

**The Prison Cell:
The Start Of A Better Approach To Prison
Management**

By Peter Young

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The Adam Smith Institute

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Cover Photograph:

Bay County Jail, Florida: now taken over and managed commercially by Corrections-Corporation of America.

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1. Introduction

Britain's prison system is in a state of crisis. Violent incidents industrial disruption and rooftop sieges are common reminders that radical reform of the system is urgently required. Antiquated Victorian prisons often house three prisoners in cells designed for one. The overcrowding and poor conditions inevitably lead to resentment and tensions which break out in violence.

Source and scale of the problem

Not enough new prisons, are built because the government -- and electors -- have higher spending priorities such as more hospitals and better education. Put simply, there are no votes in improving the prison system. As, long as our prison system is left in its present form it will be condemned to slow decay and disintegration, marked by periodic outbreaks-of violence and disorder. The reports of Her majesty's Chief Inspector of Prisons make depressing reading:

...it would be difficult to deny that the Department was more successful in limiting the damage caused by a legacy of neglect than in making significant improvements in the quality of life of prisoners who, for the most part, were still being kept in their cells for too long... Regime opportunities continued to diminish and overcrowding -- a fundamental cause of this and many other evils-- - seemed at least in the short term, more likely to get worse than better ...

The position in local prisons was grim. Norwich, for example, with single cellular accommodation for 171 was-holding 340 prisoners at the time of our inspection; and the picture at Canterbury and Cardiff, the two other locals inspected during the year, was little better.

Conditions for inmates in these overcrowded establishments were generally bad. For instance, we saw many prisons where out-of-cell activities were very limited, sanitary arrangements were degrading and the provision of work totally inadequate. Conditions for unconvicted inmates were generally as bad if not worse."^[1]

Year by year, the problems get worse. in November 1986, overcrowding reached record levels--as the prison population exceeded 48,000. 1985-86 also saw the highest ever number of prisoners sharing cells designed for one: 18,544 compared with a 1984-85 high of 17,236. Spending on the prison service also continues to escalate, now having

reached some £640m per annum.

The need for new thinking

An entirely fresh approach is required if we are ever to break out of this depressing cycle of overcrowding, violence and decline. Fundamental reform is necessary. The system needs to be changed, not just tinkered with. "Getting tough" with prisoners certainly will not achieve much. In many cases the prisoners have legitimate grievances about the appalling conditions in which they are forced to live. While most violent incidents are instigated by a small number of troublemakers, they are able to gain the support of larger numbers of other prisoners, because of general resentment of poor conditions. In fact a more relaxed atmosphere in prisons would greatly reduce the incidence of violence.

It should be stressed, and penologists are at pains to point out, that the punishment criminals are actually sentenced to is loss of liberty, not submission to unsanitary and overcrowded conditions, exposure to violence, and risk of dying from diseases, such as AIDS. Appalling conditions do not prepare prisoners well for re-entry into society.

In a humane society, we should not seek to brutalise prisoners. Although they have always been flawed institutions, prisons were originally set up by enlightened social reformers to replace the ghastly practices of state brutality against prisoners. Dostoyevsky wrote that the degree of civilisation in a society can be judged by entering its prisons.^[2] One cannot help but wonder what he would have thought of British prisons today.

The competitive element

British prisons share the same characteristics as other public sector institutions that are immune from competition: inadequate supply, low quality, and high cost. Any reform proposals must address this issue of monopoly provision as, the source of much of the difficulty besetting the prison service today, and should not confine its analysis only to the specific issues of crime and punishment techniques. That is why the move towards private prisons in America holds out so much hope for Britain. By introducing an element of competition into the prison business, one should be able to increase supply, improve quality, and reduce cost.

When, some two or three years-ago, the Adam Smith Institute first pointed to the US experience of privately managed prisons as a possible model for a similar British experiment,^[3] that experience was very limited and thus difficult to evaluate. Today, after the considerable expansion of the number of privately operated US prisons, there is a substantial record to review. This report seeks to determine whether the US private prison experience is sufficiently positive to warrant Britain following suit.

Since the ASI first suggested a British experiment in the contracting out of prison management, interest in the proposal has increased immensely. What was once seen as

a rather outlandish idea has now moved to the forefront of public debate. The House of Commons Select Committee on Home Affairs is currently conducting an investigation into the merits of prison privatisation, and in October 1986 its members visited private prisons in the US. According to press reports, a majority of MPs were very impressed with what they saw. John Wheeler, a member of the Committee, a former prison governor, and chairman of the all party penal affairs group, stated that:

'I have returned from a ten-day tour of United States prisons believing that American private contractors have demonstrated their ability to build and manage prisons and correctional institutions. I was profoundly impressed by the success of the Corrections Corporation of America in the contract management of prisons. The Committee were shown prisons built by this corporation in less than ten months and managed in strict compliance with the stringent rules imposed by the state...I was greatly impressed by the speed with which CCA build new prisons.* 6-9 months-compared to 15-20 years-by the states.'[4]

Similarly, the Chairman of the Committee, Sir Edward Gardner, commented that:

"We thought it was stunning these places-didn't feel like prisons and didn't smell like prisons. There was-nothing we could find to criticise.'[5]

Lord Caithness, the minister at the Home office responsible for prisons, is due to conduct a tour of US private prisons later in 1987. Privatisation is now being seen as a viable means of reducing the strain on Britain's grossly overcrowded jails. The speed with which the private sector can build new jails is a major advantage. The public sector in Britain currently takes some 10-12 years to build a prison. Of the 16 planned new jails in the government's £360m prison building programme that was intended to end prison overcrowding by 1990, only three have actually been completed. Private companies on the other hand, have demonstrated their ability to build jails in 9 months or less.

Explaining the inertia

Prisons are one part of the public sector that has remained relatively untouched by an otherwise reforming government. As David Walker of the Times, has argued:

"Penal policy ... is an area where the government has not even attempted to lead and tell the public what is good for it. Policy is made, in part, by institutional inertia. Among the inert institutions is the Prison officer's Association, a powerful trade union which this government, like its predecessors, has allowed a practical veto on the way prisons are organised.'[6]

The prison system has been subject to a phenomenon that commonly afflicts public sector institutions -- that of producer dominance. The assured income of a state monopoly service leads to complacency about existing practices and a failure to innovate. Political fears about strikes or unemployment lead to lax labour relations and overmanning. Political pressure from the employees diverts resources to current spending (on wages and away from needed capital improvements Those who work in

such a state monopoly service represent a concentrated and united interest group and so have much more power in the political process than do ordinary members of the taxpaying public.

The prison system is just such a case of a state service being run to benefit the producers, of the service, the employees rather than the inmates and the taxpaying public. Yet despite a radical approach to other moribund areas of the public sector, the Thatcher administration has done little to reform the prison system.

This passive, unimaginative attitude to our disintegrating prison system need not and should not continue. Reformers need only look to the United States to see successful and fully functioning new approaches to prison management, pioneered by the private sector, which if adopted in Britain could do much to solve the problems of our prisons.

2. US private prisons: some case studies

The American prison system has similar problems to those of Britain, although they are worse. Prisons are very crowded and violence is common. Only seven states are operating prisons at less than 100% capacity: the average occupancy rate for all federal and state prisons is 110%. Federal and state governments have found it to be next to impossible to build new prisons or develop alternatives to prison quickly enough to accommodate the constantly increasing number of sentenced criminals. In 39 states, prisons have been placed under court orders to limit the number of prisoners crammed into cells. In some cases, courts are ordering early release of criminals to meet the federal limit. New York's Attica jail is thought to be close to another explosion. Its population has risen above the 1,758 limit set after the 1971 riot in which 43 prisoners and guards were killed. It now houses 2,170. more than 8,000 criminals are serving their penitentiary sentences in municipal jails which lack the necessary security and facilities.

Poor conditions

Many US jails are exceptionally unpleasant places. Confessed Israeli spy Jay Pollard recently provided a colourful description of the Washington DC Jail, where his wife was held until she was temporarily released because of health problems

'You would never believe a detention facility like this actually exists in the United States unless, you'd experienced it first hand: rats, snakes, swarms of insects, no heat, no light, no blankets or sheets, incessant noise, toilets that never work, the constant presence of sewer gas, undrinkable water, pathological guards, and untreated AIDS carriers handling food trays. It is quite literally a level of hell that could have figured prominently in Dante's *Inferno*.'[7]

The poor conditions, are often a source of legal complaint by prisoners. In a 1986 survey of 154 jails containing 75,000 inmates undertaken by the Contact Centre in co-operation with the American Jail Association over 50 per cent of the jails surveyed had lawsuits from prisoners pending, usually about overcrowding and conditions.

Yet the problem is not generated by a lack of resources: almost everywhere the government service spends more than the private sector companies that have taken over the management of prisons and are now operating with full success. The survey

found that the average cost of government managed jails was \$36 per day per inmate. Costs per inmate varied across, the country from \$49.13 in the Middle Atlantic states to \$27.35 per day per inmate in the South Atlantic state jails.

Early release: a 'rationing' strategy

The overcrowding crisis leads to the early release of many prisoners and the poor prison conditions are not conducive to prisoner rehabilitation. In 1984 the United States Bureau of Justice reported statistics showing that the average time served for a violent offence, including murder, was only 2 years and 7 months. Even though long sentences are sometimes administered, these are often reduced. The statistics showed time served as follows:

| Average time served in US prisons | |
|--|-------------------|
| Rape | 3 years, 6 months |
| Assault | 2 years, 2 months |
| Auto theft | 1 year, 5 months |
| Murder | 4 years, 8 months |
| Robbery | 3 years, 2 months |
| Burglary | 1 year, 9 months |
| Drugs | 1 year, 4 months |

Furthermore, a recent US Justice Department study disclosed that 25% of the convicts released from state prisons are imprisoned again within two years, some 30% are back after three years, and 50% are back after five years.

The spread of contract management

The introduction of private prisons as a partial solution to overcrowding and escalating costs has developed slowly over the past twelve years; First, the private sector was invited to operate juvenile detention and training facilities then immigrant detention facilities then minimum security adult jails, and now medium security adult jails. The day when the private sector starts to operate maximum security prisons is generally considered to be not far off.

The Weaversville Intensive Treatment Unit, Pennsylvania

The Weaversville Intensive Treatment Unit was the first entire facility to be contracted out to private management. The Weaversville unit was opened in 1975 after the Pennsylvania Attorney General told corrections officials that state prisons would no longer be able to house hard core juvenile delinquents; Unable to provide a new facility immediately, state officials turned for assistance to the Radio Corporation of America (RCA), who were already running educational programmes for delinquents. In just 10 days, RCA set up the Weaversville facility and was given a contract to operate it.

Weaversville houses- around 20 inmates although, significantly, they are called 'residents'. The facility is a heavy security two-story brick building that inside resembles a college. The residents have their own carpeted rooms' to which they have their own keys. RCA provides a structured living environment, a token economy, psychological counselling, a work release programme, family counselling, and after care. There is a heavy emphasis on remedial education. Courses offered at Weaversville include reading, consumer education and independent living skills, job-seeking skills, geography, English, mathematics, science, drug and alcohol education, sex education, decision making, and survival skills. RCS also conducts a physical education programme, and a programme of leisure time activities provides individual tutoring, and provides vocational training through the Ken Cooke small engine and motorcycle technician courses.

'This place really does a lot for you,' said one 17 year-old inmate who had served time in four other institutions, including training schools. "It's so small, you can't get away with anything ... You have to face your problems.'^[8] A reporter who visited the establishment found that "the atmosphere was considerably more casual than in most public schools, with teachers and students joking easily with each other at times. Yet everyone had something to do no-one was just 'hanging out'.^[9]

Professor Jack Finckenauer of the Rutgers University Criminal Justice Department, who has studied delinquency programmes nationwide, has stated that "Weaversville is better staffed, organised, and equipped than any programme of that size I know.' He thinks that the fact that the institution is privately run helps: "In a lot of public institutions, you find that the staff has the attitude that it's just their to do a job and then leave at the end of the day. At Weaversville, you've got people who see their job as more expansive.'^[10]

The Houston INS detention centre, Houston, Texas

The Nashville-based Corrections Corporation of America (CCA) designed and constructed this 350-bed facility for the US Immigration and Naturalisation Service (INS) to accommodate some 300 undocumented aliens. The INS had found itself with a desperate need for a new detention facility to house illegal aliens but without the money to build one. So the INS solicited bids from the private sector and CCA won the contract to build and operate the detention centre.

The facility was opened in April 1984 at a cost of \$8.2 million to CCA. It took CCA

only 6 months to design and build the whole facility. The INS would itself have taken over two years and spent much more than \$8.2 million. CCA'S speed of construction and low cost is due to innovative private-sector design and construction techniques and the ability to avoid time-consuming bureaucratic procedures. For example, at the Houston facility CCA discovered that a modification in door design was necessary. Instead of having to request a change order and send it back through the bureaucracy for approval, CCA was able to design and order new doors within 6 hours.

"It's been an absolutely outstanding relationship. They know just exactly what they are doing," Peter B. O'Neill, the Houston director of the INS has stated.[11] He has-described the two and a half year-old facility as 'a perfect installation.'" Former INS Commissioner Lionel Castillo has also praised the establishment, saying "physically, by INS standards, this facility is one of our best." [12] Also, some of the aliens have stated that the centre is not a bad place to stay for a while.' [13]

One disinterested observer has praised the private-sector employees. The Reverend Thomas Sheehy, assigned by the Roman Catholic Diocese of Galveston-Houston to handle liaison with the detention centre has said, "If I had a choice of the private organisation, or it being run by the INS, I would take this private organisation. They're much more humane.' [14]

None of the guards carry weapons; According to CCA the starting salaries- of the Houston guards are above those of guards in government-run detention centres-in the area.

The Laredo Processing Centre, Laredo, Texas

The Laredo facility was designed and built for the US Immigration and Naturalisation Service in just 145 days, by the Corrections Corporation of America. It houses undocumented aliens, adult and juvenile, male and female, and can accommodate up to 208.

The INS Detention Centre, Aurora, Colorado

The detention centre is a 85-bed facility operated by Behavioural Systems Southwest (BSSW), a Pomona, California-based firm. Behavioural Systems Southwest converted it from a warehouse at a cost of some \$150,000.

The Immigration Service pays BSSW on a cost reimbursement basis. There are fixed costs, such as heat, light, and rent, and variable costs such as food and health care. The \$150,000 cost of converting the facility was much less than the INS would have had to pay if had built its own new facility.

BSSW gives up the contract to run the facility in mid 1987. The INS has- contracted with Wackenhut Corporation, one the largest US private security firms, to build and operate a larger new facility for over two million dollars. BSSW will convert the

building to another use for the remaining two years of its lease.

Behavioral Systems Southwest is the second largest private prison company in the United States. It was started by Ted Nissen, a parole officer and prison guard at San Quentin, and Tamara Lindholm, a 14 -year veteran of the California Department of Corrections. After his San Quentin experience, Nissen had concluded that "No convict can be ready for life on the outside after doing time at San Quentin. There has to be a better way to run a prison.' BSSW focuses on humane and supportive treatment, professional security, accountability systems, and quality service. It has a staff of over 150 employees in California, Arizona, and Colorado, and runs six minimum security correctional facilities, two illegal alien detention facilities, and a number of court-ordered treatment programmes.

The Hamilton County jail, Chatanooga, Tennessee.

The Corrections Corporation of America has operated the Hamilton County jail in Chattanooga, Tennessee since October 1984 on a 4 year contract. It is a 330-bed jail which houses post-trial men and women, and post-trial men guilty of both misdemeanours and felonies, and serving sentences of 1-6 years.

The county used to spend \$24 per day per inmate, but now CCA are charging them \$21 per inmate per day, including the cost of additional services provided. CCA have improved and are continuing to improve conditions at the prison. They are spending \$3.5 million on construction and renovation, replacing a 1920 housing block and a 1910 dining and kitchen facility. They have provided 24-hour full-time medical staff at the prison: under prior county management there were no prison nurses. They have appointed a full-time trainer and full-time recreation director, and have provided psychological and psychiatric services. They have upgraded security and increased the number of guards. The corporation also has a \$25 million insurance policy to protect both the company and the county from civil lawsuits brought by inmates.

CCA have been able to do all this while still saving the county \$3 a day per inmate, a 12.5% saving. The key, says CCA'S Director of Facility Administration Dennis Bradby, is 'better and more effective management.' [15] Top managers with business as well as correctional skills have been hired. Increasing the full-time staff numbers has meant avoiding the huge overtime costs that were previously being incurred. They are able to purchase supplies and equipment more cheaply than government agencies being able to shop around the whole country and pay suppliers more promptly.

The county jail administrator and county commissioner are very pleased with the results so far, and CCA's Dennis Bradby awards his own company a pat on the back, saying that they have 'done a yeoman's job and exceeded all our own expectations.' County Commissioner Harold Coker says: "It's innovative and I'm glad we did it first." [16] He believes that the private sector is undoubtedly better equipped to run a jail.

Some initial disquiet was exhibited by the (formerly public-employee) prison guards, who had to adapt to their new private status. They resented the fact that they would

no longer be part of the very generous state pension scheme. Nevertheless, their opposition declined when they saw that other benefits would improve. After privatisation, the salaries, of line personnel increased by an average of two per cent, and sickness, holiday, and annual leave benefits also improved. Pension benefits and an opportunity to share in the company's success were provided in the shape of an employee stock ownership plan, with matching contributions from the employer.

Noticeable too is the change in atmosphere after privatisation. The prison used to have 'prisoners and 'guards'. Now they are known as "residents" and "supervisors". The 'facility administrator" - elsewhere called the governor - deliberately cultivates a low-key atmosphere. "Supervisors" wear T-shirts and sweaters rather than police-type uniforms and none of them carry guns. Two different grand juries have praised CCA'S improvement of conditions at the facility, which also passed Tennessee's requirements for certification after a strict inspection by the Tennessee Correction Institutes Board of Control. One grand jury's report said that CCA seems to have "made great improvement in the past year. The buildings and grounds are well kept. The programmes for the inmates seem to be very helpful and adequate.'

The Bay County Jail and Annex, Panama City, Florida.

CCA took over another county jail, a 196-bed facility in Bay County, Florida, on October 1st 1985. The contract lasts 8 years and involved building a 174-bed annex. The facility is a newly converted prison for male and female offenders under a secure regime awaiting adjudication or serving short sentences. The Annex was purpose-built by CCA to relieve overcrowding at the Bay County Jail and to provide a detention facility for convicted misdemeanants who will work on various county projects, offsetting the cost of their incarceration.

The annex cost CCA \$3.5 million to build and was completely designed and built in six months. It is a multi-use facility constructed from pre-cast concrete, designed under Florida Jail standards and approved for minimum/medium and medium/maximum inmate housing. it is designed for efficient supervision and to provide staff with a pleasant and safe working environment.

Soon after CCA took over the jail, the Florida New Herald commented:

"With less than six full months of Bay County jail operations under its belt, Corrections Corporation of America has already made its mark and proved its point. For example, a February inspection of the jail by the state Department of Corrections turned up only 12 problem areas (several of which already have been corrected) compared to more than 60 at one time during the administration of Sheriff Lavelle Pitts."[17]

Under county management, it was reported, the jail had been holding 230 inmates per day, 34 more than capacity, and was facing two lawsuits at the time of privatisation, one involving the death of an inmate and an inmate who was seriously injured. CCA is obliged under the contract to assume financial damages from any suit filed while it is in charge. The firm also promises to keep the jail up to constitutional

standards. The lawsuits against the jail have been dropped due to the improvement of conditions resulting from privatisation.

In 1986, CCA ran the jail for \$24.50 per inmate per day, compared to the \$27.80 per inmate per day that the sheriff's department said it could run it for. CCA's rate also includes \$750,000 in jail renovation. The county estimates that it has had to spend \$700,000 less than it would have if the sheriff had remained in control.

Most of the sheriff's prison staff have stayed on to work for CCA and are being paid more. They have exchanged their old uniforms for brown blazers with the CCA logo, and have learned to call the prisoners "residents". The former administrator of the jail, Stephen Toth, has become the new security chief and acknowledges the success of CCA'S businesslike approach: 'You want to do the right thing. Lawsuits cost a lot of money.' [18]

Privatisation is very popular with the prison inmates. Before CCA took over, inmates constantly complained of cold food of poor quality. "The bacon would almost break your teeth," said prisoner Danny Gonzales.[19] Sheriff Pitts apparently remained unmoved: "As far as I'm concerned cold food is good enough for the inmates. We didn't promise them a rose garden," he was reported to have said.[20] CCA have ensured that the food is served hot on a covered tray soon after it is cooked. "It's a lot better, and there's a little more of it," said David Broxton, jailed on a charge of dealing in stolen property. James Edwards, jailed for aggravated assault, agreed: "It's healthier, well balanced," he stated. CCA facility administrator David Myers believes that good food is very important: "There are some things you can mess up and it doesn't affect everybody. But if you mess up the food you've affected everybody." He says that "quality and quantity have been enhanced tremendously." [21]

Medical care has also been greatly improved. Myers said inadequate health care was one of the biggest problems when CCA took over. "The medical care was absolutely terrible," said one inmate. It was a key issue in lawsuits filed against the county. CCA has hired another contract company, Institutional Health Management Services, to provide medical care. "We have medical coverage at the jail 24 hours a day, seven days a week," said Myers.[22] The state inspection team has complimented CCA on the improvement in medical standards.

Opportunities for recreation have also been increased. 'They just improved the recreation programme to three times a week now,' said inmate Ward. Prisoners-also compliment CCA on an improvement in security. 'Previously,' said an inmate who wished to remain anonymous, 'it was total frustration. They didn't know how to help somebody if they wanted to.' Apparently inmates had to beat on the audio monitors in their cells to attract the attention of guards if there was trouble. Since CCA now stations a supervisor on each floor, response is quicker. Inmates report that jail officials now respond more quickly even to written requests of inmates who want to talk to them.

All in all, privatisation receives a very positive reaction from the inmates. "To me, the jail is a lot better than what it was," said the anonymous inmate. 'I think the entire state of Florida will miss the boat if they don't go to private jails;'[23] Walter Reed,

convicted for auto theft, states that "The conditions are better, The food is better. They treat us like human beings." [24]

The Shelby Training Centre, Memphis, Tennessee

The Shelby Training Centre is a 150-bed secure facility for youths who would otherwise be committed to the Tennessee Department of Corrections. It was designed and built by CCA for the Juvenile Court of Memphis and Shelby County.

The Centre is built of precast concrete and is designed with both pleasing appearance and efficient operation in mind. There are 150 single rooms, a large vocational and academic education area, good medical support facilities, and extensive indoor and outdoor exercise and recreation spaces.

CCA invested \$6.5 million in the complex, which was entirely built with private capital. The court, reimbursed by the State of Tennessee, will pay CCA for services rendered on a per-resident basis.

Tall Trees, Memphis, Tennessee

The Tall Trees facility is a non-secure, community-based residential alternative to placing youth in the state institutional system. The Corrections Corporation of America handles all the care and detention operations at the facility at a 25 per cent saving to the taxpayer. It is housed in a two-story brick building with gymnasium attached, and is run by the same facility administrator who directs the Shelby Training Centre. It accommodates up to 48 residents and provides programmes designed to enhance their readjustment to the community.

Judge Kenneth A Turner of the Juvenile Courts of Memphis and Shelby Counties, who directly oversees the facility, is pleased with the results of privatisation. "think it's good business for government and good for the taxpayer," he said. [25]

The Santa Fe County jail, Santa Fe, New Mexico

The jail is a 133-bed medium-security facility operated by CCA under contract to the County of Santa Fe. It is designed to accommodate both male and female convicts.

CCA took over the jail in August 1986. The company retained all 57 employees: it agreed to assume employees' accrued vacation; it offers 10 paid holidays and 12 sick days; it provides comprehensive medical and life insurance; and it has instituted a stock ownership plan. Employees were given CCA uniforms, and some were assigned different titles, but no salaries were cut. CCA took steps to improve the prison, including landscaping the vacant ground in front of the jail. Jail employee Paul Lujan said that most workers are satisfied with the transition: "Everyone is pretty content with what is going on. It's real mellow...So far, so good." [26]

According to County Finance Director Pete Garcia the county expects the contract to save them between \$300,000 and \$500,000 over a three year period. The local newspaper, the Santa Fe 'New Mexican', welcomed the privatization, commenting that:

"The privatization of the Santa Fe county jail is a progressive step that should be applauded as a money saver and perhaps as a method for ensuring better handling of Santa Fe's prisoners.

The fact that Corrections Corp. of America will keep all current employees at their current wages seems to have quelled the unrest over one of the city's most nagging problems since privatization was first suggested. We agree with the employee who said 'the worst is over'.

Who knows what is possible now? Perhaps if the county can show that private prisons work, the state will turn its badly managed prison system over to a qualified private contractor."[27]

The Roseville jail for women, St Paul, Minnesota

The Roseville jail is a 42-bed facility for women serving sentences of one year or less. It is operated by a private charity, Volunteers of America (VOA), which charges \$50 a day for each inmate, \$10 to \$15 less than the counties or federal budget per prisoner. The prison started because Ramsey County found that very few of its prisoners -- less than 5 per cent -- were female, so it was difficult to construct separate programmes for them. A woman who found she was the only female inmate in a jail felt she was in virtual solitary confinement. So the county requested the VOA to establish a separate correctional facility for women.

VOA converted a former juvenile detention centre and the first prisoners were received in September 1984. Both surrounding counties and the federal government use the facility, which usually houses around 30 prisoners, incarcerated for such offenses as passing bad cheques, assault, prostitution, armed robbery, and shoplifting.

The jail has the normal security features of a prison fences and barbed wire on the yard, handcuffs for prisoners being transported, locked doors and loss of good time for infractions, and solitary confinement -- but inside, it has more of the atmosphere of a college than a prison.

The cells are actually rooms, carpeted and furnished pleasantly in the manner of a student room in halls. The rooms are singles doubles, and a few triples, with individual lights and electricity outlets. Prisoners can plug in their own hair dryers, curlers, stereos and TV sets.

Prisoners can wear their own clothes, and have access to computers, typing classes, high school equivalency tests, self-help groups, and a weekly art classes. Juice and popcorn machines are among the other minor comforts that are available.

The inmates do prefer the jail to others. "I suspect we're the only jail in the country to get thank-you notes from inmates after they leave,"[28] said Bill Nelson, the director of the jail, who has been involved in correctional work for over 30 years; The comments of 31-year-old inmate Rosalind Smith are typical:

"Down at the county jail you're treated like a criminal. There are little dinky cells, one television set, and you've got to be up at 5.30 am for no reason. There's nothing to do when you get up.

Here, I feel that I am being treated as a human being who has committed a crime. This isn't a picnic, though. It's still jail ... I'll never commit another crime again."[29]

Another inmate, who didn't want her name mentioned, said her main objective was just to hold herself together. But she feels that the jail is doing everything it can to help. "You're not raped of your dignity here. They let you know that you're a person." Pat Hines, 24, serving a one-year sentence for an aggravated robbery she says she didn't commit, also compares the jail favourably to other institutions:

"If I had to do a year down there at the women's prison, I feel I would have been a lot harder than when I came in. Here, I feel like I'm getting a head start instead. My mom and I have gotten closer together and I've set real goals. I've learned to type and I hope to qualify for the work release programme."[30]

The Butler County jail, Pennsylvania

Management of the Butler County jail, a 96-bed medium security prison, was taken over by a private prison firm, Buckingham Security Limited, on October 1st, 1985. A state inspection of the jail after privatization concluded that "numerous improvements [were] found in the course of this inspection." The inspector singled out the "improved deployment of uniformed staff... since previous inspections" and better sanitation.

After a year of private operation, Richard M. Patterson, Chairman of the Butler County Commissioners, stated that:

"Less than one year ago, we had a great deal of concern about the Butler County Prison. It occupied our time almost daily. Control was in question. Both the employees and the prisoners were in a serious state of turmoil. Court action was involved and the public was agitated by negative media comment.

Within three months, due only to the professionalism of Buckingham Security, the whole matter made a one-hundredeighty degree turn, and all is quiet and all is under control, including the cost...Even the prisoner gets-a better deal than formerly, much better."[31]

All full-time prison employees were retained and received pay increases under a new contract between Butler County and their union, AFSCME. Management was free

to redefine areas of job responsibility, and this resulted in the shedding of some part-time jobs, including the janitor's post. Over twenty inmates now carry out janitorial and food service work, resulting in a cleaner prison, better food and sanitation, and a major opportunity for positive inmate work activity. A new employee health insurance package has been negotiated, which will result in a \$300,000 saving over its three year term. Employee morale is high. Whereas three or four employees used to leave in each previous year, no employee has left since Buckingham Security took over.

Security at the prison has been improved. Due to improved staff training in techniques of dealing with violent, inebriated prisoners there have been no serious injuries inflicted by inmates on staff (or staff on inmates) since Buckingham took over. The practice of staff carrying firearms was terminated, a professional system of counting prisoners was started, and a programme of regular security checks was implemented. For the first time, the outside of the prison was regularly checked from a security perspective. Inmate control was also improved. A Buckingham Security report details how this was done:

"A vital component of security is inmate control. This necessarily requires-that staff and administration move among inmates and inspect, instruct, correct, and listen, while remaining in charge at all times. Without this kind of control, inmates can and will abuse one another fearfully and will be able to involve themselves in other unwholesome activities."

Prior to Buckingham's arrival, the staff remained out of the areas where inmates lived. They stayed out of passageways when inmates were moving through them. During the infrequent Outdoor periods, a staff member watched from an overlooking window ... Behavioural standards were set by inmates. Their cells were dirty and beds unmade. The common areas were a shambles and garbage and cigarette butts crusted the passageways. Inmates were rude, threatening, and obscene to each other and to the staff. It was not considered safe for visitors to go inside the block where the inmate cell ranges were, let alone to pass into their living area and mingle with them.

Beginning immediately, Buckingham took control of the prison. All staff, including the warden, mingled with the inmates daily. Cells are inspected, beds are made, cigarette butt cans are in use, and an atmosphere of mutual respect prevails. The entire prison now belongs to the county and the county employees govern all of it at all times. All inmates are now assigned specific bunks in specific cells and the staff knows that each is accounted for."^[32]

Conditions for inmates have improved as well. Food is better in quality and quantity, with more fresh fruit and vegetables (even asparagus), and pastries being provided. Recreation opportunities for inmates have expanded dramatically. Previously, less-than 25 per cent of the inmates ever got outside, and none at all between October and May. Staff restructuring by Buckingham created a recreation officer, who gets the inmates outside almost every day with favourable weather. He organizes, supervises, and instructs the men, staging tournaments with prizes;

Good basketball, handball, and volleyball equipment is now available. The

inmates have been provided with orange warm-up jackets at no cost to the county. An exercise bicycle has been provided, also at no cost to the taxpayer. Women inmates are allowed outside recreation every evening when weather is suitable, and lower security inmates can go out by themselves if the recreation officer is otherwise occupied. New indoor recreation facilities have also been purchased, as well as needlework equipment for the longer-term women prisoners.

Formerly, the prison library consisted of a pile of ancient hardback books in a passageway so dark that it was impossible to read the titles. Buckingham organized the donation of hundreds of paperbacks by local charities and individuals. These have been arranged on proper shelving with adequate lighting. Some inmates now read as many as five books a week. New TV sets have also been provided.

Improved medical treatment procedures and techniques have been introduced, and counselling services have been quadrupled. These have resulted in a decline in emergency trips and hospitalizations, thus saving the county considerable funds. The work release programme has been greatly expanded, with each work release inmate paying the county \$7.50 rent per work day. The prison commissary was reorganized, with each inmate being assigned an individual cheque account. A better range of goods was made available for inmate purchase and the profits were put into an inmate welfare fund, which accrues interest. So far over \$8,000 has been spent from the welfare fund on various items of athletic, recreational and entertainment equipment.

Quite apart from the vastly improved management and conditions of the prisoners, privatization has also led to reduced costs. The jail cost around \$600,000 to run in the first year of privatization, compared to \$700,000 in the previous year.

The Marion Adjustment Center, Marion County, Kentucky

The Marion County Adjustment Center is run by the US Corrections Corporation under contract with the state of Kentucky. The company was started by two Kentucky property developers, Cliff Todd and Milton Thompson. Todd specialized in converting old buildings into new uses such as apartments. For example, he turned an old bakery in Louisville's Butcherstown into a shopping complex called Bakery Square, and then sold it. Thompson is a renovation specialist, and has recently renovated the Kentucky governor's mansion:

Hearing a radio report about prison overcrowding, Todd thought of converting an old building into a prison and then selling it to the state. He bought an old hospital and planned to turn it into a 500-bed medium security jail which he then hoped to sell to the state for \$28.75 million, -- \$13.75 million less than what it would have cost the state to build a new jail.

The plan fell through, however, due to opposition from local residents. Nevertheless the state proceeded with plans to put out a contract to house minimum security prisoners. Todd and Thompson then bought another site, the old St. Mary's College buildings at St. Mary, Kentucky, for \$695,000. The state made it clear that its contract was for operation as well as provision of the facility. 'Cliff and I made a

decision to do that," Thompson said.[33] They found a "director" -- a term they prefer to "warden" -- in Don Battles who had worked in the Kentucky correctional system for several years. He hired others, including seven former prison guards -- now called correctional officers'. The state awarded the contract to the corporation in January 1986, and numbers of prisoners are now fluctuating at around 200.

Jack Lewis, Deputy Secretary of Corrections for Kentucky, says that his department keeps a close eye on the center and likes the way it has been run. It is beginning to appear, he said, that "privatization could be one solution" to prison problems.[34] The Marion center has a high rate of participation in educational programmes -- 63 per cent of the population, compared with about 20 per cent at other state institutions

Inmates are occupied renovating some of the old buildings on the property, which are being turned into an administration building, a drug and alcohol treatment facility, and a classroom building. Some tend a 10-acre garden, and some do farm work on the center's 115 acres. The grounds also include a wood working shop, tennis courts, bowling alley, and gymnasium. Inmates have built picnic tables for the residents of nearby Lebanon and Raywick. A central shop where inmates can work on handiwork is being opened. Inmates have praised the center, one calling it "the Holiday Inn of prisons."

Other private prisons

The list above does not cover all of the private prisons now in operation. Corrections Corporation of America, for example, also runs the Fayetteville Community Treatment Center in Fayetteville, North Carolina for the Federal Bureau of Prisons. It is a 24-bed facility used in pre-release, alternative sentencing and DUI programming. CCA has just won a contract to operate a juvenile facility in East Tennessee, and is bidding on many more contracts. Eclectic Communications Inc. of Ventura, California operates a prison for youthful offenders near San Francisco for the US Bureau of Prisons. The Eckerd Foundation, a private charitable organization, has been running the Okeechobee School for Boys in Florida since 1982. It is 425-bed secure facility in the Florida rural swampland.

Buckingham Security is planning to build a maximum security prison for protective custody inmates in Gooding, Idaho. Protective custody prisoners -- who have to be isolated from other prisoners -- are often the most difficult and costly prisoners that a jail has to deal with. Buckingham Security sees a market need for a speciality facility that will take protective custody prisoners from several states. The prison proposal has been welcomed in Idaho. Bradley Blum, editor of the Gooding County Leader, says "The business-community is doing everything possible to make sure this deal goes-through ... no-one is speaking against an idea that will bring 350 jobs to town." [35]

Behavioural Systems Southwest has just won a contract from the Arizona Department of Corrections to manage a facility for female juvenile offenders in Arizona. BSSW converted a warehouse for the purpose in a period of three months at a

cost of \$95,000, paid by BSSW. BSSW will be reimbursed on a per diem basis.

BSSW also runs community treatment centres for the Federal Bureau of Prisons in Los Angeles, Hollywood, and Rubidoux, California. In 1980 it contracted with the federal government and the state of Arizona to manage a 60-bed facility in Phoenix to house inmates serving the last few months of their sentences. After initial orientation and counselling, the inmates are released for five hours a day to seek employment. After securing jobs, they are allowed to work outside the facility. Each inmate pays BSSW from \$15 to \$35 per day to defray costs; The inmates are constantly monitored and randomly tested for substance abuse.

Other countries

BSSW is also branching out into the third world. Brasilia, Brazil has requested the corporation to provide a \$31 million prison, plus training and support services BSSW will also run a profitmaking private industry within the prison. So far, commitments of \$20 million have been obtained from a Brazilian bank called Casha Economica and the US Export-Import Bank. The Tahitian government has also asked BSSW for proposals to build a new prison system in Tahiti.

The other main development on the international front is the French government's proposal to build new private prisons in France. The French prison system suffers from exactly the same problems found in America and Britain -- chronic overcrowding and a lack of capital to build new prisons. An ambitious plan to build between 60 and 70 new private prisons has been devised by the Justice Minister Alain Chalandon and approved by the cabinet. Under the proposals private contractors will be offered land by the government to build and subsequently operate new prisons each housing between 200 and 450 inmates. Personnel would be recruited by the private companies but trained and certified by the government. This certification would be verified and renewed every five years.[36]

3. Private enterprise within jails

Apart from running prisons, the private sector also has a role to play inside jails, providing the inmates with opportunities for productive work, useful training, and income. Unfortunately, in most government-run prisons in both Britain and America, prisoners are given little to do but must spend hour upon hour locked up in their overcrowded cells in enforced idleness. As the saying goes, the devil makes work for idle hands.

Were prisoners instead able to engage in productive private enterprise activity within the prison walls, not only would idleness be reduced, prisoners acquire useful skills to apply after release, but enough revenue might be generated to reduce the costs of imprisonment, thus providing further relief to the taxpayer. Former Chief Justice of the Supreme Court, justice Warren Burger, summarised this challenge by calling for the transformation of prisons from "warehouses with walls" into "factories with fences." In a famous speech he asked:

"Will we continue building warehouses for convicted criminals or will we build prisons that are factories with fences... Do we want prisoners to return to society as predators or producers?"[37]

In the United States, prison businesses are sharply constrained by various pieces of legislation that were passed largely at the instigation of unions in the late 19th and early 20th centuries. As prisoner idleness grew, so did interest in reversing this trend. Chief Justice Burger urged the abolition of all the existing restrictions on the production and sale of prisoner-made items. He suggested that such a move could take escalating prison costs "off the backs of the American taxpayers."

The beginnings of change

In 1979 the Percy amendment was passed, permitting a pilot programme of private involvement in prison industry. Projects participating in this pilot programme were exempted from laws banning interstate commerce in prison-produced goods.

Private enterprise in prison takes three basic forms: inmate operated business enterprises, private industries using inmate labour, and private operation of prison industries. Private enterprise of these types is in almost all cases more successful than prison-run industries, which usually pay inmates next to nothing.

These mini-nationalized industries involve prisoners in such non-inspiring activities as making license plates, and frequently fail to make money. As might be expected, incentives work inside prison walls as well as outside.

A comparison of wages in state-run prison industries and private enterprise ones reveals a wide disparity:

Reported wage by type of industry

| State | DOC Prison Industry Wage | Private Enterprise Wage |
|-----------|---------------------------------------|--|
| Arizona | average \$0.30/hr. | \$3.50-\$4.00/hr. |
| Florida | 0; inmates are not paid by the state. | \$0.50/hr. unskilled \$1.00/hr. skilled |
| Kansas | \$0.65-1.05/day | \$3.35/hr. |
| Minnesota | average \$1.30/hr. | \$3.57-\$4.06/hr. |
| Nevada | \$0.20-0.80/hr. | \$6.00/hr. |

The Maine experiment

The Maine State Prison (MSP) was the site for the most advanced attempt at fostering inmate-owned enterprises. [39] It saw a radical experiment in free enterprise behind prison perimeters. For over 40 years, MSP had a crafts and novelties programme which enabled prisoners to make and sell hobby and craft items. The inmates had easy access to a good market for their goods -- a prison owned store located some 60 yards from the jail on a heavily travelled tourist route. The programme differed from the average jail novelty programme in that inmates were allowed to hire one another to perform work -- allowing for specialization.

Until 1976, however, the prisoners earnings and productivity were limited by prison administrators. A single inmate could take no more than \$5,000 annual gross revenue through the sale of a maximum of five designs of crafts or novelties.

These restrictions were significantly loosened with the appointment of Richard Oliver as MSP warden in 1976. He raised the caps from \$5,000 and 5 patterns to \$10,000 and 10 patterns in 1977 and again to \$15,000 and 15 patterns in 1978. He also appointed a Novelty Committee, dominated by inmates. The committee protected individual novelty designs by awarding "patents" giving the designers sole right to produce those items. The committee also levied a 5 per cent surcharge on the price of all novelties sold, the proceeds of which went into an Inmate Benefit Fund. This was used to buy extra goods and services for all inmates, such as recreational and athletic equipment, a huge new TV aerial, and new equipment for novelty production.

The result of these changes was that novelty production boomed. In 1979 \$550,000 worth of prisoner-produced items were sold through the prison store. Almost two thirds of all inmates were taking part in the novelty programme as employers or employees, sometimes both.

Some prisoners emerged as major employers, due to their special entrepreneurial abilities. Despite lack of previous business experience, these "novelty kings", as they came to be known, built up substantial businesses within the prison. Aaron M Harrelson, for example, convicted of aggravated assault in 1975, started in the novelty business in 1975 and expanded his workforce to between 30 and 50 inmates. He bought up patents on patterns from prisoners who had come to the end of their sentence, and invented new ones as well. He diversified his business operations, renting TV sets to inmates, and taking over management of the prison canteen, which was until then a state-run money-losing concern. Harrelson turned it into a profitable business, and relieved Maine taxpayers of the burden of subsidies.

When prison administrators announced that they intended to tax novelty sales in order to subsidize the unprofitable prison-run industries, Harrelson offered to buy out the state operations and state-owned equipment, to employ inmates on a profit-sharing basis (previously they were paid nothing), and even to pay the salaries of the supervisory staff. Unfortunately, his offer was turned down.

Another major novelty entrepreneur was Richard Freeman, a convicted murderer, who started his business in 1978 after having previously worked for another inmate. He too bought up patents from leaving prisoners and built up a workforce of about 30 who were paid on a piece-work basis to maximize productivity. He made enough money to pay for a college education when he eventually gets out of jail. Many inmates ran smaller businesses. Andre Beaudoin, for example, was generally credited with being the best craftsman in the prison. He ran a business which avoided the assembly-line techniques of some of the other entrepreneurs, holding individual prisoners responsible for constructing one item from beginning to end. He believed this led to higher quality because the inmates would take greater pride in their work.

Other businesses also began to flourish as the novelty programme developed. Barbers charged other prisoners for haircuts, and laundry businesses were started where prisoners could get their personal clothing cleaned. A miniature economy grew up inside the jail as prisoners discovered that they had talents which could earn honest revenue. Many prisoners understood for the first time that they could make a profit by providing goods and services desired by others.

Prisoners put their new talents to use after they returned to normal life. "Novelty king" Harrelson provides a good example. He now runs a very profitable wholesale novelty business a few miles from MSP. He employs former prisoners to do the majority of the work and even has a former prison guard as one of the directors of the business, which is lauded by Maine's Better Business Bureau.

Unfortunately, a traditional prison management mentality prevailed and the novelty programme was discontinued by the Maine Bureau of Corrections. On April

16th, 1980 the prison was "locked down,"* and stockpiles of novelties confiscated. After some time a much more restricted novelty programme was restarted. The Maine experiment just did not fit within the traditional American model of corrections in which Maine's prison administrators were trained. Visiting teams of inspectors had been shocked at the quantities of prisoner-made goods stocked haphazardly throughout the jail, and the lack of economic control over the inmates.

Nevertheless, the Maine example provides some insights into what could be achieved were prisoners able to engage in entrepreneurial activity. It could serve as a model for a more structured programme, and one in which prisoners were required to contribute towards the cost of their imprisonment.

Use of inmate labour by private enterprise

Since the passage of the Percy amendment, the involvement of private companies in using prison labour has been growing. In most cases they contract with the Department of Corrections for labour, and supply raw materials and equipment, while the DOC provides space and supervision.

For example, in Arizona, the national hotel chain Best Western has installed computer terminals at a women's pre-release centre, and about 30 inmates make hotel reservations. Also, a furniture manufacturer, Wahlers, has contracted for 12 inmates, who are paid on a piece-work basis.

In Iowa, a salvage yard employs prisoners to break up old cars and sort them into copper and aluminum products for recycling. Inmates also work for a greetings card company. In Mississippi, Koolmist, a firm that makes air conditioning units, employs 20 inmates to make such units. In Minnesota Control Data Corporation started a computer component assembly line in Stillwater prison in 1981. It employs 45 inmates.

In Nevada a frozen food plant employs 20 inmates at the South Desert rison. The General Household Items Company employs 15 inmates at the same facility to make brooms. In Utah 36 inmates work for a graphic arts company in the state's print shop, and 30 inmates do sewing work for Osbourne Industries. [40]

Private operation of prison industries

Florida has established a private non-profit Organisation to run its prison industries. PRIDE --Prison Rehabilitative Industries and Diversified Enterprises -- was started with \$200,000 donated by local businesses. Its primary goal is to reduce the cost of imprisonment to the taxpayer, while employing the inmates in useful and rehabilitative activity.

PRIDE manages over 25 types of prison industry, including furniture refurbishing, printing, abattoir and meat processing, dairy farming, clothes manufacture, and car repair. Apart from agricultural products, which can be sold to the private sector, PRIDE

sells exclusively to state and local governments.

In Minnesota, another non-profit corporation, Stillwater Data Processing Systems Inc., operates within Stillwater prison. It is independently managed with assistance from Control Data Corporation, and has as clients, Control Data, the State, 3M, and a St. Paul insurance company.

In Kansas, Zephyr Products Inc., a sheet metal company, is almost entirely staffed with inmates from Leavenworth prison. Inmates earn the minimum wage, from which they pay room and board to the state, send money to their families, and amass savings.[41]

4. Private finance and construction of jails.

The high demand for new prison facilities in the United States has placed increasing strains on the ability of states and local governments to find the money to finance new construction. The expanding criminal population, the physical depreciation of existing facilities, and the rendering obsolete of old prisons by new jail standards, have created an unprecedented demand for new jails. Yet confusion over jail design criteria, sharply escalating costs, and persistent budget shortfalls have restrained many officials from taking action.

Traditionally, state and local governments have financed jail construction with current operating revenues or general obligation bonds. But this is becoming increasingly more difficult due to spiralling costs, federal aid cutbacks, and voter-imposed tax and debt limitations. Voters often reject general obligation debt issues at the polls, especially if they are earmarked for prison construction.

Accordingly, local jurisdictions in the United States are turning to the private sector to provide innovative financing techniques to enable jails to be built. Such techniques are usually variations of lease or lease/purchase arrangements, and can provide both a cheaper financial alternative, and much speedier private sector construction of the jail. Although owned privately, the jail is still operated by the public sector. Thus the private financing option does not provide the benefits associated with private management.

The extent of such private financing is growing, as can be seen from examining the growing involvement in this area of the firm which did the most to pioneer this form of financing, the investment bank E F Hutton (see table).

Straight leases place the risk of obsolescence on the lessor, and are thus usually more expensive than lease/purchase. Annually renewable leases may allow governments more flexibility to respond to changing inmate populations or technology. Should the government decide not to renew the lease then the lessor will have to find an alternative use for the building. Indeed, private prison companies which have built new jails such as CCA and Behavioural Systems Southwest have built those facilities with the possibility of conversion in mind.

Steve Binder, E F Hutton Senior Vice President, sees an expanding market for private financing. "I think the future of private financing of jail construction as very positive for a variety of political and economic reasons," he said.[43] Among these he cited the inability of many jurisdictions to enter into debt for jail construction, a growing reluctance on the part of governments that can issue general obligation bonds to actually do so, and the speed of

private construction -- which cuts costs due to the shorter time frame.[44]

E F Hutton correctional financings

| Date | Issue | Amount |
|-------|---|---------------|
| 10/82 | Jefferson County, Colorado, Jail and Sheriff Facility Lease/Purchase Agreement, Certificates of Participation | \$ 30,200,000 |
| 3/84 | Morgan County, Colorado, Judicial-Jail Complex Lease/Purchase Agreement with Morgan County Building Authority, Certificates of Participation | 5,150,000 |
| 3/85 | State of Ohio (Ohio Building Authority), State Correctional Facilities Variable Rate Demand Bonds, 1985 Series A | 79,000,000 |
| 4/85 | Arapahoe County, Colorado, Judicial-Jail Complex Lease/Purchase Agreement with Arapahoe County Building Finance Corporation (Refunding Certificates of Participation) | 48,540,000 |
| 12/85 | Jefferson County, Colorado, Jail and Sheriff Facility Lease/Purchase Agreement, Certificates of Participation | 22,090,000 |
| 12/85 | Louisiana Correctional Facilities Corporation, Lease Revenue Bonds, Series 1985 | 155,775,000 |
| 12/85 | Morgan County, Colorado, Judicial-Jail Complex Lease/Purchase Agreement with Morgan County Building Authority, Refunding Certificates of Participation. | 4,420,000 |

5. Private alternatives to conventional prisons.

Prisons need not only be cellblocks surrounded by walls. There are other methods of restricting an offender's liberty by confining him or her in other places. These innovative new methods have been developed by private firms, and are particularly suitable for low security offenders. In part they depend upon a flexible sentencing policy, where conventional prison is not regarded as the only punishment for every offender, including drunk drivers and petty thieves.

Ted Nissen, President of Behavioural Systems Southwest, is a strong advocate of such alternatives, and a critic of over-reliance on conventional imprisonment. From his viewpoint as a former prison guard at San Quentin, he has a damning analysis of the current approach to punishment:

"Right now, we are on the damnedest punishment kick you ever saw -- and it isn't going to work. It costs \$50,000 to \$75,000 to build a single prison cell. This is ridiculous. There is a better way to house human beings, but status in the corrections system goes to those who run the highest-security prisons, so the whole system promotes classifying people as more of a security risk than they are.

We have built a prison industry based on concrete walls, guard towers and the overclassification of inmates. And the prisons, instead of being run so that people are in better shape to live in society when they get out, are run so that we have a 50% failure (recidivism) rate within five years."^[45]

Behavioural Systems Southwest, in consequence, is marketing a number of alternatives to conventional prison. These are designed for non-violent offenders, such as those convicted for alcohol or drug abuses, theft, writing bad cheques, fraud, or some other type of 'white-collar' crime, and so on. These alternatives either involve some form of home arrest or part-time supervised arrest at a facility run by a private company.

Home arrest is a method of imprisoning offenders for all or part of the time that puts most of the cost burden on the offender. Home arrest does have to be monitored, however, and this can be very expensive in terms of time of justice

officials taken in driving around checking on people. That is why private companies have invented a number of electronic means of monitoring offenders.

The electronic bracelet

There are a variety of different types of "electronic bracelet," almost all of which involve the offender wearing a small transmitter on his or her wrist, ankle, or neck. These transmitter systems can be broken down into three basic types:

1. A miniature transmitter is strapped to the offender and it broadcasts an encoded signal at regular intervals over a range. A receiver-dialer, located in the offender's home, detects signals from the transmitter and reports to a central computer when it stops receiving the signal from the transmitter and when it starts receiving the signal again; it also provides periodic checks. A central computer or receiver accepts reports from the receiver-dialer over the telephone lines, compares them with the offender's curfew schedule, and alerts correctional officials to unauthorized absences.
2. A transmitter which sends out a constant signal is strapped to the offender. A portable receiver, in the car of the officer who is monitoring the offender, is tuned to receive the signal from the specific transmitter when the officer drives within one block of the offender's home.
3. The offender wears a small transmitter which sends out a signal to a locator unit in the offender's home or other approved location. The locator unit relays the information by radio signals to the local area monitor, a microcomputer and information management system. This equipment is placed with the network manager (the leader of a small group of people who supervise the offender and encourage him to succeed). It receives information from the offender and co-ordinates communications among the network members. Each local network can handle 15 to 20 people.

Companies currently offering electronic monitoring systems include Advanced Signal Concepts, Contrac, Control Data Corporation, Computrac, Correctional Services Inc., Cost Effective Monitoring Systems, Life Sciences Research Group, Inc., Controlec Inc., Digital Services Inc., and Voxtron. Several agencies are currently either using the technology or conducting feasibility studies, in Florida, Idaho, Kentucky, Oklahoma, Oregon, Pennsylvania, Texas, and Utah.[46]

Operating costs vary between \$5 and \$15 per day for each offender, compared to the cost of conventional imprisonment which varies between \$20 and \$100 a day. Given that offenders using electronic monitoring devices are often charged a participant fee of between \$8 and \$15 a day, the costs of this form of imprisonment to the taxpayer are modest.

Electronically monitored home imprisonment is seen as particularly attractive for convicted pregnant mothers, who are difficult to cater for in jails; for convicted carriers of AIDS and other communicable diseases; for those sentenced to weekend imprisonment, who otherwise would overload the jail at weekends; for non-violent remand prisoners; and for juvenile offenders requiring intensive supervision. It is also suitable for prisoners on probation. Indeed, its 24-hour service surmounts the problem that many probation departments only operate from 9am-5pm.

There have been some problems with some transmitter devices, including interference from other radio signals in some areas and obstruction of the radio signal from steel girders in the home. These problems are being overcome by the development of more sophisticated devices.

The watch

Behavioural Systems Southwest of California is marketing a new electronic monitoring device called "the watch." The watch is a device worn on the wrist of the offender who is sentenced to home arrest or home and workplace arrest.

A central computer carries a record of each offender's whereabouts, and automatically calls him or her at random times. When the inmate answers the phone he is told to press on his special digital watch to receive a code, which changes every minute. He will then punch those numbers into the touch-tone phone. If the code is correct, the computer will record that the inmate has checked in.

If the watch is removed, a circuit is broken and it will no longer display the check-in codes. If the offender fails to enter the correct code or fails to answer the phone, he is subject to arrest.

The watch is currently operational in Louisville, Kentucky, where BSSW has franchised its use to the US Corrections Corporation (USCC), the same company that operates the Marion County jail. The Corporation pays BSSW \$300 for each watch, buys the IBM computer itself, gets the software free, and charges each prisoner on the watch \$10 per day, of which BSSW gets 10%. There are currently 61 prisoners on the watch in Louisville.

Kevin Burk of USCC described the programme shortly after it was first started in December 1986: "Everybody has co-operated extremely well. I think they've all been a little edgy about it because they're the first to try the programme." [47] The prisoners didn't always push the codes correctly, he said. "The first day or so, they messed up, they called, even if it was late at night." Unannounced visits to the inmates found them where they should be.

Judge Kevin Garvey of the Jefferson District Court wore the watch for a period in order to test its effectiveness. In a memorandum to Kevin Burk he gave his views on the experience:

"I am hopeful that this programme will be a success and thereby help alleviate some of the overcrowding that our County Jail has been experiencing. My experience wearing "the watch" indicates to me that there is potential for this being a viable alternative for non-violent offenders who are for some reason required to serve time in incarceration. The system is simple, easy to use, and affordable."

Says Ted Nissen, "Home arrest is the wave of the future, as it will eventually dawn

on the taxpayers that they're paying too much money to keep offenders locked up. 'The Watch' is a grand alternative to first offenders instead of putting them in jail. It's also an alternative to those offenders coming out of prison who require constant monitoring. An offender spending the majority of his time at his home or place of employment is less likely to commit another crime." [48]

Alternative sentencing

Alternative sentencing is another concept being marketed by Behavioral Systems Southwest. This marketing includes TV commercials which are aired late at night on Californian TV. The commercial shows a man being arrested and handcuffed, then shift to shots of overcrowded prisons, followed by a message: "If you've been arrested, there's an alternative to going to jail called 'alternative sentencing'. The people to call are Behavioural Systems Southwest. Call us and we'll give you the information."

Steve Sheiner, a spokesman for BSSW, explains what alternative sentencing is: "Alternative sentencing is for people who have pleaded guilty to a non-violent crime and have been sentenced for 90 or 120 days. They request being sentenced to our programme, which is, in effect, a half-way house. But, instead of the state paying for the individual to stay in jail, he pays to stay in our facility. It runs about \$1,000 a month. And he can go to work every day, come back to the facility at night, stay in it at weekends. His family can visit, so the family isn't torn apart. And he's not stigmatized with going to prison for a first offence." [49]

A BSSW brochure summarizes the advantages: "The self-pay concept does not institutionalize. The self-pay concept provides a solution to overcrowding. The alternatively sentenced offender works to pay his own expenses. The offender does not cost the government money as he continues to support his family, thus keeping it off welfare, continues to contribute to the economy, maintains the ability to pay victim's restitution, and minimizes court costs." Says Ted Nissen, "If an offender poses no threat to the community, is not an experienced prisoner and is perhaps a first-time offender, society is best served by punishing him in a community-based setting rather than sending him to prison where he only learns to be a better criminal."

BSSW has four facilities where it houses alternatively sentenced prisoners, some are converted motels. "I won't say they're the Taj Mahal," says Sheiner, "but sure beats going to jail. what it gets down to is this: If someone is sentenced to jail for having two ounces of marijuana, it would cost the state \$40 a day to keep him in jail and his life would be ruined. Wouldn't it be in the court's best interest to keep him off the streets, make sure he gets punished, but also make sure he didn't lose his job?"

Jay Brown is an example of a alternatively sentenced prisoner. Convicted of drunk driving, he persuaded he judge to send him to the BSSW facility instead of the Los Angeles County jail -- "I could be killed in there," he said. Judge Wesley Light agreed. "People are going to be subjected to physical and sexual harassment in the County Jail," he admitted. [50] In April 1986 the Californian prison system was operating at 167% of capacity. The Los Angeles central jail was holding an excess of around 3,650 inmates.

Jay Brown has to return to the facility immediately after finishing work. He has to take part in individual and group therapy and is subject to random testing. "Its a real good place," he says, "but its still a cage." Similarly, Richard Schmieg, also sentenced for drunk driving, is allowed to work at his hair styling job during the day, but must then return to the Hollywood halfway house. He plans to open a hair salon in West Los Angeles two weeks after he leaves the half-way house with the \$10,000 he saved since he gave up drinking. He hopes BSSW succeeds with its alternative sentencing programme so others can benefit as he did. "Its a miracle," he said, 'I would never have dreamed I had the capability of doing what I have done.'[51]

6. The private prison debate: a summary.

The record of private prisons in America has so far been impressive. A much superior service is being delivered at lower cost. But perhaps more important than the cost savings is the increased sensitivity with which the private firms treat prisoners. New techniques and approaches are being tried out which are proving better than what the public sector was providing.

The public sector had faced no competition for decades. As one might expect from a total monopoly supplier, their service was costly, insensitive, and resistant to innovation. Public jails had been run in much the same way since the last century, except that more and more prisoners were being crammed into the same space. Prisoners were able to argue legitimately that their conditions were so bad as to constitute "cruel and unusual punishment," outlawed under the eighth amendment to the US constitution.

The new approach

Competing private companies immediately introduced new techniques of running prisons which were found to be more conducive to the smooth running of a jail. It is interesting to note that all the private prisons have tried hard to create a more friendly, relaxed atmosphere. Out have gone the guns, militaristic uniforms, and harsh attitudes, and in have come relaxed dress codes, greater comforts, and increased respect for the inmates. As one might have expected, friendlier jails are more efficient jails. Treated more humanely and given better conditions, inmates cause less trouble.

Despite the vastly better services they provide, the private companies are still able to perform their task at lower cost to the taxpayer. Again, this should not be a surprise because contracted-out services throughout the world have routinely cut costs by around 20 to 40 per cent. Prison services are not so specialised as to require decades of experience to be carried out properly. Rather the decades of total insulation from competition have led prison services to be even more inefficient and wasteful than most of the rest of the public sector.

Ted Nissen, president of Behavioural Systems Southwest, sees competition as a key reason for the superiority of private prison services: "Private corrections will no more eradicate crime than private hospitals have eliminated disease. Yet when we begin to look at the rehabilitation of offenders and low recidivism rates as commodities, the free market system will provide the necessary competition to provide the best services at

the lowest prices. With private enterprise in corrections, offenders, taxpayers, and public safety can only benefit."[52]

Sources of improvement

According to Thomas Beasley, founder and president of the Corrections Corporation of America, "I don't know where inefficiency in government occurs most, but everywhere we have been we have able to operate jails less expensively."[53] Private companies can raise standards while cutting costs by using efficient purchasing, construction, and personnel methods familiar to the private sector. A private company saves money by being free to negotiate quickly with vendors for food, clothes and other items whose prices may fluctuate often. Much more money can be saved if the company constructs a prison building itself, making immediate changes in purchases and plans where needed, without wading through government red tape for approval. "The speed of our construction is a major saving," says Beasley. The faster building pace is possible largely because the company can forego time-consuming bid procedures that governments must follow. Private companies can also design prisons for more efficient operation. Through architecture and technology they give each guard greater powers of surveillance, so fewer guards are needed.

CCA designed, built, and opened a 350-bed immigration detention center in Houston, Texas in six and a half months. It did even better with a similar 208-bed facility in Laredo, Texas, completing the job in under five months.

Don Hutto, vice president of the Corrections Corporation of America, and a former state corrections director in both Virginia and Arkansas, also stresses the importance of lack of red tape: "We're not constrained by bureaucracy, we're able to make more rapid decisions, we can build in a fourth of the time of governments and we can provide benefits to employees -- like stock ownership -- that states cannot. Government is inherently wasteful. It has agencies on top of agencies overseeing everything, and complex political processes. You can spend two or three years and millions of dollars and still not have a prison. CCA, on the other hand, can build in a matter of months. We can also get better prices from contractors. Contractors always charge the government more money."

Service quality

Hutto believes that private sector competition will have an effect on the public sector itself: "Government programmes will improve simply because of the threat of private sector management is out there." He stresses that governments do not give up responsibility for a prison when they hire a company to run it -they monitor to ensure the contract is enforced and services are delivered: "you in government will be monitoring and evaluating me. You'll watch me a hell of a lot closer than you'll watch yourself. I believe that if I start that business of cutting corners and providing less services, pretty soon I won't have any contracts and I won't make any profit. I can't afford to do things in the private sector that I did when I worked for government." CCA President

Tom Beasley agrees: "The claim that our visibility is so low that we'll be able to cut

corners is ludicrous; we are the highest profile in corrections today." [54]

Professor Charles Logan of the University of Connecticut Department of Sociology also believes that private prisons will have a positive effect on public sector prisons:

"Commercial prisons are significant not because they expand system capacity, but because they provide an alternative standard against which to measure performance. How can we be sure that the government is running our prisons in the most just, humane, effective, and efficient manner possible?

One good test is to see whether private enterprise can do it better. Commercial prisons introduce an element of competition that is as important for most of the processes of government as it is to private enterprise. As a mechanism of evaluation, accountability and control, it is unmatched." [55]

As Professor Logan points out, such competition need not only focus on costs. It could focus on providing humane conditions, giving inmates meaningful work that brought in revenue, or on reducing recidivism, for example. Ted Nissen of BSSW has focussed on reducing recidivism. 'We have a national recidivism rate of 50 per cent; I offer to forfeit my contract if the recidivism rate [of BSSW 'residents'] is more than 40 per cent,' he has said. Nissen believes in working hard to arrange jobs for his residents after they leave. 'Otherwise,' he says, 'I may lose my contract.' Nissen and others have also come up with various competitive alternatives to conventional prisons, including various types of electronic monitoring/home arrest, and evening/night imprisonment.

Some concerns

Some people have complained that to make a profit from prisons is immoral. In fact the justice system has been a source of profit for a long time for such people as lawyers, court reporters, and bail bondsmen. Because a service is vital to human welfare does not mean it should be run by the government. Food is vital to human welfare but few complain that grocers are immoral because they make a profit by catering for human hunger. Were food distribution to be nationalized, few of us would be surprised if food quality and availability began to decline. [56]

Commentators have questioned the propriety of the state delegating its criminal justice functions to private contractors. Yet private prison firms are not taking judicial decisions. They are simply providing a service mandated by contract. CCA's Beasley stresses: "We're not policy-makers; we implement. We provide better facilities, better inmate care, better working conditions and higher pay for employees -- all at less cost to the taxpayer. Now give me a moral impropriety in that!" [57] A report by the Legislative Research Council of the State of Massachusetts emphasised the fact that government remains in control through its contract:

"The impact of privatization on the conditions at state and local penal facilities can

be, to a large extent, whatever the contracting jurisdiction wishes to make of it. For example, private prison operators will have little or, if the government desires, no opportunity to cut costs by overcrowding their facilities or allowing conditions to deteriorate. By establishing and enforcing population limits and operating standards the government can, in fact, require much better conditions at private prisons than presently exist at many public institutions. Alternatively, privatization may simply enable governments to provide equivalent facilities at lower cost.

It is inconceivable, however, that privatization could perpetuate unconstitutional conditions of confinement by placing prisons and jails beyond the reach of judicial oversight." [58]

The public-employees union, AFSCME, has argued that the result of privatization will be fewer prison employees and cuts in wages. They state that private companies will reduce wages and lower training requirements in order to make a greater profit, thus leading to high employee turnover and even fewer skilled employees in prisons. Experience to date, however, does not bear out this hypothesis. CCA states that its workers are at least as qualified as public employees, and in some cases more so. CCA blames the gross overcrowding and miserable working conditions at most jails for the high employee turnover. By improving working conditions CCA hopes to reduce the disruption of high turnover and achieve significant savings. CCA also says that great savings can come from reducing the excessive overtime costs prevalent in most public institutions. In setting its fees, CCA factors in sufficient employees to carry out the task without much overtime. The combination of better conditions and avoidance of overtime allows the company to offer competitive salary and benefit levels and still reduce overall employee costs.

For example, at CCA's Hamilton County Jail, salaries have gone up and the total number of employees increased from 58 to 72. Similarly, at Buckingham Security's Butler County Jail, salaries have gone up and employee turnover has been reduced to zero. Private prison companies also provide entrepreneurial opportunities for public sector prison personnel. Most of the leading figures in the private prison companies have come from the public sector. For example, CCA's executive vice president Don Hutto was Commissioner of Corrections in Arkansas and Virginia; Ted Nissen of BSSW started as a guard at San Quentin and spent 25 years in the California prison service; Charles Penton, co-founder of Buckingham Security, served as an administrator of the US Bureau of Prisons; and the CCA's advisory board includes five past winners of the American Correctional Association's award for distinguished correctional administrators.

Recent praise

Despite the radical nature of the idea, prison privatization is now receiving fairly widespread support in America. "There's no question at all that the private sector can do the job better than government -- more cheaply, more efficiently, more sensitively," says Jerome Miller, former commissioner of youth services for the states of Massachusetts, Illinois, and Pennsylvania.[59] Frank Carrington, executive director of

the Victims Assistance Legal Organization, comments that "as far as what I've read, I'm for it. The situation is so horrible now that anything is worth trying." [60] Warren I. Cikins of the Brookings Institution was initially skeptical but after extensive research concluded that privatization was "worth a try." He sees the trend as "another demonstration of co-operation between the public and private sectors. Sure, there are a lot of dangers, so we just have to keep an eye on them and keep them from happening." [61] Dr Peter Greenwood of the Rand Corporation has also undertaken a study of prison privatization and concluded that 'there is nothing about running a prison that requires the government to be involved. If private agencies can run government-funded hospitals, drug and alcohol treatment programmes, and job--training programmes, they can run prisons too.' [62]

The American Correctional Association (ACA), with 20,000 members among prison administrators, parole and probation officers, is a firm advocate of private sector involvement in prisons. The ACA director of correctional standards describes privatization as "very effective for state, local, and federal facilities." [63]

The media have been relatively supportive of privatization, with local papers praising quality improvements in local privatized jails. Papers have given support to the general concept of prison privatization too. The San Diego Union is an example, stating in an editorial that:

"There are several reasons why private companies can do a better job of building and running prisons. Cost effectiveness heads the list. Unlike the state and federal government, private companies are able to avoid the red tape that causes countless delays and increases construction costs. Private companies are accountable to their investors and, therefore, are motivated to operate efficiently and complete building projects ahead of schedule.

Nor is the company's accountability limited to its investors. The firm must satisfy their terms of a contract with the corrections department or risk losing that contract when it comes up for renewal. Consequently private companies have an incentive to provide and operate a secure -- yet humane -- facility where prisoners are actually rehabilitated. Such is not the case in state and federal prisons that stay in business regardless of their dismal track record." [64]

Most observers believe that prison privatization is set to expand in the US. Dennis Bradby of Corrections Corporation of America says his company "intends to be in business for a long time," [65] and are planning long-term ventures. He believes that there are good indications that prisons privatization is not just a temporary trend. Paul J Felton, vice president for corporate finance at Sutro & Co. in San Francisco, thinks 'it might take five years before regulatory hurdles are crossed, but when you've got a system as bad as the nation's prison system and someone comes along with a better way of doing things, a major shift is bound to occur.' [66] E F Hutton's Steve Binder says that for new prison construction "the trend is unquestionably toward lease-purchase financing." [67] In Texas, Representative Ray Keller, who oversees the prison system, thinks privatization is inevitable, "because while Texans don't like high taxes, they want criminals behind bars." [68]

7. Conclusion and recommendations.

This report is the first comprehensive review of private prison experience to be published in the United Kingdom. Whereas most comment to date has been theoretical speculation about what might result from prison privatization, such a review of the evidence can provide some hard conclusions based on the facts of what actually has happened.

Perhaps the most surprising facts revealed by the report are the greatly improved conditions for prisoners in all the U.S. private jails. These improved conditions have been hailed by the prisoners themselves and by disinterested observers such as local media and clergy. That costs can be cut is not very surprising, given the general record of privatization, but that private firms can both cut costs and improve standards is certainly worth noting. Perhaps the most compelling argument for prison privatization is therefore the humanitarian one.

Conclusions

in summary, the evidence is that:

- (1). Contract management of prisons has led to a dramatic improvement in conditions for prisoners, in terms of relief of overcrowding, food, better medical care, opportunities for recreation, and the encouragement of self-respect.
- (2). Privatization has not adversely affected public sector prison employees. They have been offered jobs in the private prisons, at similar or increased levels of pay, and good benefit packages which often include stock ownership opportunities. For public sector prison administrators, the privatization trend presents entrepreneurial opportunities, of which some have already taken advantage.
- (3). Prison privatization results in operating cost savings of between 5% and 25%, and provides a means of utilizing private capital to build new prison facilities, thus taking the burden off the taxpayer.
- (4). Private companies can build new prison facilities in a remarkably short time, often as little as 6 months, thus further cutting costs.
- (5). Competing private companies can provide significant innovations in prison design, construction and management, as well as innovative alternatives to

conventional prisons such as home arrest and electronic monitoring.

(6). The disciplines and opportunities provided by private enterprise within prisons can train inmates to perform a useful role in society, enable them to build up some savings, and contribute to the costs of running the prison.

A model for the UK

Private prison experience in America has been sufficiently extensive and positive to warrant a major experiment with prison privatization in Britain. Britain has led the world in most areas of privatization, yet in the prison field there is a danger that she will fall behind as countries such as America and France use privatization to solve the major social problems of public-sector prison decline. Accordingly, the following recommendations can be made for a wide-ranging experiment in Britain:

(1). Bids from the private sector should be invited for the construction and operation of new prisons. A new private remand prison for London should be the first priority.

(2). Operation of at least two existing secure detention facilities for juveniles should be contracted out to the private sector.

(3). Operation of at least three existing medium security adult prisons should be contracted out to the private sector. One of these should be in Scotland.

(4). Public sector prison industry programmes should be gradually closed, and replaced by a variety of private sector enterprises, including inmate-run businesses.

(5). A full survey of the US experience should be undertaken, with particular regard to the drafting of contracts. US private prison firms should be invited to advise on the progress of privatization in Britain.

(6). Favourable treatment should be given to private prison companies formed by public-sector prison employees.

(7). Sentencing policy should be revised to permit the sentencing of offenders to electronically monitored home arrest, and privately operated evening/night detention centres.

(8). If experience of the experimental privatized jails proves satisfactory, full privatization of the rest of the jail system should be phased in gradually.

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