



Trump's Prison Profiteers

After For-Profit Prisons Backed Trump, Trump Reversed Obama's Order Limiting Government Use of Private Prisons – and Paid the Biggest Private Prison Companies \$1.8 Billion in Federal Taxpayer Dollars

June 11, 2018 – For-profit prison corporations strongly supported Trump during his presidential campaign, and have cultivated relationships with Trump-allied lobbyists. The biggest spender, GEO Group has reaped the greatest rewards, having received a total of \$739 million in federal contracts since Trump took office. CoreCivic also has spent millions seeking influence with the Trump administration, and received \$675 million in federal contracts. The third-largest private prison funding recipient is Management & Training Corporation, which has received \$469 million in federal contracts since Trump took office.

KEY FINDINGS, BY THE NUMBERS

- **\$225,000:** GEO Group contributions to a Trump super PAC in 2016.
- **\$1.6 million:** Contributions by for-profit prisons to 2016 political campaigns.
- **85%:** Amount of these contributions that went to Republicans.
- **\$500,000:** Amount GEO Group and CoreCivic contributed to Trump's inauguration fund.
- **\$3.47 million:** Amount for-profit prisons spent on lobbying in 2017 – more than the industry has spent any year for the past ten years.
- **100%:** Amount GEO Group and CoreCivic stock went up after Attorney General Jeff Sessions rescinded the Obama policy to phase out private prison use.
- **2:** Former Jeff Sessions aides who are now GEO Group lobbyists.
- **\$1.8 billion:** Amount the federal government has awarded CoreCivic, GEO Group, and Management & Training Corporation in contracts since Trump took office.

Trump's Election Made Private Prison Profits Great Again

In 2016, after the release of a Justice Department report showing that private prisons have worse safety and security records compared to facilities that are run by the government,¹ Deputy Attorney General Sally Yates issued a memo instructing the Federal Bureau of Prisons to limit the use of private prison facilities.² The memo cited declining prison populations, which Yates attributed in part to the Obama DOJ's sentencing guideline reforms. "I am eager to enlist your help in beginning the process of reducing—and ultimately ending—our use of privately operated prisons," Yates wrote, ordering the bureau to "decline to renew" or "substantially reduce" its contracts with for-profit prison corporations. The memo did not change for-profit prison contracting policy for Immigration and Customs Enforcement (ICE), which is under the Department of Homeland Security.³

On February 21, 2017, Attorney General Jeff Sessions rescinded Yates' memo, stating that it "changed long-standing policy and practice, and impaired the Bureau's ability to meet the future needs of the federal correctional system."⁴ In January 2018, the Bureau of Prisons announced plans to reduce staffing at government-run prisons by up to 14 percent and issued a memo with the stated goal of "increasing population levels in private contract facilities."⁵

During Trump's first year in office, ICE increased arrests by 30 percent to 143,470 in 2017 from 110,104 in 2016.⁶ The administration sought \$1.2 billion in the 2018 federal budget to increase ICE's detention capacity to 48,000 individuals per day.⁷

After Trump's election, the stock prices of GEO Group, a corporation with assets of \$4 billion headquartered in Boca Raton, Fla.,⁸ and CoreCivic, a \$3 billion corporation based in Nashville, Tenn.,⁹ were already trending upward. After Sessions eliminated the Obama policy of ending private prison use, GEO Group's share price went up to 100 percent from its low point after Yates' memo. Today the stock is up 71 percent from its low point.¹⁰ CoreCivic's stock followed the same pattern, with a more than 100 percent increase that

¹ <https://oig.justice.gov/reports/2016/e1606.pdf>

² <https://www.justice.gov/archives/opa/file/886311/download>

³ <https://apnews.com/567c4b8693044e2c98e3d6fb81682c1f>

⁴ https://www.bop.gov/resources/news/pdfs/20170224_doj_memo.pdf

⁵ <https://www.govexec.com/management/2018/01/trump-administration-looks-boost-use-private-prisons-while-slashing-federal-staff/145496/?oref=top-story>

⁶ https://www.ice.gov/removal-statistics/2017#_ftn3

⁷ <https://www.usatoday.com/story/news/world/2017/10/17/trump-plans-massive-increase-federal-immigration-jails/771414001/>

⁸ <http://www.snl.com/Interactive/newlookandfeel/4144107/2017-GEO-Annual-Report.pdf>

⁹ <http://ir.corecivic.com/static-files/f242d017-6ce3-4bb5-ae33-f6888059dc9b>

¹⁰ <https://www.google.com/search?q=NYSE:GEO>

eventually stabilized, and is now up 50 percent from its low point.¹¹ (Management & Training Corporation is privately held and based in Utah.¹²)

Since Trump took office, the federal government has spent more than \$739 million on contracts with GEO Group, more than \$675 million on contracts with CoreCivic and more than \$469 million on contracts with Management and Training Corporation.¹³ Together, they've received more than \$1.8 billion.

In 2016, For-Profit Prisons Backed Republicans Generally, and Trump Specifically

During the 2016 elections, the private prison industry made \$1,599,176 in campaign contributions, more than it had ever spent before. Of these campaign contributions, 85 percent were given to Republicans. GEO Group accounts for three-fourths of this 2016 private prison campaign spending.¹⁴

A GEO Group subsidiary contributed \$100,000 to a super PAC that backed Trump the day after Yates' issued the memo calling for ending the Bureau of Prisons' use of private prisons.¹⁵ The subsidiary would contribute a total of \$225,000 to the Trump super PAC.¹⁶ Federal law forbids government contractors from making political contributions.¹⁷ The Campaign Legal Center is suing the Federal Election Commission for failing to enforce the law.¹⁸

GEO Group and CoreCivic each contributed \$250,000 toward Trump's inauguration fund.¹⁹

¹¹ <https://www.google.com/search?q=NYSE:CXW>

¹² <http://www.mtctrains.com/>

¹³ Public Citizen analysis of public data accessed via USAspending.gov, available at <https://www.usaspending.gov/#/search/d7c2ee81fd6a6b3b30e4d5b58c92394f>

¹⁴ <https://www.opensecrets.org/industries/totals.php?cycle=2018&ind=G7000>

¹⁵ <http://www.newsweek.com/departments-justice-prison-contracts-geo-group-pay-play-626120>

¹⁶ <http://www.ibtimes.com/political-capital/lawsuit-trump-super-pac-took-illegal-donation-private-prison-company-2640069>

¹⁷ <https://www.law.cornell.edu/uscode/text/52/30119>

¹⁸ <http://www.ibtimes.com/political-capital/lawsuit-trump-super-pac-took-illegal-donation-private-prison-company-2640069>

¹⁹ <https://www.usatoday.com/story/news/politics/2017/02/23/private-prisons-back-trump-and-could-see-big-payoffs-new-policies/98300394/>

For-Profit Prisons Spend Millions on Lobbying, Deploy Revolving Door Lobbyists

The private prison industry also has spent substantial sums attempting to influence the administration and Congress through lobbying.

In 2017, according to data compiled by the Center for Responsive Politics, the industry spent \$3.47 million on lobbying, more than it has spent any year in the past ten years.²⁰

Since Trump took office, the industry's top lobbying spenders have been GEO Group, which has spent \$2.47 million lobbying, and CoreCivic, which has spent \$2.05 million. Management and Training Corporation has spent \$935,000.²¹ GEO Group has paid \$700,000 in lobbying fees to Ballard Partners, a firm run by a Trump fundraiser who Politico dubbed the "most powerful lobbyist in Trump's Washington."²²

Two former aides to Jeff Sessions, David Stewart and Ryan Robichaux, also are now GEO Group lobbyists.²³

—by Rick Claypool, research director for the president's office at Public Citizen

²⁰ <https://www.opensecrets.org/industries/lobbying.php?cycle=2016&ind=G7000>

²¹ <https://www.opensecrets.org/lobby/clientsum.php?id=D000027364>

²² <https://www.politico.com/magazine/story/2018/04/02/most-powerful-lobbyist-in-trump-washington-217759>

²³ <https://www.thenation.com/article/memo-restoring-use-of-private-prisons-is-good-news-for-one-company/>