Courier* staff, "SC bond bill earmarks 20 percent locally," *The Post and Courier*, March 2, 2001, A1.

¹⁰ Anna Griffin, "North Carolina lawmakers reconsider private prisons," *The Charlotte Observer*, March 3, 2001.

¹¹ *Ibid* (The estimate notes that actual costs will depend on the final bid selected, which may be higher or lower).

prison were estimated at \$17.5 million per year.¹² So, apart from the operating expenses, the measure means taxpayers could end up paying nearly \$100 million more for the facilities than they would have with a straight purchase deal.

To see that SB 25 came to fruition, supporters of the build-and-lease proposal contributed more than **\$226,519** to candidates during the 2000 election cycle, with nearly **80** percent or **\$180,808** going to winning candidates.¹³ They contributed another **\$5,150** to the North Carolina Republican Executive Committee.¹⁴

Cornell Corrections was the largest donor, giving **\$71,042** directly and via its lobbying firm to **37** candidates, **75** percent of whom won their races. CCA, which ran two prisons in the state but eventually leased them to the state, and its lobby gave **\$46,253** to **44** candidates, with **93** percent of those winning their races. CCA contributed the **\$5,150** to the state Republican Party. Correctional Properties Trust, which bought CCA's prisons and began leasing them to the state, contributed **\$30,356** to **17** candidates, **70** percent of whom won their races. Lobbyists with Parker, Poe, Adams & Bernstein, which represented prison builder Ray Bell Construction of Brentwood, Tenn., gave **184** times for **\$55,367** to **81** candidates, **87** percent of whom won their races. The lobbying firm of Bode, Call & Stroupe, which represented prison-builder Centex Rooney Construction, gave **16** times for a total of **\$12,750** to **12** candidates, all of whom won their races.¹⁵ Also representing Centex Rooney Construction was Linwood E. Mercer, who contributed **\$10,750** to **16** candidates, all but one of whom won their races.

¹² NC General Assembly Legislative Fiscal Note, SB25, Third Edition, April 23, 2001.

¹³ North Carolina data was provided by the North Carolina State Board of Elections from reports filed by candidates; Democracy South staff audited and verified the data. Note, too, that the contributions are for only those reported by candidates. Unitemized contributions reported as lump sums with no contributor name accounted for nearly \$1.5 million, and in some cases as much as 40 percent to 50 percent of a candidate's total.

¹⁴ Contribution limits on gifts to legislative and statewide candidates in 2000 were \$4,000 for each of the two elections, primary and general, for a total for the cycle of \$8,000 per candidate.

¹⁵ State corrections officials and employees gave \$140,465 to 32 candidates, 75 percent of whom were winners in their races. While state corrections officials are against privately run prisons, they see advantages in allowing private companies to build the facilities, and thus supported SB 25. These contributions were not included in the North Carolina totals. State corrections officials and employees wrote 326 checks, including 34 for \$23,075 in 1999 to early gubernatorial candidate and former President of the Senate Dennis A. Wicker. Easley had received only one contribution totaling \$100 from corrections officials during the same time period. After Gov. Easley won the primary election, corrections employees began writing checks to him, including 25 totaling \$12,750 on Nov. 2, just five days before the general election.

Nearly one-third of the contributions made to winning candidates in 2000 by SB 25 backers came in late October or early November, or after the election, in November and December.

Coordinating activities for the CCA was Don Beason of The Capitol Group and Jennie Dorsett, who has her own lobbying firm.¹⁶ Don Beason made **21** contributions totaling **\$22,350**. Dorsett made **17** totaling **\$4,350**. CCA founder and executive Thomas W. Beasley contributed **\$2,000** directly, to winning attorney general candidate Roy Cooper.

William Scoggin and Margaret Westbrook of Kennedy, Covington, Lobdell & Hickman coordinated activities for Correctional Properties Trust. Scoggin, Westbrook and other members of Kennedy, Covington et al. accounted for **83** contributions totaling **\$30,356**.

Lori Ann Harris of L.A. Harris & Associates represented Wackenhut Corrections Corp. in the 2001 session, but no candidates reported contributions from Harris, her firm or Wackenhut Corrections.

George Teague and Leon Killian of Moore & Van Allen coordinated activities for Cornell Corrections. (Sen. Daniel G. Clodfelter is a member of this firm.) The lobbyists and firm members, including Sen. Clodfelter, made **198** contributions totaling more than **\$71,000**.

Lobbyists with three other firms — Parker, Poe, Adams and Bernstein; Bode, Call and Stroupe; and Linwood Mercer & Associates — argued for Senate Bill 25 and represented companies interested in bidding on the projects, as noted above. Members of Parker, Poe, Adams and Bernstein made **184** contributions totaling **\$55,367**. Those with Bode, Call and Stroupe made **16** totaling **\$12,750**. Those with Linwood Mercer & Associates made **22** totaling **\$10,750**.

Proponents of the lease proposal contributed **65** checks totaling more than **\$40,675** to Gov. Easley, who signed the bill once it passed to the Legislature.

But before it got to Gov. Easley, SB 25 was steered to the Senate Finance Committee by sponsors who had received **\$3,700** in political gifts from

¹⁶ Lobbyist associations are taken from official North Carolina disclosure records for the 1999-2000 and the 2001-2002 reporting cycles. Lobbyists Don Beason, James Ball, Jennie Dorsett, George Teague, Leon Killian and Moore & Van Allen all reported in the 1999-2000 cycle, and William Scoggin, Margaret Westbrook and Lori Ann Harris reported in the 2001-2002 cycle. Contributions from firm associates are included in the totals.

prison-lease proponents during the election; committee members themselves received more than **\$21,303**. More than **60** percent of all committee members received at least one check, some four, five or more:

- Committee Vice Chairman Daniel Clodfelter¹⁷ received **14** contributions for a total of **\$4,728**; Sen. Walter Dalton received **four** for **\$3,300**; Sen. Eric Miller Reeves received **four** for **\$2,450**; Sen. Howard Lee received **four** for **\$1,850**; and committee Chairman David Hoyle received **four** for **\$1,500**.
- House Finance Committee members, who heard SB 25 after the Senate had already passed the proposal, received **\$8,950** from its supporters. Nearly half of the committee members received contributions from prison-proposal supporters: Rep. Ed McMahan received **11** contributions totaling **\$2,500**; Rep. Connie Wilson received **six** for **\$1,350**; Rep. Andy Dedmon received **four** for **\$1,100**; Rep. Pryor Gibson received **four** for **\$950**; Rep. Lyons Gray received **two** for **\$750**; Rep. Andy Dedmon received **two** for **\$500**; and Rep. Leslie Cox received four for \$500. Other committee members received single contributions ranging from \$250 to \$50.

The final version of SB 25 overwhelmingly passed the House 109-5, with three representatives excused (Reps. Alma Adams, Donald Davis and Howard Hunter) and three not voting (Reps. Milton Fitch, William Hiatt and Speaker James Black, who only votes to break ties). Nearly 40 percent of those who voted favorably on SB 25 in the House received contributions from the interests that stood to benefit from its passage. Reps. Daniel Blue, Marge Carpenter, Robert Hensley, Martin Nesbitt ,Jr., and R. Tracy Walker voted against the measure.

The vote in the Senate was an unambiguous 45-0 with five absent (Sens. Charles Albertson, David Hoyle, Luther H. Jordon, Kenneth Moore and Robert Shaw); 55 percent of those who voted in favor of the measure received contributions from interested parties.

Top recipients of SB 25 supporters' contributions, besides Gov. Easley, were:

¹⁷ Sen. Clodfelter is a member of the law firm of Moore & Van Allen, which was the registered lobby firm for Cornell Corrections in 1999-2000, according to North Carolina disclosure records. The contributions Clodfelter received were primarily from members of the law firm.

- Roy Cooper, a former District 10 senator and successful attorney general candidate who received **67** contributions totaling **\$31,105**. The lion's share came from Cornell Corrections, **36** checks for **\$15,450**; CCA contributed **11** times for a total of **\$8,743**; Parker, Poe, Adams & Bernstein gave **13** times for **\$3,662**; Bode, Call & Stroupe gave **three** times for **\$1,500**; and Correctional Properties Trust gave **twice** for **\$1,000**. Linwood Mercer & Associates gave **twice** for **\$750**.
- Richard Moore, who was elected treasurer and received **35** checks totaling **\$13,795**, including three from Bode, Call & Stroupe for **\$5,250**; **16** from Parker, Poe, Adams & Bernstein for **\$4,050**; **three** from CCA lobbyists for **\$2,100**; one from Linwood Mercer & Associates for **\$1,000**; **11** from Cornell for **\$895**; and **one** for **\$500** from Correctional Properties Trust.
- James B. Black, House District 36 and Speaker of the House, who received **17** checks totaling **\$12,400**: **four** from CCA for **\$4,700**, including **one** from CCA lobbyist Don Beason on Oct. 20, 2000, for **\$2,500**; two from Linwood Mercer & Associates for **\$3,000**; **six** from Cornell Corrections lobbyists totaling **\$2,500**; **three** from Parker, Poe, Adams & Bernstein for **\$1,500**; and **two** from Correctional Properties Trust for **\$700**.
- Marc Basnight, Senate District 1, who received **11** contributions totaling **\$9,200**: **two** from CCA for **\$3,000**; **one** from Bode, Call & Stroupe for **\$2,000**; **four** from Parker, Poe, Adams & Bernstein for **\$2,000**; **two** from Linwood Mercer & Associates for **\$1,500**; **one** from Cornell for **\$500**; and **one** from Correctional Properties Trust for **\$200**.
- Beverly Perdue, who was elected lieutenant governor. She received **11** contributions totaling **\$6,000**: **six** from Parker, Poe, Adams & Bernstein for **\$4,500**, and **five** from Cornell for **\$1,500**.

In a heavily Democratic state, it comes as no surprise that a majority of the contributions from those seeking access went to Democrats. Such is the case with SB 25 supporters, who wrote **444** checks totaling **\$184,178**, or **81** percent of the overall total, to Democratic candidates. **Ninety** percent of the Democrats' total went to winners.

Republican candidates, on the other hand, received just **146** checks for **\$42,341**, with **35** percent of that going to winners. General-election losers received significantly more than winners, **77** checks totaling **\$23,356**, or **55** percent of the Republican total.

Georgia

The Georgia Legislature, with House Bill 456, drew a battle line for private corrections companies. It would have allowed existing private facilities to be used, but would have banned future private facilities without the express permission of the state and local authorities. The measure also would have banned importation of sex offenders or other violent criminals and required private facilities to repay any costs associated with the capture of escapees. Representatives approved the measure overwhelmingly, 116-54, before sending it to the Senate.¹⁸

HB 456 died in the Senate Corrections, Correctional Institutions and Property Committee. "It just went nowhere," said Sen. Carol Jackson, D-Cleveland, vice-chairwoman of the committee.¹⁹ Sen. Jackson and Sen. Greg K. Hecht, chairman, both received contributions from private-corrections companies.

Corrections-industry lobbyists began preparing for the legislative battle months earlier as campaigns for political offices were being waged, writing **150** checks for a total of **\$56,650**.²⁰ Largest of the corporate campaign contributors was Cornell Corrections, whose lobbyists put more than **\$27,200** into campaigns; CCA, whose lobbyists put in **\$25,950**; and Bobby Ross Group-Correctional Management Service, which wrote **\$3,500** in checks.

CCA contributed more than **\$12,500** to the Democratic Party of Georgia; Cornell Corrections gave the Democratic committee another **\$3,000**.

The industry contributed overwhelmingly to incumbent candidates, **91** percent of whom won their races in 2000. (Incumbents are targeted for contributions because they nearly always win and tend to wield more influence than newly elected lawmakers once the Legislature convenes.) More than **95** percent of the total went to incumbent candidates, with more than **80** percent ultimately going to winning candidates.

Cornell Corrections lobbyists were Pete Robinson and Robb Willis, attorneys with the law firm of Page, Scranton, Sprouse, Tucker & Ford. Robinson

¹⁸ James Salzer, "House restricts private prisons," *The Atlanta Constitution*, March 7, 2001, 7B.

¹⁹ Doug Gross, "Effort to ban out-of-state inmates stalls; bill would have restricted building private prisons," *The Florida Times-Union*, March 17, 2001, B1.

²⁰ Contribution limits for statewide candidates in Georgia were \$8,000 for the two-year cycle; for legislative candidates, the limit was \$3,000 per two-year cycle.

alone made **73** contributions totaling **\$23,650**, while Willis made only **two** for **\$200**. Others associated with the firm made additional contributions.

Jim Hammock of the Omni Resource Group, which represented CCA, made **58** contributions totaling **\$25,950**.²¹

T.W. Edwards represented Bobby Ross Group-Correctional Management Services and made **three** contributions totaling **\$1,500**. Bobby Ross Group-Correctional Management Services made another **four** contributions totaling **\$2,000**.

The private-prison affiliated contributors divided their giving nearly **60** percent to House candidates, **40** percent to those in the Senate, with key contributions going to Sen. Hecht of Morrow, **\$900** from Cornell Corrections, and Sen. Jackson of Cleveland, **\$1,000** total from Cornell Corrections and CCA.

Only four of nine committee members received money from HB 456 opponents, a total of **\$2,700**. Besides Sens. Hecht and Jackson, Sen. Sonny Perdue of Bonaire received **\$300** from Cornell Corrections and ex-officio member Sen. Dean Hathan of Rockmart received \$500 from Cornell Corrections.

Based on overall contributing patterns, it appears that industry lobbyists knew their strength was in the Senate: Nearly **60** percent of the senators received at least one contribution from a private-prison industry source, and **18** percent received more than one check. The giving to House members was markedly different. Only **24** percent received at least one industry contribution.

Top recipients of contributions from HB 456's opponents included:

- Thomas Buck III, House District 135, who received **five** contributions totaling **\$2,700**: **four** from Cornell Corrections lobbyists totaling **\$1,700** and **one** from the CCA lobbyist for **\$1,000**.
- R.M. (Mickey) Channell, House District 111, who received **five** contributions totaling **\$2,450**: **one** for **\$200** from the Cornell Corrections lobbyists and **four** for **\$2,250** from CCA sources.

²¹ Jim Hammock founded Omni Resources Group in 1987; Web page, www.omniresource.net, June 29, 2001.

- House Speaker Thomas B. Murphy of House District 18, who received **two** totaling **\$1,750: one** from the Cornell Corrections lobbyist for **\$750** and **one** from the BRG-Correctional Management Services lobbyist for **\$1,000**.
- Charles W. Walker, Senate District 22, who received **three** contributions totaling **\$1,750: two** from Cornell Corrections sources for **\$750** and **one** from CCA for **\$1,000**.
- House Majority Leader Larry Walker of House District 141, who received **four** contributions for **\$1,750: two** from Cornell Corrections totaling **\$750**, **one** from the CCA lobbyist for **\$500** and **one** from the BRG-Correctional Management Services lobbyist for **\$500**.

Opponents of HB 456 heavily favored Democrats with their political contributions, again, not a surprise given the party's dominance in the state. More than **78** percent of the contributions – **118 out of 150** – went to Democrats. In all, Democratic candidates received **\$45,550**; winners received **\$39,750**, or more than **87** percent of that amount.

Republicans received just **32** contributions totaling **\$11,100**, or just **24** percent of the total given. Winners received **20** contributions totaling **\$5,850**.

Mississippi

Taxpayers in Mississippi saw legislators divert \$6 million to pay for empty prison-bed space for non-existent “ghost inmates” at the end of the 2001 legislative session, with the lawmakers arguing that they overrode a gubernatorial budget veto to save jobs at several public and private correctional facilities.²²

Defending his veto, Gov. Ronnie Musgrove said: “We’re cutting budgets from every agency in the state of Mississippi and yet we’re going to pay money for prisoners located throughout the state of Mississippi under the theory that it’s good public policy. Prisons should not drive the state budget of the state of Mississippi.”²³

The Legislature’s move underscores a major shift in prison-privatization policy: No longer were advocates in Mississippi arguing over how much money privatization could save taxpayers. Instead, they argued that taxpayer

²² Emily Wagster, “Mississippi Senate overrides governor’s veto on Department of Corrections funding,” The Associated Press, March 29, 2001, State and Regional sections.

²³ Ibid.

subsidies were necessary in hard economic times to keep existing prison jobs. The fact these subsidies would ensure corporate profits went unspoken.

Knowing that a battle over corrections funding was likely — the state corrections budget was \$10.7 million short by January 2001 and officials had begun shifting inmates from private to public facilities²⁴ — CCA announced in February that it would be closing its 1,000-bed Tallahatchie County facility. The announcement made the prospect of job losses very real, increasing public pressure on lawmakers.²⁵ CCA's three Mississippi facilities employed more than 460 people.²⁶

And even earlier, during the 1999 elections, those involved in private corrections laid the groundwork for sustained state funding with more than **\$41,000** in campaign contributions to lawmakers.²⁷

To reaffirm their position, private-corrections executives and lobbyists met just hours before the veto vote with two of the three lawmakers who had to approve the crucial change in the final budget bill. Sens. Jack Gordon and Bunky Huggins had dinner with Wackenhut executive Wayne Calabrese and lobbyist Al Sage at the Parker House restaurant the evening before the override vote.²⁸ (Sage said he did not disclose the meeting in official lobbyist reports because Wackenhut paid the tab.)²⁹

Both of the influential lawmakers had received campaign contributions from accounts controlled by Wackenhut and CCA lobby firm Buddy Medlin & Associates, Inc.³⁰

²⁴ The Associated Press, "Mississippi funds to pay private prisons running out," Jan. 23, 2001, State and Regional sections.

²⁵ The Associated Press, "Private prison in Tallahatchie County temporarily closing down," Feb. 9, 2001, State and Regional sections.

²⁶ Mark Watson, "Debt, lower crime rate cuff CCA's potential but prison firm's stock rises," *The Commercial Appeal* (Memphis), July 29, 2001, Business Section.

²⁷ No limits exist for contributions to candidates running for legislative and statewide office in Mississippi. As a result, more than 50 percent of the contributions were for a relatively high \$500 or more each, with more than 30 percent being for \$1,000 or more, according to 1999 election-cycle databases compiled by the National Institute on Money in State Politics.

²⁸ Bryan Gruley, "Wanted: Criminals; Why did Mississippi agree to pay for cells for 'ghost inmates'?" *The Wall Street Journal*, Sept. 6, 2001.

²⁹ Reed Branson, "Loopholes allow lobbyists to skirt disclosure law," *The Commercial Appeal* (Memphis), Aug. 7, 2001, News Section.

³⁰ According to campaign-finance filings, Sen. Gordon received two \$500 contributions from Buddy Medlin & Associates, the lobbying firm hired by CCA, one on Dec. 31, 1995, and another on Dec. 31, 1998. Sen. Huggins received a \$500 contribution on Oct. 31, 1995, from a Mississippi Restaurant Association account controlled by Buddy Medlin & Associates. Neither disclosed receiving other contributions from the main corrections sources during the 1999 election cycle.

Senators voted 40-12 and the House members 111-9 to override Gov. Musgrove's budget veto and spend the \$6 million for empty prison beds.

Those supporting the veto override included Attorney General Mike Moore, who held a press conference after the governor made his comments defending his veto of the corrections funding. Moore received **seven** contributions in the 1999 election cycle totaling **\$5,000**, including **\$1,000** directly from Wackenhut Corrections, **\$3,750** from contributors affiliated with prison-builder Carothers Construction, and **\$250** from the lobbyist for Corrections Corporation of America.

During the 1999 election cycle, **38** candidates received one or more campaign contributions either directly from private-prison sources or companies affiliated with the companies; **14** received contributions from more than one industry source.

The main source of contributions was CCA lobbyist Buddy Medlin and his firm, which gave more than **44** times for a total of **\$18,385**, or more than **44** percent of the total given by industry sources. Wackenhut Corrections and Al Sage gave **11** times for a total of **\$6,850**. Together, these two sources of funds account for more than **60** percent of the money given by industry sources.

House candidates received **15** contributions totaling more than **\$5,500**; Senate candidates received **17** totaling **\$6,850**. The largest portion of the contributions — more than **35** percent — went to gubernatorial candidates, with Gov. Musgrove receiving **eight** totaling **\$7,300** and his unsuccessful Republican opponent receiving **six** totaling **\$5,250**.³¹

An analysis of the contributing shows that much of the money given by the industry to candidates was done so strategically. The checks were written either just before the election, when some winners are all but certain, or afterwards, when the winners are beginning to plan legislative strategies. Nearly **30** percent of the **\$41,085** in contributions made to candidates in the 1999 elections came either just before the election in late October or afterwards.

³¹ Because Mississippi's campaign-finance disclosure records are not computerized, it is difficult to determine exactly how much the industry may have given candidates in previous election cycles. The Institute obtained and input the records for the 1999 elections, enabling it to conduct its analysis.

Despite previous efforts to reduce corrections spending, which has more than doubled since 1994 to \$260 million a year,³² lawmakers in the 2001 Legislature sided with their campaign contributors and powerful industry lobbyists to overrule a gubernatorial veto and fund prison beds that corrections officials say the state didn't need.³³

More than anything, Mississippi lawmakers' decision to fund empty private prison beds at the expense of other state programs illustrates how measures initially adopted as cost-cutting measures can instead become guarantees of corporate profits.

Just a few months after the legislative showdown with the governor, the Mississippi corrections officials transferred 154 inmates from a state facility to one run by Wackenhut and another 83 to one run by CCA, bringing both up to "profitable" inmate levels.³⁴

At about the same time, Wackenhut signed a two-year renewal with the state for one of its facilities. The contract guaranteed 871 inmates for the first year only. Calabrese reportedly said Wackenhut will press for more inmates during the next Legislature.³⁵

On Sept. 5, 2001, Mississippi had 2,145 empty prison beds.³⁶

A post-session report by the Joint Legislative Committee on Performance Evaluation and Expenditure Review, mandated by the Legislature, found that the "breakeven point" for the regional and private facilities was well below the inmate levels established by the Legislature, and therefore eliminated the need for much of the extra funding.³⁷ In a subsequent budget-committee hearing, the corrections chief, Robert Johnson, said he shifted \$4.2 million of his excess funds to other budget areas.³⁸

³² Bryan Gruley, "Wanted: Criminals; Why did Mississippi agree to pay for cells for 'ghost inmates'?" *The Wall Street Journal*, Sept. 6, 2001.

³³ Ibid.

³⁴ Ibid.

³⁵ Ibid.

³⁶ Ibid.

³⁷ Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER) July 10, 2001, report to the Mississippi Legislature: Report 419, "Cost Analysis of Housing State Inmates in Regional and Private Correctional Facilities." According to the state auditor, for example, the estimate for a 1,000-bed facility was based on a cost figure of \$42.93 per inmate per day, but should have been based on a cost of \$25.16 a day after subtracting the costs the state bears.

³⁸ Emily Wagster of the Associated Press, "Prisons chief says (he) has sliced agency's budget by \$14 million," *The Commercial Appeal*, Jan. 8, 2002.

Florida

In January 2001, Gov. Jeb Bush presented lawmakers with a \$43 billion budget plan that included \$313 million in tax cuts. And, as has been the case in other states, Gov. Bush proposed a substantial increase in the corrections budget – \$114 million. The proposal wasn't a surprise, given Florida's prominence in the prison-privatization movement – with 17 facilities³⁹ it ranks fourth behind Texas (48), Pennsylvania (25) and California (21).⁴⁰

As also has been the case in other states, the increase in the proposed corrections budget came at the expense of the proposed education budget, for the exact same amount — \$114 million.⁴¹

Gov. Bush's high-profile budget battle took center stage during the 2001 legislative session. His priorities were clear. Less apparent to the public, though, was the level to which the private-prison companies had insinuated themselves into the decision-making process, ensuring that information fed to lawmakers considering the broader budgetary questions supported the private companies' interests.

Two bills that shed some light on how entrenched the industry is in the decision-making process in Florida were Senate Bill 832 and House Bill 727, which concerned the future of the state Correctional Privatization Commission. The commission was formed as a non-partisan oversight body for the state's prison-privatization effort. But it had been compromised by conflict-of-interest allegations concerning staff and consultants.⁴²

³⁹ While private corrections companies operate 17 facilities in Florida, only four of those are state facilities that would be affected by the state budget debate. The remainder are county-run facilities.

⁴⁰ From the Privatization Watch list of privately run corrections facilities, <http://www.flpba.org/private/maps.htm>.

⁴¹ Editorial, "False Economies," *The St. Petersburg Times*, Jan. 21, 2001, 2D.

⁴² The most visible conflict-of-interest case surfaced after the Florida Police Benevolent Association filed complaints with the Florida Commission on Ethics against Dr. Charles Thomas, a University of Florida professor who consulted for the commission and also ran the Private Corrections Project for the University of Florida. At the same time Dr. Thomas was urging the state to privatize its prisons and providing analysis supporting the effort, he also owned \$660,000 worth of stock in corrections companies, including Wackenhut, which is based in Palm Beach Gardens, Florida. The state ethics commission ultimately fined Dr. Thomas \$20,000 and he resigned his position with the University. (Editorial, "Take privatizing public," *The Palm Beach Post*, March 26, 2001, Opinion Page.) Dr. Thomas went on to become an executive with Corrections Corporation of America's Real Estate Investment Trust. The FPBA also has filed ethics complaints against Commission Director Mark Hodges for allegedly performing private consulting from his state office. (David Wasson, "Tighter rules for prison commission OK'd," *The Tampa Tribune*, March 27, 2001, Metro Section.)

Both measures addressed concerns that had arisen from the ethics charges and would have abolished the commission and reassigned its duties to the Department of Corrections. Under industry pressure in an initial committee review, HB 727 and SB 832 were amended to prohibit commission executives and staff from acting as private consultants.⁴³

HB 727, whose legislative sponsors ironically had received more than **\$15,250** in campaign contributions from private corrections interests, was passed from the State Administration Committee on a favorable 5-0 vote to the Committee on Crime Prevention, Corrections & Safety, where it died. Five of the latter committee's nine members had received industry contributions totaling **\$5,200** during the previous election cycle.

SB 832 suffered a similar fate, passing from the Criminal Justice Committee on a favorable 4-1 vote to the Committee on Governmental Oversight and Productivity, where it died. **Five of this committee's seven** members had received **38** contributions totaling **\$15,400** from industry sources during the last election cycle. Most significantly, committee Chairman Rudy Garcia received **six** contributions totaling **\$2,700** and Vice-chairwoman Debby Sanderson received **19** totaling **\$8,100**.

In the end, the controversial Correctional Privatization Commission survived the session largely unchanged. The corrections agency was well-funded. And while the education budget didn't take as big a budget cut as was first proposed, it still was less than what many believed necessary.

The corrections industries' lobbyists and executives were active campaign contributors: During the 2000 elections, **122** candidates received more than **380** contributions from prison-industry sources totaling more than **\$158,400**,⁴⁴ thereby ensuring that its voice would be heard.⁴⁵

Foremost on the list of contributors were Wackenhut Corrections of Palm Beach Gardens, Florida, and its executives and lobbyists, who gave **156**

⁴³ Interview with Ken Kopczynski, lobbyist for the Florida Police Benevolent Association, Jan. 3, 2001. Mr. Kopczynski also reviewed this report for the Institute.

⁴⁴ Campaign-finance data was downloaded from the Florida Department of State's Division of Elections' Web site, <http://election.dos.state.fl.us/campfin/cfindb.shtml>, and standardized and analyzed by Institute staff.

⁴⁵ Contributions to legislative and statewide candidates in Florida are limited to \$1,500 per three-election cycle (a primary run-off election is sometimes required). As has been noted above, nearly three-quarters of the contributions in Florida 2000 were at the maximum. More than one-third of the candidates receiving corrections-company contributions received the two-election maximum of \$1,000, indicating that more money might have been available had the limits been higher.

contributions totaling more than **\$65,200**; Correctional Services Corp. of Sarasota, Florida, and its executives and consultants, who gave **153** contributions totaling more than **\$68,200**; and Corrections Corporation of America of Nashville, Tennessee, and its officials, who gave just **34** times for **\$14,100**.

More than **50** percent of the industry total, or **\$80,250**, went to **84** House candidates, and the vast majority of that, **\$71,575**, went to winners and incumbents. In the Senate, **31** candidates received **142** contributions totaling more than **\$61,600**, or nearly **40** percent of the overall total; and again the contributors targeted incumbents and winners with **\$53,535**. Candidates for statewide offices received the remainder of the contributions.

More than **60** percent of the House and Senate candidates who were favored with industry contributions received two or more contributions from industry sources. Sen. Debby Sanderson led the list receiving **19** contributions totaling **\$8,100**; Sen. Constantine Lee received **11** totaling **\$5,210**; Sen. Jack Latvala received **11** totaling **\$4,250**; and Sen. Ken Pruitt received **10** totaling **\$4,225**.

More than half the House and Senate candidates – a voting majority – received at least \$1,000 in contributions from industry sources.

As if to put an exclamation point on its efforts to influence the Legislature, Wackenhut Corrections wrote **25** checks of \$500 each, totaling **\$12,500**, on Nov. 1 and Nov. 2, just hours before the midnight Nov. 2 contribution deadline.

All but one recipient of these \$500 checks – the maximum allowed under state law – won their races; **17** of the **25** were incumbents, and **21** were the same political party as the governor, Republican.

Oklahoma

Oklahoma is a state in which private prisons have thrived. The incarceration rate in Oklahoma was third-highest in the country in 2001, behind only Texas and Louisiana, at 681 people per 100,000. More than 6,730 inmates were housed in private facilities, the second-highest level in the country.⁴⁶

⁴⁶ Bob Doucette, "State third in growth of prisons; Louisiana, Texas top inmate populations," The Daily Oklahoman, March 26, 2001, News section.

And the inmate population grew at a rate of 4.5 percent, more than three times that of the rest of the nation.⁴⁷

In just five years, state spending on private-prison space increased to more than \$100 million from \$3 million, according to Sen. Cal Hobson.⁴⁸

During the 2001 legislative session, lawmakers appropriated \$398 million to the Department of Corrections, a 5.2 percent or \$20 million increase.⁴⁹ Corrections officials also asked for more than \$30 million in supplemental appropriations to cover cost overruns. Said Sen. Hobson during an April 2001 Board of Corrections hearing concerning additional funding: “(The Board of Corrections) needs to understand that we are not a printing press over here – we do not have an endless supply of money for them to go contracting with. I am not going to be taking \$30 million out of the education subcommittee to pacify some private prison vendors.”

However, just one month into the new fiscal year, corrections officials asked for additional supplemental funds. The \$62.2 million request included \$31.1 million to cover bills from private-prison contractors and \$7.8 million to pay for a 7 percent increase in the per-prisoner payment to private-prison contractors.⁵⁰

The fight over corrections funding had become so acute that by March 2001 the corrections director, James Saffle, resigned and took a position with a private-corrections company.⁵¹

Thus, the private-prisons industry came back to lawmakers for more funding even before the ink on the new budget was dry.

Sen. Hobson, vice chairman of the Senate Appropriations Committee, blamed the never-ending quest for more funds on "rotunda dynamics," the process in which lobbyists from four private-prison firms maintain a regular

⁴⁷ Ibid.

⁴⁸ Barbara Hoberock and Brian Ford, “Prison funding warning sounded,” *The Tulsa World*, April 21, 2001, pg. 12.

⁴⁹ Chuck Ervin, “Capitol waiting for dark clouds,” *The Tulsa World*, June 15, 2001, News section.

⁵⁰ Brian Ford, “Agencies need \$267 million,” *The Tulsa World*, July 31, 2001, Metro section.

⁵¹ Washington Crime News Service, “Oklahoma prison chief resigns during budget fight,” *Corrections Digest*, March 23, 2001; and from notes by Judith Greene, a criminal-justice policy analyst and former fellow with the Open Society Institute of the Soros Foundation and the Institute on Criminal Justice of the University of Minnesota Law School.

presence in the state capitol, "and all are after the same resource: additional (inmates) to put into their systems."⁵²

Industry lobbyists punctuated their desires the old-fashioned way, via political donations.⁵³ In the 2000 elections, the industry officials and lobbyists made more than 131 campaign contributions totaling more than **\$52,100** to **54** candidates.⁵⁴

Blame also falls on a corrections system that sets up barriers to parolees and on lawmakers whose tough-on-crime policies keep non-violent offenders behind bars. Sen. Hobson estimated that the state spends \$98,000 a day keeping more than 2,100 parole-eligible inmates behind bars – often with only a few hours of a required rehabilitation program between the inmates and freedom. The main barrier is that these programs often have months-long backlogs or are not offered at all facilities.⁵⁵

The anti-crime trend of the 1990s contributed to the growth of Oklahoma's prison population. The state's tough-on-crime policies mirror others passed across the country and include a "truth-in-sentencing" statute requiring that people convicted of certain crimes serve 85 percent of their sentences with no eligibility for parole and no time off for good behavior. The Legislature considered repealing the truth-in-sentencing law in a 1999 special session, but it failed after sides couldn't agree on whether to also repeal the state's prison-population-cap law, which allows for the release of eligible non-violent offenders when overcrowding occurs.⁵⁶

An omnibus law-enforcement reform measure passed by the 2000 Legislature – Senate Bill 397 – contained provisions that were designed to reduce the ranks of non-violent inmates and other provisions that would swell the numbers of those who commit "deadly sins."⁵⁷

⁵² George M. Anderson, "Prisons for profit: Some ethical and practical problems; CCA Prison Realty Trust; Wackenhut Corporation," *America*, Nov. 18, 2000, No. 16, Vol. 183, Pg 12.

⁵³ Contributions to legislative and statewide candidates are limited to \$5,000 per calendar year.

⁵⁴ The National Institute on Money in State Politics' 2000 Oklahoma database, which was compiled from contribution and expenditure reports filed by candidates during the 2000 election cycle with the state disclosure agency. That data was compared to industry and lobbyists lists to determine which lobbyists and firms contributed.

⁵⁵ Tim Talley, The Associated Press, "Parole backlog keeps Oklahoma prisons full," *The Journal Record*, March 27, 2001.

⁵⁶ Marie Price, "Lawmakers to review key issues when special session resumes," *The Journal Record*, June 21, 1999.

⁵⁷ SB 397 added eight crimes to the list of "deadly sins" for which offenders must serve at least 85 percent of their sentences: second-degree murder, first-degree manslaughter, poisoning with the intent to kill, shooting with the intent to kill and other assaults with deadly weapons, assault with intent to kill, manufacturing high levels of controlled dangerous substances, conjoint robbery and first-degree robbery.

“We’re trying to be tough on crime and smart on crime,” SB 397 author Sen. Dick Wilkerson said. “We are doing something different. If the definition of insanity is doing the same thing over and over again and expecting a different result, then our criminal justice system has been constructed in an insane manner.”⁵⁸

SB 397 increased the limit for felony check-writing and other property crimes to \$500 from \$50, thereby reducing the number of people who go to prison for these non-violent offenses.⁵⁹

But SB 397 also added eight violent crimes to those for which offenders must serve 85 percent of their sentences, ensuring a steady stream of long-term inmates.

And, perhaps most significantly, the measure repealed the Oklahoma Prison Overcrowding Emergency Powers Act, which allowed the governor to release qualified, non-violent offenders should the prison system reach 95 percent of capacity. The repeal indicates a willingness to shoulder the increasing costs of an overcrowded system rather than consider ways to reduce the non-violent offender population.

That the private-prison industry sought to influence the public-policy process in Oklahoma is apparent: Of the **54** candidates who received industry campaign contributions during the 2000 election, **50** were incumbents, who typically are re-elected more than 90 percent of the time. Nearly **83** percent or **\$43,125** of the **\$52,125** total given to candidates by the industry went to winners.

Of the money that went to winners, **60** percent went to **36** House candidates in the form of **72** separate contributions. Eleven Senate winners received **38** contributions accounting for **22** percent of the total.

More than 34 percent of the House members who voted favorably on SB 397 received contributions from industry sources. In the Senate, nearly 25

⁵⁸ Ron Jenkins, “Lawmakers decide to do something different on crime,” The Associated Press, May 22, 2001.

⁵⁹ Three hundred people were given prison time in 2000 for felony embezzlement or bogus-check writing, but only 15 percent of the amounts involved were for more than \$500. This change alone will reduce the inmate population by 255 inmates, saving taxpayers more than \$3.8 million. Julie Delcour, “Cutting prison costs; Some other ways to skin a cat,” *The Tulsa World*, Aug. 26, 2001, Opinion Page.

percent of those favoring SB 397 received political gifts from industry sources.

Thirty-six Democrats received more than **90** percent of the contribution total that went to winners – **28** House candidates received **59** contributions for **\$29,000**, and **eight** Senate candidates received **30** contributions totaling **\$10,200**. The total to Republican lawmakers was **\$3,925** in **21** separate contributions, with **eight** House candidates receiving **13** contributions totaling **\$2,425** and **three** Senate candidates receiving eight contributions totaling **\$1,500**.

Top recipients of private-corrections contributions included:

- Rep. Larry Rice, who received **three** contributions totaling **\$5,500**. All three contributions came from Wackenhut lobbyist Jim Barker (Rep. Rice favored SB 397);
- Sen. Brad Henry, who received **five** contributions totaling **\$4,550**, including four from Wackenhut lobbyist Barker totaling **\$4,300** (Sen. Henry was excused from the vote on SB 397);
- Rep. Larry Adair, who received **five** contributions totaling **\$4,100**, including **two** from Wackenhut lobbyist Barker for **\$3,500** (Rep. Adair was co-author of SB 397);
- Rep. Fred Stanley, who received **three** contributions totaling **\$3,800**, including three from Wackenhut lobbyist Barker for **\$3,500** (Rep. Stanley favored SB 397);
- Sen. Maxine Cissel-Horner, who received **10** contributions totaling **\$2,300**, **nine** from Barker totaling **\$2,100** (Sen. Cissel-Horner favored SB 397);
- Rep. Mike Mass, who received **five** contributions totaling **\$2,200**, **two** from Barker totaling **\$1,700** (Rep. Mass favored SB 397);
- Rep. Terry Matlock, who received **one** contribution from Barker totaling **\$2,000** (Rep. Matlock favored SB 397);
- Rep. Danny Hilliard, who received **two** contributions totaling **\$1,700**, both from Barker (Rep. Hilliard favored SB 397);
- Rep. Ron Kirby, who received **four** contributions totaling **\$1,250**, including **three** for a total of **\$1,100** from Barker and one for **\$150** from Wackenhut executive Wayne Calabrese (Rep. Kirby favored SB 397);
- Sen. Charles Ford, who received six contributions totaling **\$1,100**, including five from Barker for a total of **\$900** and one for **\$200** from Avalon Corrections (Sen. Ford favored SB 397).

The vast majority of the 2000 election-cycle corrections-industry contributions came from Wackenhut and its lobbyist, Jim Barker, who wrote **80** checks totaling **\$42,025**. Avalon Corrections and its lobbyists made **48** contributions totaling **\$9,200**. Lobbyists for CCA made only **three** contributions totaling **\$900**.

Oklahoma, like many other states in the country, turned to private prisons as a way to deal with overcrowding in what it believed was a cost-effective manner. That short-term solution is now turning into a long-term problem. While lawmakers recognize the hemorrhaging that's taking place in the corrections budget, their proposed solutions are met every step of the way by the lobbyists who helped get them elected. So, in SB 397 lawmakers were able to take steps to reduce the ranks of non-violent offenders, but they also ensured a supply of other inmates by increasing the number of crimes for which long sentences were guaranteed.

Texas

In the early 1990s, Texas embarked on a prison-construction program funded largely by a \$1.7 billion bond issue that resulted in 116 prisons and an increase in the number of beds from 50,000 to 155,000.⁶⁰ In that decade of tough-on-crime legislation, Texas followed the crowd, passing "three-strikes" legislation and reducing early parole, among other things.

A study by the Justice Policy Institute of Washington found that Texas' prison system in the 1990s grew at nearly twice the rate of that in any other state. At one point, nearly one in 20 adults in Texas were being supervised by the criminal justice system.⁶¹ The Texas Department of Criminal Justice reported the prison populations increased from 48,320 in 1990 to 146,930 in 1999.⁶²

Costs followed the three-fold increase in the prison population. Besides the nearly \$2 billion in construction costs, operating budgets increased from \$793 million in 1990 to more than \$2.2 billion in 1999, an increase of more than 280 percent.⁶³

⁶⁰ Elizabeth Albanese, "Trends in the Region: Look, no bonds; Rehabilitation saves Texas prisons money," *The Bond Buyer*, March 13, 2001, Southwest Edition, 30.

⁶¹ The Associated Press, "Corrections officials say Texas prison population declining," July 3, 2001.

⁶² "Closing of a Millennium-Reviewing the Past Decade," Financial Services Division, Texas Department of Criminal Justice, Dec. 12, 2001; <http://www.tdcj.state.tx.us/statistics/stats-home.htm>.

⁶³ Ibid.

And with the expansion came other problems. A 1996 audit by the Texas Department of Corrections found that corrections contractors paid for lobbyists and campaign contributions with taxpayer dollars, as well as legal expenses for health and safety violations, and even funded Christmas presents for judges. The most notable examples of alleged corruption came in 1998 when the director of the state corrections agency was indicted by a federal grand jury for taking more than \$20,000 from a prison-food supplier. The official also was investigated for offering a no-bid contract for a \$5 million high-tech fence for a prison.⁶⁴

Now, nearly a decade after the Texas Public Finance Authority approved the bonds and the Legislature began spending the funds, corrections officials credit the prison buildup with lower recidivism rates and an overall reduction in corrections costs. But the corrections department's own numbers tell a different story.

The largest increases in prison spending occurred between 1990 and 1995, when legislators spent more than \$2.1 billion constructing new prisons and operating costs climbed by \$1 billion over the 1990 budget. During this time the prison population swelled to fill the available beds.

In 1995, Glen Castlebury, director of public information for the Texas Department of Criminal Justice, said that Texas began improving its rehabilitation procedures.⁶⁵ Corrections department figures show costs stabilizing and the increase in inmate population slowing. The operating budget was reduced to single-digit percentage increases, the number of parolees began to climb, and the per-day cost per inmate dropped to \$38.71 from a pre-1995 high of \$45.70.

While it perhaps remained behind the scenes after 1995, the shift in attitudes towards rehabilitation was placed squarely on the table in the spring of 2000, when the Texas Board of Criminal Justice asked the Legislature for a \$500 million bond package for three new maximum-security prisons. The board didn't get it.⁶⁶ Nor did the 2001 Legislature give serious consideration to new money for prisons included in Gov. Rick Perry's preliminary proposals.

⁶⁴ Bruce Shapiro, "Prison politics," Salon.com, Aug. 29, 2000, www.salon.com/politics/feature/2000/08/29/texas/index1.html.

⁶⁵ Ibid.

⁶⁶ The Associated Press, "Corrections officials say Texas prison population declining," July 3, 2001.

Instead, legislators in the 2001 session urged the parole board to adopt new guidelines to increase the number of early parolees. The result was the number of inmates who were paroled jumped from 15 percent to 25 percent.⁶⁷

And as a result of the shift in priorities, Texas corrections officials have alerted counties with state jail-bed contracts that they will be getting fewer inmates. This move alone is expected to save the state more than \$20 million, Castlebury said.⁶⁸

An emphasis on rehabilitation, not imprisonment, resulted in reduced inmate numbers and lower costs.

But Texas' tough-on-crime policies of the early 1990s and associated prison expansion provided fertile ground for private-corrections companies and related contractors. The prison firms now have nearly 50 facilities in operation – twice the number operating in any other state. The number of lobbyists pursuing corrections issues and funding for clients climbed from 144 in 2000 to 236 in 2001 as the purse strings tightened, according to state documents.

With an eye to continued state funding, lobbyists and private corrections companies made **323** contributions during the 2000 election cycle totaling **\$361,293** to **156** candidates.⁶⁹

The lion's share of the contributions – **217** totaling **\$165,362** – went to candidates seeking seats in the House. Senate candidates received **54** contributions totaling **\$64,850**, which was less than the total received by Rick Perry, the lieutenant governor who was not even up for election and was the successor to Gov. George Bush. Perry received **24** checks totaling **\$69,911** from those with ties to private corrections companies.

As one might expect in such a conservative state, Republican candidates received more of the industry contributions than did Democrats, **\$226,568** to **\$134,225** respectively.

⁶⁷ Ibid.

⁶⁸ Ibid.

⁶⁹ Contributions to legislative and statewide candidates in Texas are not limited. As a result, as noted earlier, checks ranged in size from \$100 to \$10,000 with the largest percentages coming at the higher end of the scale: 38 percent of the checks were for \$500, 26 percent were for \$1,000 and five percent were for \$2,500.

And as is the industry's habit, incumbent candidates whose chances for re-election are nearly certain were favored with most of the industry's money: **138** incumbent candidates received **291** checks totaling **\$345,982** or **96** percent of the industry's political gifts (**16** incumbents not running in 2000 received more than **\$144,500**).

Winning candidates and seated legislators – that is, the lawmakers who took part in the 2001 Legislative session and made decisions about corrections policy and budget — accounted for **97.5** percent of the total raised. Only 2.5 percent went to candidates who lost their races.

So, as lawmakers considered how to fund the Texas corrections system's \$4.59 billion appropriation for the 2000-2001 biennium,⁷⁰ a decade of expansion and population growth weighed on their minds and literally hundreds of lobbyists urged them to maintain funding levels.

Conclusion

The private-prisons industry in the South is suffering along with other industries as the states grapple with tight budgets and a slow economy, but it isn't going to go away anytime soon.

The major companies – Corrections Corporation of America, Cornell, Correctional Services Corp., and Wackenhut – invested hundreds of thousands of dollars in the campaigns of hundreds of state-level candidates during the 2000 campaign cycle so that when the legislatures convened, they would have a seat at the public-policy table.

To ensure that they had a good seat, the companies and their representatives made their political gifts strategically, giving primarily to incumbents, who won their races more than 90 percent of the time, and to sitting lawmakers who were not up for election. They also wrote a large number of checks late in the election cycle, when many races were all but decided.

The companies gave to both Democrats and Republicans, favoring the party in power – an indication they were more interested in access than a political ideology.

⁷⁰ Statistical Summary, FY 2000, Texas Department of Criminal Justice, <http://www.tdcj.state.tx.us/statistics>.

Using these strategies, the companies made sure that more than 90 percent of their contributions in the 2000 cycle went to candidates who would actually vote on decisions that affected their bottom lines.

Much of the money also was contributed to influential members of key committees, where unfavorable policies are more easily altered, stalled or even killed and draw less scrutiny than floor debates.

On top of the strategically made contributions, the companies employed powerful lobbyists to push their interests in the halls of the Legislatures, at a cost that's difficult – if not impossible – to estimate.

By combining these powerful political tools, the companies made inroads during 2001 legislative sessions in Southern states and blocked legislation that would have been harmful to their interests. Perhaps most of all, they ensured that they will remain players in the public-policy process, with politicians looking to them for checks come the next election season and for policy alternatives as the next round of corrections-policy debates begin.

They paid handsomely to play the public-policy game, and likely will do so again.