

## The Prison Divestment Campaign

The National Private Prison Divestment Campaign is an effort by 150 advocacy groups, community organizations, and unions in the U.S. calling on institutions to divest their stock in the private prison industry. This coalition is led by Enlace, whose website states:



*We aim to stop the lobbying power of the private prison industry so that humane and common sense reforms are possible in criminal and immigration policy.*

*The National Private Prison Divestment Campaign targets the investors of Corrections Corporation of America (CCA) and GEO Group (GEO), the two largest private prison companies in the United States. Profiting from the separations of families, violations of human rights, and general pain caused by these prisons is inhumane and unacceptable.<sup>1</sup>*

The campaign was launched in 2011, after organizers at Enlace recognized that private prison companies were writing the laws and bankrolling the politicians who have been filling their facilities with poor people of color and recent immigrants.

In its first three years, the campaign has seen significant progress, successfully pressuring companies and institutions including Allianz Asset Management, Systematic Financial Management, the United Methodist Church, the Presbyterian Church USA, General Electric, and Pershing Square Capital Management, to divest their holdings in CCA and GEO.<sup>2</sup>

As a network of students and alumni seeking to change the way their universities invest, the Responsible Endowments Coalition works to bring the Private Prison Divestment Campaign onto college campuses. Already, the Afrikan Black Coalition (University of California system), the Dream Defenders (University of Central Florida, Florida Atlantic University), the City University of New York (CUNY), Columbia Prison Divest (Columbia University), and several other campaigns are organizing to divest their universities' holdings in GEO, CCA, and G4S (a major global security and prison company that is also complicit in the abuse of Palestinian political prisoners). At REC we actively support these and other campaigns through trainings, resources, and by planning national and regional student gatherings.

For more information on how to get involved, feel free to contact us!

**Email:** [organize@endowmentethics.org](mailto:organize@endowmentethics.org)

**Website:** [www.endowmentethics.org](http://www.endowmentethics.org)

**Phone:** 615-584-5658

# The Problem with Private Prisons:



- They make money by keeping people behind bars:**  
 Since it began in the early 1980s, the private prison industry has grown to be a multi-billion dollar industry that derives its profits from contracts with states and the federal government to build, buy up, and manage prisons and detention facilities. Since 1990, the number of private prison inmates has risen 1700%.<sup>3</sup>
- They cut costs at the expense of inmates & employees:**  
 Private prisons deliberately neglect the well-being of inmates and staff, leading to extraordinarily high levels of rape, violence, neglect of medical needs, and death.
- They target people of color (POC):**  
 While already over-represented in the overall prison population, POC are *even more* over-represented in private prisons due to contracts which allow them to select younger, healthier inmates (who are more likely to be POC)—because they don't cost as much to imprison.<sup>4</sup> POC are as a consequence disproportionately subjected to the abuses for which private prisons have become notorious.
- They target immigrants:**  
 Private prison companies also run about half of the country's immigration detention centers, and have pushed laws contributing to the massive rise in immigrant detentions, which have increased from an average of 54 people held on any given day in 1981 to roughly 34,000 today.<sup>5</sup> At private detention centers, inmates are often made to do "voluntary labor" for as low as \$1 a day, and have faced punishments including solitary confinement for refusal to do so.<sup>6</sup>
- They hijack our democracy:**  
 Because private prisons depend on keeping beds full to make money, they have aggressively lobbied for immigration, drug war and sentencing policies likely to keep their facilities full, including mandatory minimum sentencing and legalized racial profiling bills.

**Q: So what is "mass incarceration?"**

**A: Mass incarceration in America is...**

*...unparalleled*

- Although it has only 5% of the world's population, the U.S. has 25% percent of the world's prison population—making us the world's largest jailer
- Since 1972, our total prison population has risen more than 500%

*...deeply racist*

- Although Blacks and Hispanics make up a quarter of the U.S. population, they were 58% of the prison population in 2008
- Although there are 5x more whites using illicit drugs than Blacks, Blacks are being incarcerated for drug offenses at 10x the rate of whites
- One in nine Black males between 20 and 34 is currently behind bars. If things don't change, one in three Black males born today will experience incarceration

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## Organize. Challenge. Impact.

- **They incentivize mass incarceration:**

In many contracts, private prisons incentivize lawmakers to criminalize people by requiring that states keep 90% (and in some cases even 100%) of beds filled at all times.<sup>7</sup>

- **They are unaccountable:**

Unlike public (state and federally-run) prisons, private prisons are not subject to transparency statutes such as the Freedom of Information Act, and aren't required to keep or make public records that would clarify their use of public funds, their business practices, and how these affect inmates.<sup>8</sup>

- **They don't pay much tax:**

In 2013, CCA and GEO, the two largest private prison corporations, changed their legal status to become Real Estate Investment Trusts (REITs), on the argument that their chief business is "developing real estate" (building prisons).<sup>9</sup> With the savings from avoided taxes GEO and CCA were able to redistribute \$1.025 billion dollars to shareholders via special dividends in 2013 alone.<sup>10, 11</sup>

- **They undermine families and access to legal counsel:**

Increasingly, private prisons are meeting their occupancy goals by contracting with states to ship their prisoners, like so many cattle, to out-of-state locations. This creates barriers to contact between inmates, their attorneys, and their families, and undermines inmates' rights to legal counsel and rehabilitation. As of November 2013, four states had contracts with private prisons to hold over 10,500 inmates out of state.<sup>12</sup>

- **They are expanding:**

Private prison companies are looking to continue their dramatic expansion, aggressively pursuing contracts throughout the U.S. and abroad with support from politicians to whose campaigns they have donated tens of millions of dollars in the past decade.

- **They are spreading:**

The wave of privatization has spread throughout the criminal justice system. From the bail bonds industry to privatized parole, and even private probation companies--which fine people for being unable to pay fines and then jail them for non-payment--corporations are finding new ways to profit from human misery and captivity.

### Mass Incarceration in America is...

*...increasingly a women's issue*

- The number of women in prison is increasing at almost double the rate of men

*...increasingly a youth issue*

- There are almost 15,000 children behind bars for "non-criminal offenses," i.e. parole violations or "status offenses" (such as "truancy" or "incurability")

*...taking funds away from vital programs*

- In 2007 the U.S. spent \$74 billion on corrections. The State of California alone spent six times more on the prison system than it did on its public universities

*...deeply entrenched*

- Although U.S. crime rates have been declining for decades, the percent of people under correctional control has continued to rise alarmingly

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# The Prison Divestment Strategy

## What is Divestment?

Divestment is the act of ending your investment by selling all of your **shares** in a given company for explicit political or social reasons.\* It is the strongest statement an investor can make to reprimand irresponsible corporations, because it shows that a company is so bad that investors aren't willing to put money in it even if it's profitable.

To divest from prisons, here are five typical demands that college campaigns use:

- 1) Divest direct stock holdings in private prison companies (such as Geo Group, CCA, and G4S)
- 2) Divest indirect holdings in private prison companies (CUNY has roughly \$250,000 worth of stock in G4S held through an out-of-house investment manager, the Tweedy Browne Global Value fund)
- 3) Create a "negative screen," or a policy forbidding the university from investing money back into private prisons in the future
- 4) Pressure the "Million Shares Club," or wall street banks that invest in over a million shares in both CCA and Geo Group, to divest. (For a full list of Million Shares Club members, go to [www.enlaceintl.org/#!/million-shares-club/cveb](http://www.enlaceintl.org/#!/million-shares-club/cveb))
- 5) Reinvest 1% of the endowment in supporting businesses run by formerly incarcerated people, or initiatives that interrupt the school-to-prison pipeline.



## The Case of South Africa

Divestment has been tried before, and it has succeeded.

The most well-known historical divestment campaign is probably the Free South Africa Movement, which pushed governments, pension funds, and other institutions to divest from companies complicit in South African apartheid. One important piece of this movement was a student-led effort beginning in the late 1970s to divest university assets. In solidarity with activists around the world, U.S. students occupied buildings and set up hundreds of "shanty towns" on their campuses, raising awareness about the plight of South Africa's oppressed majority. By 1988, 155 U.S. colleges and universities had committed to divestment, including the University of California system, which in one blow divested \$3.1 billion!

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\* For more in-depth resources on college endowments and divestment, see REC's resources page:  
<http://www.endowmentethics.org/resources-for-students>



## Why Divest Private Prisons?

As stated before, the stated aim of the national prison divestment campaign is:

*“...to stop the lobbying power of the private prison industry so that humane and common sense reforms are possible in criminal and immigration policy.*”

Fortunately for us, this is exactly what divestment has the power to do. While divesting stock doesn't directly deprive prison companies of revenue (other investors will probably buy up divested stock), it does draw public attention to their harmful business model. And even if divestment happens on a large enough scale, it can make them politically toxic enough that they are less able to buy the politicians and laws they need to protect their business. And this is hitting them where it hurts.

## Divestment as Solidarity

While some explanations of the divestment strategy often center on the “purity principle”—the idea of cleaning a university's investments to clear its conscience—this is not the politics of prison divestment. Divesting one stock does not end our universities' historical and ongoing roles in racist, imperialist heteropatriarchy and its associated violence, locally or globally. It is, however, a tool to organize ourselves, to make public statements that strengthen movements for change, and to ultimately interrupt and change some of the relationships between colleges and communities of color and recent immigrants, particularly through the possibilities of reinvestment and reparations.

## Other Tactics

Divestment can easily be complementary to other tactics. In fact, if we hope to dismantle the prison-industrial complex, we absolutely have to work together with other campaigns that are fighting parallel fights.

One example of this is the Ban the Box for Higher Education Campaign, which seeks to remove the question on college applications asking if the applicant has ever been convicted of a felony. While divestment works to block colleges' financial ties to the prison system, Ban the Box works to unblock the path from prisons to the education system. For more information on this campaign, check out: <http://www.eicoalition.org/>

Students Against the Prison Industrial Complex at Brown University is demanding both divestment from prisons *and* an end to the box.

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## From Divestment to Reinvestment

Calling for divestment always raises the question: “so once we take our money out of these bad things, what do we put it into?”

Reinvestment can be an incredibly powerful tool in and of itself. After all, like mass incarceration, lack access to capital is another systemic way in which working class communities of color are held back.

Investments in worker cooperatives, green energy, and other key partners in what is sometimes called the “new economy” can also help communities whose economies have become dependent on the prison industry for jobs to transition to making and doing things that actually help people.

For more on community reinvestment, see the reinvestment guide posted here:  
<http://www.endowmentethics.org/resources-for-students>

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<sup>1</sup> “Private Prison Divestment Campaign”. *Enlace*. <<http://www.enlaceintl.org/#!prison-divestment/cq8g>>. Accessed 4/3/14.

<sup>2</sup> “Major Investor Fully Divests From Prisons”. *Nationinside.org*. December 5, 2013. <http://nationinside.org/campaign/divestment/posts/systematic-financial-management-fully-divests-from-prisons/>. Accessed 4/3/14.

<sup>3</sup> “Locked up and Shipped Away: Interstate Prisoner Transfers & the Private Prison Industry”. Nov. 18, 2013. <[http://grassrootsleadership.org/sites/default/files/uploads/locked\\_up\\_shipped\\_away.pdf](http://grassrootsleadership.org/sites/default/files/uploads/locked_up_shipped_away.pdf)>. Accessed 3/15/14.

<sup>4</sup> Petrella, Christopher. “The Color of Corporate Corrections, Part II: Contractual Exemptions and the Overrepresentation of People of Color in Private Prisons”. *Radical Criminology*. No. 3 (2014).

<sup>5</sup> “Map: The U.S. Immigration Detention Boom”. *PBS.org*. October 18, 2011. <http://www.pbs.org/wgbh/pages/frontline/race-multicultural/lost-in-detention/map-the-u-s-immigration-detention-boom/>. Accessed 3/25/14.

<sup>6</sup> “‘Voluntary’ Work Program Run in Private Detention Centers Pays Detained Immigrants \$1 a Day”. *Truthout*. July 27, 2012. <<http://truth-out.org/news/item/10548-voluntary-work-program-run-in-private-detention-centers-pays-detained-immigrants-1-a-day>>. Accessed 3/25/14.

<sup>7</sup> “Criminal: How Lockup Quotas and ‘Low Crime Taxes’ Guarantee Profits for Private Prison Corporations”. *In the Public Interest*. September 2013. <http://www.inthepublicinterest.org/sites/default/files/Criminal%20Lockup%20Quota%20Report.pdf>. Accessed 3/25/14.

<sup>8</sup> “Despite Receiving Millions in Public Money, Private Prisons are Impenetrable ‘Bastions of Secrecy’”. *Alternet.org*. February 21, 2014. <<http://www.alternet.org/despite-receiving-millions-public-money-private-prisons-are-impenetrable-bastions-secrecy>>. Accessed 4/2/14.

<sup>9</sup> “Why Would A Prison Corporation Restructure As A Real Estate Company?” *Forbes*. January 31, 2013. <<http://www.forbes.com/sites/mattstroud/2013/01/31/why-would-a-prison-corporation-restructure-as-a-real-estate-company/>>. Accessed 4/2/14.

<sup>10</sup> “CCA Board of Directors Authorizes Special Dividend of \$675 Million”. *Reuters.com*. April 8, 2013. <<http://www.reuters.com/article/2013/04/08/idUSnMKW4881a+e0+MKW20130408>>. Accessed 4/2/14.

<sup>11</sup> GEO Group, Inc. Annual Report (2012). [http://www.geogroup.com/documents/GEO\\_2012\\_Annual\\_Report.pdf](http://www.geogroup.com/documents/GEO_2012_Annual_Report.pdf). Accessed 4/2/14.

<sup>12</sup> “Locked Up & Shipped Away: Interstate Prisoner Transfers and the Private Prison Industry”. *Grassroots Leadership*. November 2013. <<http://grassrootsleadership.org/locked-up-and-shipped-away>>. Accessed 4/2/14.

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