

Wackenhut Corrections Corporation



Corporate Profile Series

[LAST UPDATED MAY 2003]

IMPORTANT NOTE: In May 2002, Wackenhut Corporation and 57 percent of its main division Wackenhut Corrections Corporation were sold to Group 4 Falck, a Danish security company and prison's conglomerate. This made Group 4 Falck the largest security firm in the world. However, in May 2003, Wackenhut Corrections Corporation announced an agreement to repurchase all Wackenhut Corrections Corporation common stock held by Group 4 Falck, its 57% majority shareholder. Prior to the purchase of Wackenhut Corporation by Group 4 Falck this profile focused specifically on Wackenhut Corporation and Wackenhut Corrections Corporation. As of May 2003 this profile will focus primarily on Wackenhut Corrections Corporation. Some of the exploits of pre-2003 Wackenhut Corporation will remain in this profile.

1. Organizational Profile

Wackenhut Corrections Corporation (WCC) is involved in correctional and detention management, medical and mental health rehabilitation services to business and government agencies on a worldwide basis. They design, construct, finance and manage jails, state and federal prisons, mental health institutions, and immigration and detention centres. George C. Zoley, Chairman and CEO, claims that WCC is a "world leader in privatized correctional and detention management". WCC was founded in 1984, and until May 2003 was a main division of Wackenhut Corporation. Wackenhut Corporation, in turn, was purchased by Group 4 Falck in May 2002. In May 2003 WCC repurchased its majority stock from Group 4 Falck. **Thus, as of May 2003, Wackenhut Corrections Corporation is acting as its own company, separate from Group 4 Falck and Group 4 Falck's subsidiary Wackenhut Corporation.**

At the close of 2002 WCC had received 59 awards/contracts representing 69 correctional/detention facilities in the United States, United Kingdom, Australia, Canada and New Zealand with a total of 43,067 beds and 11 412 employees (PSIRU, No. 55, May 2003; Wall Street Journal May 6, 2003; WCC press release April 14, 2003). <http://www.psiru.org/justice/PPRI55.1.htm>

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Regional Offices: California, Texas, Florida, London, UK, Sydney, Australia, Johannesburg, South Africa

International Wackenhut Corrections Subsidiaries:

- Australasian Correctional Management (ACM) – Australia/New Zealand
- Premier Prison Services (PPS) - UK
- South African Custodial Services (SACS) – South Africa

For a full listing of all of their facilities around the world, including information on the contract and prison capacity, go to: <http://www.wcc-corrections.com/wcc-corrections/global-facilities.asp?id=3>

For an interactive Map of all their facilities, go to:

<http://www.wcc-corrections.com/wcc-corrections/facilities-interactive-map.asp?id=3>

[from the Wackenhut Corrections Website]

2. Economic Profile

Financial Data - Wackenhut Corrections

	2002	2001	2000	% change [2001-2002]
Revenue	\$568.6m	\$562.1m	\$535.6m	1.2%
Net Income	\$21.5m	\$19.4m	\$16.9m	10.8%
Earnings per Share	\$1.0	\$0.91	\$0.80	

Stock Ticker: Wackenhut Corrections Corporation– WHC

Selection of Recent Transactions:

May 2003 – Wackenhut Corrections Corporation (WCC) agrees to sell its 50 percent interest in its joint venture with Serco Investments Limited (Serco). As a result of this agreement WCC will drop its lawsuit in the UK challenging Serco's post-Wackenhut Corporation/Group 4 Falck merger claim to acquire WCC's interest in the joint venture.

May 2003 – Group 4 Falck sells its interests in Wackenhut Corrections Corporation back to Wackenhut Corrections Corporation.

April 2003 – WCC subsidiary Australian Correctional Management closes two immigration detention centres including the notorious Woomera centre. Detainees will be relocated to the new WCC/ACM owned Baxter detention centre. Last year UN Human Rights Committee chair Justice P.N. Bhagwati visited Woomera and described the facility as 'inhuman and degrading', possibly contravening UN conventions against torture, on the rights of the child, and civil and political rights. Australia dismissed the report as 'emotive'.

March 2003 – WCC was awarded a five year contract by the Commonwealth of Virginia Department of Corrections to operate a 1,536 bed medium security, adult male prison in Lawrenceville Virginia worth \$19 million annually.

March 2003 – Premier Detention Services was awarded a five-year \$76 million

construction and \$229 million operating contract for an immigration removal centre and short term holding facility in Harmondsworth, Middlesex UK. Premier Detention Services Ltd. Is a WCC and Serco joint venture company.

February 2003 – The Colorado Department of Corrections notified WCC of its intent to enter into a contract to build and operate a 500 bed pre-parole and parole revocation centre in Pueblo Colorado worth \$9.6 million annually.

January 2003 – The Florida Department of Children and Families gave notice Atlantic Shores Healthcare, Inc., a subsidiary of WCC, that they will exercise their option to extend the South Florida State Hospital management contract effective July 2003.

September 2002 – WCC subsidiary Australian Correctional Investment Limited, signed a variation to their existing agreement with the Department of Justice, Victoria Australia, to design, build, finance and manage a 68 bed community program facility at the existing Fulham Correctional Centre in Sale, Victoria. Management of the new facility has been subcontracted to WCC subsidiary Australian Correctional Management.

August 2002 – WCC Australian subsidiary, Australian Corrections Management, was selected by the Department of Corrective Services Queensland to continue operating the 710 bed Arthur Gorrie correctional centre in Brisbane. The deal is worth \$13.3 million annually.

June 2002 – Premier Prison Services (WCC subsidiary) prison director at the Ashfield Young Offenders Institute near Bristol UK was temporarily removed by Her Majesty's Prison Service and replaced with public sector employees due to concerns over staffing and safety issues (Gale Group Business and Industry 2002).

<http://www.observer.co.uk/international/story/0,6903,944341,00.html>

<http://www.refugeeaction.org>

May 2002 Wackenhut Corrections elected George Zoley as Chair of the Board and Wayne Calabrese as Vice Chair, to replace George and Richard Wackenhut and Philip Maslowe who resigned following the merger of Wackenhut and Group 4 Falck. Wackenhut also elected Lars Norby Johansen, President and CEO of Group 4 Falck and Soren Lundsberg-Nielson of Group 4 Falck to the Board.

May 2002 – Wackenhut Corporation is acquired by Group 4 Falck, the Danish Security firm. With this acquisition, Group 4 Falck becomes the largest security firm in the world, with assets of over \$5 billion. There has been much discussion that Group 4 Falck would sell off the Wackenhut corrections division of Wackenhut, but this has yet to mate

May 2002 – Executives get big payoff, prompts public shareholder lawsuit – When Wackenhut was taken over by Group 4 Falck, founder George Wackenhut retired with \$124 million from his share in the company, and his son Richard gained \$31.2 million and will continue to do consulting work. From PSIRU's Prison privatization Report International: "soon after the proposed acquisition was made public in March 2002 some Wackenhut shareholders filed lawsuits in order to prevent it being completed. They alleged that the terms favoured the Wackenhut family and other executives at the expense of Wackenhut's public shareholders. That ploy failed in April when a Florida court ruled that the vast majority of Wackenhut shareholders stand to profit

but that they could still seek damages once the deal was approved." <http://www.psir.org/justice/ppri47.htm>

March 2002 – Awarded 3 federal contracts worth \$23.8 million annually. The contracts are: Base operations services for the National Maritime Intelligence Center in Suitland, Maryland and its Nebraska Avenue complex in Washington, D.C.(1 year plus 6 option years); Operation of the Public Safety Communications Center at the Federal Protective Service MegaCenter in Battle Creek, Michigan (1 year plus 4 option years); Armed security services at NASA's Johnson Space Center in Houston, Texas. Diamond Group, with Wackenhut Services as a subcontractor (18 months with 3 option years)

March 2002 – Awarded a contract for security services at the Palisades nuclear power plant in Covert, Michigan (4 years plus 5 one year options)

January 2002 – Wackenhut Corrections Australian subsidiary, Australasian Corrections Management, received a contract extension for health care services at the Victoria Public Corrections Enterprise.

November 2001 – Awarded a 3 year contract to continue to provide physical security services at the Robert E. Ginna Nuclear Plant near Ontario, New York. [Other contracts for security services Wackenhut offers to federal nuclear facilities managed by the U. S. Department of Energy include the Nevada Test Site, the Oak Ridge complex (Tennessee), the Savannah River Site (South Carolina), the Rocky Flats Environmental Technology Site (Colorado), and the Nonproliferation and Nuclear Security Institute (Albuquerque, NM).]

September 2001 – Wackenhut Corrections' Australian Subsidiary Australasian Correctional Management in talks to develop three new immigration centers in Australia. 3,000 beds

July 2001 – Wackenhut UK subsidiary Premier Custodial Group opened a new prison at Marchington, England. 800 beds, 25-year contract.

July 2001 – Wackenhut announced pending discontinuation of its Delaware County, Pennsylvania contract, said to be based on "[eliminating] the higher than anticipated inmate medical and litigation charges have had on our earnings over time" (Wackenhut Press Release, July 11, 2001)

May 2001 – Wackenhut subsidiary Atlantic Shores Healthcare was awarded the contract with the Florida Department of Children and Families to build and manage a 600-bed 'civil confinement and treatment facility' for the sexually violent.

March 2001 – Opened new prison for Federal Bureau of Prisons in Winton, North Carolina. 1200-bed, low security.

February 2001 – Declined extension of Arkansas management services contract saying, "we continue to incur substantial financial losses due to the unexpectedly high cost of women's health care, and the current contract do not allow sufficient flexibility to adequately address these increased costs.

January 2001 – Val Verde Correctional Facility began to receive its first inmates for its 331 capacity prison. Revenues for Wackenhut are estimated to be \$13.5 million/year.

August 2000 – South African Custodial Services (SACS) gained a contract from the SA government for the development and 25 year operation of a 3,024 bed maximum security prison at Louis Trichart in South Africa's Northern Province. Construction cost - \$44.6 million US

2000 – Wackenhut Corrections Corporation sells the Jena Juvenile Justice Centre (Louisiana) to Correctional Properties Trust.

March 2000 – The United States Justice Department sued the state of Louisiana and facility owner/operator Wackenhut Corrections Corporation over allegations of excessive abuse and neglect at the Jena Juvenile Justice Centre. The Justice Department at the same time filed for emergency relief in order to "protect the juveniles from the dangerous and life-threatening conditions" at the Jena Juvenile Justice Centre.

<http://www.usdoj.gov/opa/pr/2000/March/155cr.htm>

July 1998 – South African Custodial Services (SACS) gained the concession for the design, construction, financing, and operation of a 1,500 bed pre-trial detention facility in Boksburg, Gauteng Province

3. Political Profile

Politicos have traditionally filled the Wackenhut Corrections Corporation Board of Directors, including:

- Benjamin R. Civiletti, served from 1979 - 1980 as the Attorney General of the United States
- G. Fred Dibona jr., co-recipient of the National Patriot's Award from the Congressional Medal of Honor Society in 1995 with former President George Bush
- Anne Forman, former Under Secretary of the United States Air Force, former General Counsel of the Department of Air Force and member of the Department of Intelligence Oversight Board
- Richard Glanton, served from 1979 – 1983 as Deputy Counsel to Richard L. Thornburgh former Governor of Pennsylvania.

A number of former government employees are now highly paid executives with Wackenhut Corrections Corporation, including:

- Senior Vice President Of North American Operations John M. Hurley was employed for 26 years by the Department of Justice, Federal Bureau of Prisons.
- Chief Financial Officer, Senior Vice President and Treasurer John G. O'Rourke, most recent position was in the Office of the Secretary of the Air Force. Prior to joining WCC O'rourke was a career officer in the United States Airforce.

<http://www.wcc-corrections.com/wcc-corrections/management.asp?id=1>

The New Mexico State Legislatures Democratic Leader, Manny Aragon, is a paid lobbyist for Wackenhut and once used an Aragon company to supply concrete for Wackenhut prison construction. This is illegal activity, as acknowledged by State Senator Cisco McSorley

<http://www.corpwatch.org/issues/PID.jsp?articleid=868>

Michael Olguin, former New Mexico state House majority leader, quit his role as vice-chair of the Democratic party in Mexico to become a paid lobbyist for Wackenhut Corrections. He had previously been very critical of Wackenhut's activities, including the incidents at the prison in August 1999 (see below)

<http://www.psiru.org/justice/ppriarchive/ppri33-01-00.htm>

Campaign Financing

(focused on Wackenhut Corporation, - contributions directly from the newly separate Wackenhut

Corrections Corporation are not yet available)

- Wackenhut gave \$20,000 towards the cost of President Bush's inauguration (St. Petersburg Times, 17 Jan 2001) as well as \$5,000 for his 2000 campaign (www.opensecrets.org)
- 2000 election – gave \$25,850 in Political Action Committee (PAC) donations and \$55,650 in soft money contributions. (relatively evenly distributed between Democrats and Republicans – which is telling given Wackenhut's hardline right wing history). Beyond Bush's \$5,000, the top receivers of money were Florida legislators: House member Mark Foley-R (\$2,850) and Senator Bill Nelson-D (\$3,500). Nelson has since been named as vice-chair of the Democratic Senatorial Campaign Committee (DSCC)
- Wackenhut gave \$33,325 to candidates in the 1998 election.
- Made political donations in New Mexico of \$9000 to the Republican Governor and \$5000 to the state Republican Party. [Above available at www.opensecrets.org]
- **Florida** – In Florida, lawmakers considered two bills to abolish the state Correctional Privatization Commission and transfer its duties. Both measures arose from concerns over conflict-of-interest allegations involving the staff of this oversight body and the consultants with whom they worked. Both bills died. Executives and lobbyists for private prisons were active campaign contributors in 2000, giving 122 candidates more than \$158,400. And more than half of the House and Senate candidates, or a voting majority, received at least \$1,000 in contributions from industry sources. Wackenhut Corrections gave \$12,500 of its \$65,200 on Nov. 1 and Nov. 2, just hours before the midnight Nov. 2 deadline for contributions. (Taken directly from the report "PRISON COMPANIES GIVE \$1.1 MILLION TO CAMPAIGNS IN SOUTHERN STATES" Campaign Donations Targeted Incumbents, Winners in 2000 – The National Institute for Money in State Politics - <http://www.followthemoney.org/press/prisons.phtml>)

Added note on Florida: Florida created the Correctional Privatization Committee in 1993, which was to act as a source of information and to provide backing on state prison privatization. One of the strongest supporters was Charles Thomas, who was a consultant for the commission and ran the Private Corrections Project at the University of Florida. At the same time he was pushing for the state to privatize, Thomas had financial interests in prison related companies, including \$660,000 in stock which included stock in Wackenhut. Ultimately Thomas was fined \$20,000 and forced to resign from the commission. ("Take Privatizing Public", Palm Beach Post, March 26th, 2001)

4. Social Profile

Wackenhut Corrections – Problem Contracts

- **Australasian Correctional Management – Immigration Detention Centres**

ACM operates 15 correctional facilities in Australia including the infamous Baxter, Port Hedland, Woomera (closed, early 2003), Christmas Island (closed, early 2003) and Villawood detention centres. ACM has been accused of maintaining a “culture” at facilities like Woomera and the new Baxter institutions that includes frequent random searches, head counts, sleep deprivation and the refusal by the authorities to provide

timely medical care. Paul Griffiths of the Refugee Action Committee recently commented in the Canberra times that the recently built Baxter Detention Centre "was designed to be ultra-secure...something out of Orwell's 1984...One detainee told how, in isolation, some people have had their hands tied with a bracelet, been blindfolded and beaten, stripped naked and put into a room 2m by 2m, and watched by a camera". He notes that a man who broke his leg went 16 days without treatment, only to be given care when he threatened personal damage. The environment at Baxter has led to continuous small protests that are punished with physical violence or isolation. With the reduction in the number of asylum seekers arriving by boat, the emphasis has shifted towards pressuring asylum seekers and refugees to voluntarily repatriate. The refugee action committee notes that the "incredible psychological damage suffered in detention is...a necessary part of the business of collective punishment deterrence and repatriation."

For more information, see, "The detainees have good cause to rebel" by Phil Griffiths, Canberra Times, Friday January 3rd, 2003 http://www.refugeeaction.org/inside/good_cause.htm

Ray Hartigan of the Woomera Lawyers Group told Melbourne's Sunday "Herald Sun" in 2002 that he had observed a marked deterioration. "ACM takes teenagers off the dole queues in places like Port Augusta, trains them for two and a half days, and pays them \$1,000 a week. They do as they're told because the money is good and they don't want to go back on the dole."

In June 2000, 500 people broke out of the Woomera detention centre and 250 broke out in Port Hedland and Curtin. While free for a brief time, some detainees told the media of verbal and sexual abuse, sexual assault, and mental distress.

The Royal Australian and New Zealand College of Psychiatrists advised its members not to accept jobs with ACM and called on staff to boycott the immigration centres because of serious concerns about the company's treatment of asylum seekers, including "children and unaccompanied minors...these are environments which are fundamentally traumatizing and disturbing to the people in there."

ACM's parent company Wackenhut Corrections Corporation's fourth quarter 2001 profits were boosted by the influx of refugees to Australia. WCC's chief executive officer George Zoley referred to "positive Australian immigration centre contract performance." The *Australian Financial Review*, 12 April 2002, reported that 3,600 refugees arrived in the second half of 2001 but the number of detainees has fallen from 3,000 to 1,300 over the past eight months.

In March 2001, the Australian Ombudsman released a report stating that there are systematic deficiencies in the management of these facilities, including "racial abuse of detainees, inappropriate use of force and trashing of detainees rooms by ACM staff; overcrowding; unduly long periods of detention; reports of sexual assaults on women and children; and incidents of attempted suicide and other violence arising from tensions associated with the detention centres. Said reporter Duncan Kerr in the Canberra times: "it is a story of unjustified secrecy, apparent mismanagement, and neglect of our duties towards some of the most powerless people within our national borders."

Following all of this negative press about ACM's contracts, it was announced by the Australia Department of Corrections that ACM's contract would be put up for re-bidding, and in September 2002 a contractor would be

chosen (though ACM is still in the bidding) [The above information taken from: "Dollars, but no sense", Jill Singer, *The Herald Sun (Australia)*, January 25th, 2002; "Wackenhut, Woomera, and Thinking the Unthinkable", Bob Briton, *The Guardian (Australia)*, March 20, 2002; "The Detainers", *Australian Financial Review*, December 15th, 2001; Prison Privatization Report International, No.45, January 2002 www.psir.org/justice/Ppri45.htm; "Sell-offs Devalue the Public Good", Duncan Kerr, *Canberra Times*, March 13th, 2001]

More on ACM and the detention centres from Prison Privatisation Report International issue 46, May 2002 <http://www.psir.org/justice/ppri46.htm> or from the Refugee Action committee website, <http://www.refugeeaction.org>, see specifically: http://www.refugeeaction.org/inside/behind_the_fires.htm

- The contract between ACM and the department of immigration and multicultural affairs (DIMA) to run the Woomera detention centre north of Adelaide shows that it costs \$A109,000 per day to detain 785 asylum seekers, according to *The Australian*, 31 January 2002. ACM was also receiving \$A70 per day for each of the 700 detainees at Port Hedland in Western Australia.
- Three officers employed by ACM at Woomera detention centre who allegedly seized, interrogated and assaulted a 13 year old unaccompanied Afghani boy have been given their jobs back after first being fired in March 2002 over the December 2001 incident. The officers were reinstated after ACM held an internal investigation into the incident. The outcome of a police inquiry is awaited. A former detention centre medical doctor who both witnessed and reported the incident told *The Age*, 20 April 2002, that he examined the boy for bruising around the neck and a welt on his face.
- ACM has lost a Supreme Court appeal against a decision to pay workers compensation to a former officer at Port Hedland detention centre. Todd Francis suffered post traumatic stress disorder after he led officers dealing with a riot in May 2001. He has been unable to work since the riot and, in August 2001, ACM fired him. Western Australia Workcover ordered ACM to pay Mr Francis compensation back dated to June but ACM appealed.
- The Adelaide Magistrates Court has ordered the DIMA to produce some 50 boxes of documents relating to Australia's detention centres and, in particular, video tapes of incidents at the Woomera detention centre. The court is hearing the case of four Iranian men who escaped from the Woomera facility in November 2001 and who are claiming that they are being held as a form of punishment rather than administrative reasons.
- The human rights commissioner of New South Wales has launched an inquiry into the adequacy and appropriateness of Australia's treatment of child asylum seekers and other children who are or have been held in immigration detention centres.

• **Workers Down Tools at prison in South Africa, April 2001** – hundreds of labourers downed their tools during the construction of the Louis Trichart prison and marched to the site office, in support of the subcontractors request for a meeting with management on site. They are demanding more pay, calling it an "exploitation of people without experience, who were not aware of the intensity of the work when [they] signed. (See: "Workers Down Tools at New Prison", Frans van der Merwe, Zoutnet <http://www.zoutnet.co.za/archive/2001/april/27th/newsapril27.asp?StoNum=9>)

In February 2001 at the official opening of the Louis Trichart prison, the minister of correctional services in South Africa, Ben Skosana, stated that "the result of the project will be an enhancement of the quality of services and better value for money" and that the project would save R345.4 over 25 years. Yet, later that year in October 2001 he stated "However, in view of ... the high cost of private financing, *public sector financing for prison construction remains the most cost effective option*. Nonetheless, the government will continue to explore private financing options for prison infrastructure development, *even though this is not the ideal*, because of the need to drastically expand the capacity of the system due to the massive overcrowding situation in our prisons and the obvious strain such a building programme would have on public funding. Notwithstanding the above mentioned limitations regarding private sector funding for prison infrastructure development, there is a continuum of options for involving the private sector in the provisioning of infrastructure services in the corrections environment." According to this statement, the SA government believes that public is more cost effective than private, though it still believes that the less efficient private prisons are necessary to cut overcrowding.

Prison Privatisation Report International (published by public Services International Research Unit), No. 46, March/April 2002 <http://www.psir.org/justice/ppri46.htm>

New Mexico

Guadalupe County Correctional Facility (Santa Rosa) – August 31, 1999 a murder of a corrections officer, a prisoner stabbing, and a riot occurred. Blamed on numerous factors, including the inexperience of staff, and a ratio of staff to inmates (60 to 1) was grossly inadequate.

Lea County Correctional Facility (Hobbs) – numerous incidents, including the killing of a corrections officer (Ralph Garcia, who earned \$7.95/hour), deaths of three prisoners, riots... reasons given for these problems include previous incidents of excessive force which may have exacerbated problems, and illegal prevention of religious ceremonies (as well as charging \$150 for wood for a sweat lodge).

Sources told the London Observer that two week prior to the stabbing Death of guard Garcia, a senior employee warned corporate honchos that the one guard system is a death sentence lottery. The executive's response, "We'd rather lose one guard than two" The state prisons haven't lost a guard in 17 years, Wackenhut lost its first within 17 months. The family of Ralph Garcia is suing the state and the suit states that Governor Gary Johnson and state corrections secretary Rob Perry were sending prisoners to Wackenhut's private prisons in great numbers to "further a political agenda of expanding privatization in New Mexico."

The inmate-on-inmate homicide rate at Wackenhut's New Mexico facilities between December 1998 and August 1999 was a shocking 1 in 400; the national average of was one murder in every 22,000 prisoners.

(<http://www.psir.org/justice/ppriarchive/ppri33-01-00.htm>; "Wackenhut's Free Market in Human Misery", Greg Palast, *The Observer (London)*, September 26, 1999, <http://www.corpwatch.org/issues/PID.jsp?articleid=868>; "Family Suing State in Wrongful Death Suit", Steve Terrell, *Santa Fe New Mexican*, June 19th, 2001; "Bailing out Private Jails", Judith Greene, *The American Prospect*, September 10th, 2001)

- **Jena Juvenile Justice Center, Louisiana** –In July 2000, the state of Louisiana withdrew its juvenile offenders from the Jena facility after numerous egregious incidents occurred including the March 1999 a beating of a 17 year-old boy by Wackenhut staff that was so severe that part of his intestines leaked into his colostomy bag. Other problems include inadequate teaching, lax security, high staff turnover and insufficient training. State corrections Secretary Richard Stalder called the Jena contract "an experiment that I will not characterize as a success" Wackenhut Corrections Corporation sold the Jena Juvenile Justice Centre

(Louisiana) to Correctional Properties Trust. (for additional full details of incidents at Jena as reported by the US Justice Dept., see Harpers Magazine, July 2000 'I Know Why the Cajun Bird Sings', See also: "Locked Inside A Nightmare" 60 Minutes II, January 15th, 2001

<http://www.cbsnews.com/stories/2000/05/09/60II/main193636.shtml>)

- **Travis County Correctional Facility, Austin Texas** – fourteen guards formerly employed by Wackenhut have been indicted for sexual misconduct against female prisoners. Other incidents include the alleged ordering of a tape to be erased which showed a handcuffed prisoner lying on the floor handcuffed restrained by a guards knee to the neck, chronic staff shortages, and the cutting of required rehab projects. The company, which was fined a record \$625,000 lost its contract to run the facility in November 1999.

<http://www.psimu.org/justice/ppriarchive/ppri32-11-99.htm>

- **Coke County Juvenile Facility (Texas)** – a lawsuit filed by 12 girls alleging sexual abuse at the facility led the company to make an out of court settlement. On the day of the settlement, one of the girls, Sara Lowe who stated that she had been raped almost nightly, committed suicide. "She shot herself twice," says her mother Gayle Lowe. "She wanted to die so bad she shot herself under her chin and her temple." Her sister Jenny said: "She wasn't trying to get money out of it. She just wanted an apology and for Mr. Wackenhut to live like one day in the life of all the girls and boys in the facility just to see what they go through every day. And just to have an apology for ruining her life." Asked if the Wackenhut Corp. owes an apology to Sara or any other inmate, then CEO George Zoley responded, "Not that I'm aware of. I don't know what you mean by that." ["Locked Inside A Nightmare" 60 Minutes II, January 15th, 2001

<http://www.cbsnews.com/stories/2000/05/09/60II/main193636.shtml>]

- **Koraal Specht Prison (Curacao – Netherlands Antilles)** – escape of 23 prisoners since early 2000 (when Wackenhut began to redesign and manage the prison) has led to a Commission of Inquiry into corruption amongst the state employed prison officers. Reasons cited include poor perimeter fencing, the discontinuity of a patrol road, and poor design and control of emergency exits. [Prison Privatisation Report International, no.41, June 2001, www.psimu.org/justice/ppriarchive/ppri41-06-01.htm]

- **South Bay Correctional Facility** – The American Civil Liberties Union (ACLU) filed a lawsuit against Wackenhut in July 1999 to compel Wackenhut to release results from its investigations, evaluations, files... alleging that Wackenhut is trying to cover up records of sexual harassment and abuse by prisoners.

<http://www.psimu.org/justice/ppriarchive/ppri32-11-99.htm>

- **Wackenhut (UK) – Coldingley** – paid the UK Prison Service 221,038 pounds in 1999 due to the termination of its industrial services contract at the prison. This is due to mismanagement, inappropriate accounting, and unauthorized loans and payments that were made to Wackenhut UK. (For a full list of the improprieties, please see <http://www.psimu.org/justice/ppriarchive/ppri27-02-99.htm>)

- **Premier Prison Services (UK), Wackenhut Corrections Corporation subsidiary – HM Prison and Young Offenders Institution, Ashfield, UK** – Private managers removed from young offender institution in UK, July 2002 – The manager at the Premier Prisons designed, built and managed Prison and Young Offender Institution Ashfield was replaced by public sector employees after the institution was deemed unsafe and suffering from inadequate management, staffing and training. Martin Narey, the Director General of the prison service, referred to the privately operated Ashfield institution as the worst prison in

England and Wales and has threatened to take into public sector if improvements are not made. Opened in November 1999, the institution holds young offender between the ages of 18-21 and juveniles between the ages of 15-18. Its operating capacity is 400. If improvements do not occur the Director General has threatened to return the prison to the public sphere. <http://www.ppsiru.org/justice/ppri53.asp>

- **Australasian Correctional Management – Port Hedland Immigration Detention Centre (Perth, Australia)** – 1999. The Miscellaneous Workers Union has accused ACM of unfair work practices at the detention centre including replacement of trained staff with less well paid, inexperienced local workers. Of the 30 original staff, only 4 remained after just over a year. Other issues were non-payment of overtime wages and health and safety concerns. <http://www.ppsiru.org/justice/ppriarchive/ppri26-01-99.htm>

- **Australasian Correctional Management – Fulham Correctional Facility** – tear gas was used on August 18th, 1999. The prisoners set fires and refused to return to their cells in protest over planned overcrowding at the prison. ACM had agreed to take 60 extra prisoners despite having reached its capacity of 600. <http://www.ppsiru.org/justice/ppriarchive/ppri32-11-99.htm>

- **Australasian Correctional Management – Melbourne Custody Centre** – prisoner Ian Lamb died in November 2000 after being arrested for drunkenness and placed in the custody centre. After informing the duty nurse that he had also taken 6 mogadon tablets, Lamb fell into what was mistaken as a 'deep sleep' and died of "aspiration of vomitus and toxicity to alcohol and nitrazepam." According to the Victoria state coroner, ""The case raises serious concerns about the training and monitoring of custody staff when charged with the responsibility of managing intoxicated persons. Apart from Mr Mathieson [the shift manager on the night in question], none of the staff was aware as to what was comprehended by the half hourly checks ...with the exception of Mr Mathieson, all the custody officers displayed a lamentable lack of familiarity with the requirements of the policy in relation to intoxicated prisoners," She also stated, ""I am satisfied that the management of the deceased ... was sub-optimal." <http://www.ppsiru.org/justice/ppri46.htm#Australia>

- **Miramichi Youth Facility**, New Brunswick, Canada – The Province's contract with Wackenhut to finance, build, and maintain the Miramichi Youth Facility costs taxpayers more than if the project had been publicly financed. (According to NB Auditor general Daryl Wilson, there was overall extra cost of C\$404,379.) <http://www.web.net/nben/envnews/media/00/weir7.htm>

Other Wackenhut Corporation Problems, outside of Wackenhut Corrections:

(while these companies are no longer affiliated with Wackenhut Corrections Corporation, they all occurred during the time that Wackenhut Corrections was a part of Wackenhut Corporation)

- **Wackenhut Services** – Lax Wackenhut security at a nuclear plant in Rocky Flats, Colorado. Edward

McCallum, former Energy Department director of safeguards and security, stated that the lax security at Rocky Flats created "an extremely high risk of a little mushroom cloud over Denver." His efforts were rewarded "with gag orders [and] a career jeopardizing investigation of his conduct." Wackenhut alarm systems expert Mark Graf told CBS and the Denver Post about the serious security weaknesses, and was promptly ordered by Wackenhut to undergo psychological counseling and put on leave. Weaknesses at the facility included security

alarm systems were not upgraded, bomb detection dogs were cut. Investigating Attorney Tom Carpenter said Ed McCallum wrote President Clinton singling out "Rocky Flats as having the worst safeguards and security rating of the twelve major DOE weapons facilities." These regulation bypasses were a direct attempt of Wackenhut to cut the bottom line and increase profit margins.

DOE's Real Nuclear Scandal, The Nation, August 8th, 1999,

Mushroom cloud over Denver? A top Department of Energy official is caught on tape worrying that security is lax at Rocky Flats weapons facility. <http://www.salon.com/news/feature/1999/04/12/security/index.html>

- **Employee Surveillance** - *directly from their website:* [We help you to] locate the source of the loss - even if it isn't criminal - and to deal with it ... [We utilize the] latest approaches to tell you if you have employees who are stealing, using drugs, not doing their jobs, abusing authority, engaging in discrimination or sexual harassment, committing fraud - and who they are."

- **Illegal use of Promis Software** – as director of research for a joint venture between Wackenhut and the Cabazon Indians of Indio, California, Michael Riconosciuto made modifications to a pirated version of PROMIS, a software program which is used by Canadian law enforcement and intelligence agencies. The modifications make PROMIS monitorable by outside interests. The investigation, which goes well beyond Riconosciuto and Wackenhut, is still pending. (See *Insight on the News*. "The Plot Thickens in PROMIS Affair." Feb 5th)

- **Other historic Wackenhut problems** – historic bad practice has included protecting nuclear waste dumps and testing installations, 'freelance spooking' including files on 3 million American 'potential subversives' in the United States in the 1960s, and some of its practices in guarding embassies, including many of those in contentious areas such as Chile in the 1970s. <http://www.theatlantic.com/issues/98dec/pris3.htm>

- **Wackenhut Security** - Alyeska Pipeline Service Co., the consortium that represents the major oil companies operating in Alaska. Amongst other violations, Alyeska was polluting the water by introducing toxic sludge, including cancer-causing benzene, into the pristine waters of Port Valdez and Prince William Sound. When investigated, the company hired Wackenhut to investigate a former oil executive, including spying on him to gain knowledge in order to silence environmental critics and intimidate whistleblowers. -Multinational Monitor July 1991 www.essential.org/monitor/hyper/issues/1991/12/mm1291_07.html

Quotations

Martin Narey, Director General of the Prison Service (UK), on the situation at Her Majesty's Prison and Young Offenders Institution, Ashfield: "Yet this report is probably the most depressing I have issued during my time as Chief Inspector. It describes an establishment that was failing, by some margin, to provide a safe and decent environment for children, or to equip the young people in it with the education, training and resettlement opportunities that are supposed to be at the core of their sentences. This is in spite of the fact that it was dealing with a particularly vulnerable and needy population, and one for which the Prison Service and Youth Justice Board are specifically committed to providing regimes and an environment that meets those

needs and vulnerabilities". <http://www.psir.org/justice/ppri53.asp>

Court appointed prison expert John Whitley, on the opening of the Jena Louisiana Juvenile detention facility: It was "typical of a private prison opening, the majority of the staff unfamiliar with institutions, staff being trained a few weeks before opening, intake going as quickly as possible, with problems and procedures being handled on the go." **Even four months later, Whitley stated:** "many of the security officers did not seem to have a clue as to what their job function was." <http://www.psir.org/justice/ppriarchive/ppri33-01-00.htm>

Matt Robson, Minister of Corrections in New Zealand, after ending the former administration's prison privatisation plans for five new prisons and seven specialist youth facilities – to a great extent based on problems with Wackenhut Corrections subsidiary Australasian Correctional Management: "there has been an experiment overseas - driven by ideology - to introduce private prisons and it hasn't worked. The ideology-driven belief that ... private is better is not suited to our prisons, and this government won't let New Zealanders become guinea pigs for an experiment here... [New Zealand] will get on with developing the best run public prisons, staffed by the best people for the job. My priority is to develop prisons that take in offenders and return them after sentence as safe members of our community. Prisons will not become a growth industry under this government. Crime prevention will." <http://www.psir.org/justice/ppriarchive/ppri34-03-00.htm>

More from US Justice Dept Report on abuses at Jena Juvenile Justice Center (Louisiana) which caused the state to withdraw its contract with Wackenhut:

(1) "A report states that a youth "had a sock tied very tight in knots around his neck with his face being purple and blue." The incident occurred twice, and both times the sock had to be cut off. He was interviewed and spoke of self-harm threats and actions as a way to "get off the dorm." He described Jena as a dangerous place with multiple acts of strong-arming for food, forced sexual favors, and racial tension."

(2) "A nurse filed a report stating that another nurse at the facility had said that she "jacks offenders up against the wall and throws water on them" and refuses to give the boys their medications if they don't act right. No documentation indicates that even a preliminary investigation was conducted."

(3) "A youth alleged that he had been "choked out" and raped. His medical file states, "It appears that he is being victimized by some of his peers." He cut his forearm with a belt buckle, for which he was sentenced to fifteen days' loss of both canteen and telephone. Later he did self-harm to his testicles "in order to be housed in medical," for which his sentence was thirty days' loss of canteen. One self-harm episode was documented by photographs of the youth lying naked on the concrete floor of a cell, his hands behind his back, blood spattered on the floor and door."

(please see *Harpers Magazine* July 2000 – "I Know Why the Cajun Bird Sings - A report from Louisiana's Jena prison" for many more reported incidents)

From Michael Olguin, former State House majority leader who, 4 months after this comment, became a paid Wackenhut Lobbyist:

"Its time for the governor and his Republican colleagues to fess up: privatisation is a dismal failure," said the letter. "New Mexicans were deceived by Wackenhut, by Governor Johnson and by the Republican Party..." <http://www.psir.org/justice/ppriarchive/ppri33-01-00.htm>

From a Wackenhut employee to journalist Gregory Palast: "My 15 months in the prison were hell on earth. I'll never go back to Wackenhut." ("Wackenhut's Free Market in Human Misery", Greg Palast, *The Observer* (London), September 26, 1999 <http://www.corpwatch.org/issues/PID.jsp?articleid=868>)

Bob Briton, writing in *The Guardian* (Australia) regarding Wackenhut and its former immigration detention centre at Woomera: "Under the cover of "defending Australia's sovereignty from attack by illegal immigrants", we now have a system of concentration camps run by a company that is a wholly owned subsidiary of a US corporation that has specialised in strike breaking, guarding nuclear testing and waste facilities and which compiled dossiers on three million US citizens suspected of being crypto-communists!" ("Wackenhut, Woomera and thinking the unthinkable", Bob Briton, *The Guardian* March 20, 2002 <http://www.cpa.org.au/garchve5/1084wack.html>)

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