

# The Rebirth of Prison Inc.

Geo Group, the world's largest and most profitable operator of private detention centers, has turned a blind eye to sexual abuse at two Bay Area halfway houses, an auditor finds.

By Channing Joseph

## When the young prisoner

went missing from the examination area, the nurse went to look for him. As she walked by the restroom, she heard “moaning and groaning sounds” wafting through the walls.

“Where do you want me to put it?” she heard a confused voice ask.

Alarmed, the nurse ran to alert an officer, and upon her return, she saw the young man she had been looking for. He was emerging from the restroom, another nurse standing at his side. The youth told authorities that the second nurse had followed him to the toilet and had initiated oral sex.

“Sex between staff and incarcerated youth is never consensual,” no matter the inmate’s age, Justice Department investigators wrote after the 2010 incident, but at the Walnut Grove Youth Correctional Facility — a Mississippi detention center for males aged 13 to 22 — such “brazen” acts of sexual misconduct by prison staff members occurred “on a monthly basis, at a minimum.”

In their 2012 report, DOJ officials remarked that Walnut Grove’s record of sexual misconduct was “among the worst that we have seen in any facility in the nation” and that the prison staffers’ active gang affiliations, unprovoked bouts of violence, and “deliberate indifference” to brutal rapes of young prisoners by fellow inmates were “stark evidence of a dysfunctional system.” Many of the staff did not even view their own sexual misconduct as child abuse because the under-age prisoners had been adjudicated as adults.

In court records filed that same year, U.S. District Court Judge Carlton W. Reeves went so far as to call the chronically short-handed and underfunded facility “a cesspool of unconstitutional and inhuman acts.”

At the time, the prison was run by the Geo Group, which is today the largest operator of private detention centers in the world, with roughly 87,000 beds and 104 correctional facilities in the U.S., the United King-

dom, Australia, and South Africa. Its revenue in 2015 was \$1.84 billion, up from \$1.69 billion in 2014.

Four years after being kicked out of Mississippi for its mismanagement of Walnut Grove, the Geo Group has continued to pursue the same business model — one largely based on keeping costs low and employing minimal (and often unqualified) staff — that federal investigators concluded had led, in part, to the abuses at the Mississippi prison.

But last month, the Federal Bureau of Prisons promised that it would begin to phase out its use of private

contractors to help house the approximately 195,000 federal inmates held nationwide. Soon after the BOP’s announcement, the Homeland Security Department also said it would consider canceling contracts for immigrant detention centers, and this month, on Sept. 15, the State of Mississippi finally shuttered Walnut Grove.

“Private prisons ... simply do not provide the same level of correctional services, programs, and resources,” Deputy Attorney General Sally Yates wrote in an Aug. 18 memo. “[T]hey do not save substantially on costs; and ... they do not maintain the same level of safety and security.”

There are now three private prison companies under contract with the federal government — the Geo Group; Corrections Corporation of America; and Management and Training Corporation — and Washington’s decision to end their contracts follows years of financial mismanagement and poor staffing and security practices by the three companies. Between 2008 and 2015, several prison riots have resulted, causing “extensive property damage, bodily injury,” and two deaths, according to a review by the Justice Department’s Office of the Inspector General.

Yet as cash from private detention facilities dries up, private prison corporations are seeking opportunities to grow into other areas.

A clue to which ones is hidden in Yates’ memorandum.

“The Bureau also

maintains contracts with private companies to operate hundreds of community-based Residential Reentry Centers, or ‘halfway houses,’ across the country ...,” she wrote in a footnote. “The use of private companies to operate Residential Reentry Centers is not the focus of this memorandum.”

In other words, contracts with these “re-entry” facilities are not being phased out, and corporations that, up to now, have earned the bulk of their revenue from privately run prisons can safely invest in more halfway houses. In the Geo Group’s case, the company is already contracted by the federal government to operate 12 halfway houses. It also runs 64 nonresidential “day reporting centers” and numerous other less traditional corrections facilities for young people and adults across the U.S.

“We are working with our existing federal, state, and local correctional clients to leverage new opportunities for both residential reentry facilities as well as non-residential day reporting centers,” the company admitted in its 2015 annual report to shareholders. “We continue to expend resources on informing state and local governments about the benefits of public-private partnerships, and we anticipate that there will be new opportunities in the future as those efforts begin to yield results.”

Two of the Geo Group’s halfway houses are in the Bay Area.

One of the them, the Taylor Street Center, is a historic building with a capacity of 210 people, located in the heart of San Francisco’s Tenderloin neighborhood at the site of the Compton Cafeteria Riot of 1966. The other, the Oakland Center, is a residential building with a capacity of 69, located in a historic block of MacArthur Boulevard.

Independent audits of the facilities, conducted on-site over the course of four days in August 2014 — but never reported on before — found that the Geo Group has continued to cast a blind eye on incidences of sexual abuse, starting with reports of “sexual touching and voyeurism” of female residents by a staff member at the Oakland Center.

When the abuses occurred, the Oakland facility did not place the employee on administrative leave pending the results of an investigation. Instead, the Geo Group violated its own policy on protecting halfway house residents, and it transferred the staffer to its San Francisco facility. Once there, the staffer was

allowed to keep working with female residents, and additional complaints of abuse continued to be filed until the person’s resignation, at which point, the Bureau of Prisons simply closed the case, the auditor found.

Pablo Paez, the Geo Group’s spokesperson, did not reply to repeated requests for comment on the case.

As was true for Walnut Grove and other Geo Group agencies, the audits cited chronic staff shortages and cost-cutting — as demonstrated by the company’s unwillingness to pay competitive wages — as being partially to blame for the situation.

“Oakland Center reportedly has the highest staff turnover rate of any of GEO’s halfway house facilities,” the auditor found. “Staff report that wages for lower level monitors are low for the California Bay Area. People work for Oakland Center for the great security and corrections training it provides, then staff seek higher paying jobs based in large part on the Oakland Center experiences.”

“Taylor Street Center ...” the auditor added, “has similar staffing challenges, with low pay for security staff and no levels for advancement.”

In a further twist, the Geo Group’s stated policy is to provide its residents with “access to outside victim advocates” when sexual abuses occur. But that so-called access, the audit determined, amounts to providing the alleged victims with the “mailing addresses and toll-free hotline numbers for local and national victim advocacy or rape crisis organizations.”

Nothing more can be done for these victims of abuse, the Geo Group told the auditor, because community organizations that can provide sexual abuse counseling have not responded to the company’s requests.

Caroline Isaacs, the Arizona program director for the American Friends Service Committee, a Quaker group that advocates for improved prison conditions, says that the abuses found at the Geo Group’s facilities are “fundamentally inherent in the business model of for-profit corrections” because the company has to provide 24/7 care, feeding, and security for inmates.

“The way that they get the contract is that they have to be the lowest bidder,” she notes, “but they also have to make a profit for their shareholders. It’s impossible to do all of those things and deliver a quality product.”

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