

Private Prison Corporations have been revived since Trump's Presidential Election

By Marlon Saucedo

Since the election of President Donald Trump in Nov. 9 last year, private prison companies like Geo Group and CoreCivic have gone through a revival period.

This time last year, Geo Group and CoreCivic's (then known as Corrections Corporation of America or CCA) stocks tumbled down to almost half their value as the Obama administration's Department of Justice announced it would stop using private prisons for federal detention as a response to a report on their oversight and operations. Then presidential candidate Hillary Clinton's reiteration of opposition against private prisons only made them plummet further.

Before and after the election both companies donated over \$250,000 respectively to Trump. Those investments have ultimately paid off after the current DOJ's decisions to overturn last year's decision to stop private prisons and the department has since cracked down on unauthorized immigration, one of the leading promises of Trump's presidential campaign.

The price per share for Geo Group had initially risen 67.8 percent and CoreCivic's rose as high as 97.48 percent.

During an earnings call in Feb. 19, Geo Group CFO Brian Evans said that his company's expected full year revenue was "approximately \$2.1 billion."

"If the new administration and leadership with Homeland Security and (Immigration and Customs Enforcement) see a need that is not being met today, we'll be right there to help them with a solution if they think we can provide a solution that is viable and attractive to them," said CoreCivic CEO Damon Hininger in a statement.

The problem to the "solution" that Hininger referenced is the large flow of immigrants coming from the Northern Triangle of Central America.

The day after Trump's election, stock shares for GEO Group and CoreCivic spiked and have been steady ever since.



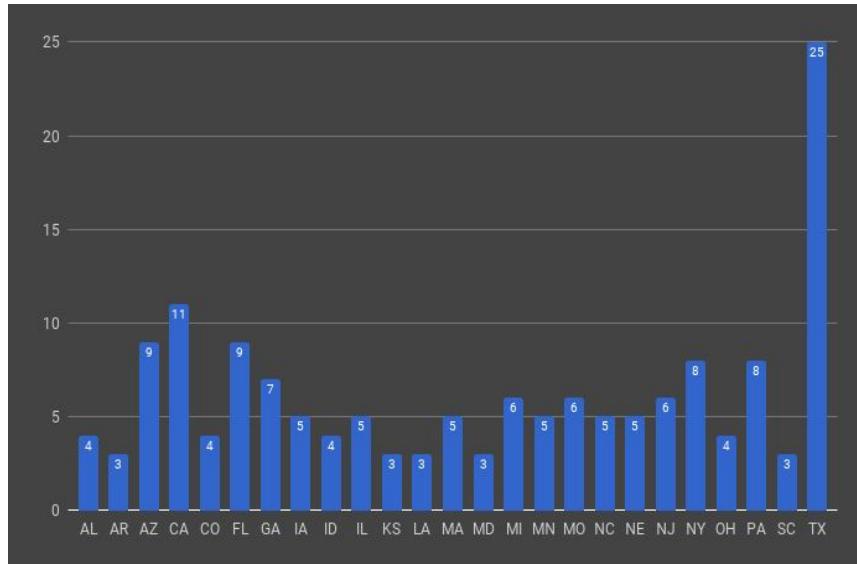
Courtesy of Google Finance, Yahoo Finance and MSN Finance

“This development has been much more pronounced as a result of the influx of [individuals] coming in from Central America in 2014 as a result of very serious problems back in Honduras, Guatemala, El Salvador, where the people the people were being subjected to assaults and gang violence,” Senator Jose Rodriguez said. “These people are not criminals.”

Senator Rodriguez, who once served as El Paso County Attorney, says that Texas and National government are following a trend where they’ve decided to outsource the government’s role in running prisons and jails, detention centers around the country.

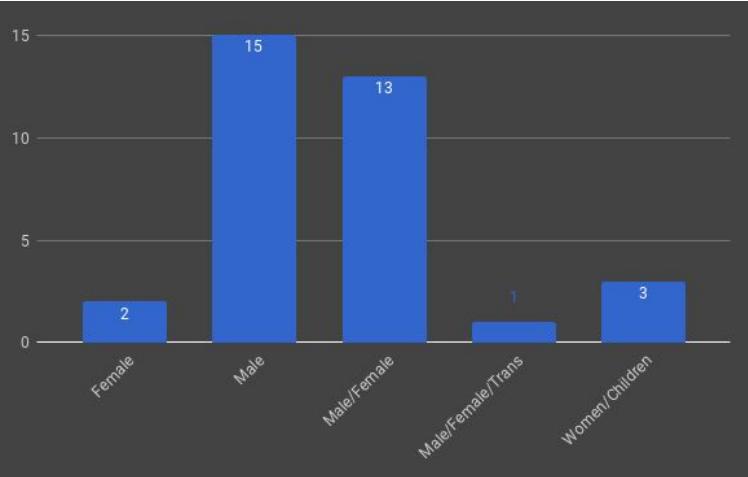
“These are private for-profit corporations that are like any other profit-making business, they’re in the business of making money. They’re not in the business of—from a public policy standpoint—running a prison facility, ensuring that people’s civil rights are protected,” said Senator Rodriguez.

All states that hold over 3 detention centers. Texas leads them all with more than double what the runner-up California has.



An extra bonus that private prisons received besides the support of the DOJ and the President is the end of the “catch-and-release” program which temporarily held unauthorized immigrants and then released them. Now they will face a detention processing that will require “several thousands” of more beds, according to chief executive of Geo Group, George C. Zoley.

Number of detention center facilities owned by Geo Group and CoreCivic according to type: Female, Male, Male/Female, Male/Female/Transsexual, Women/Children



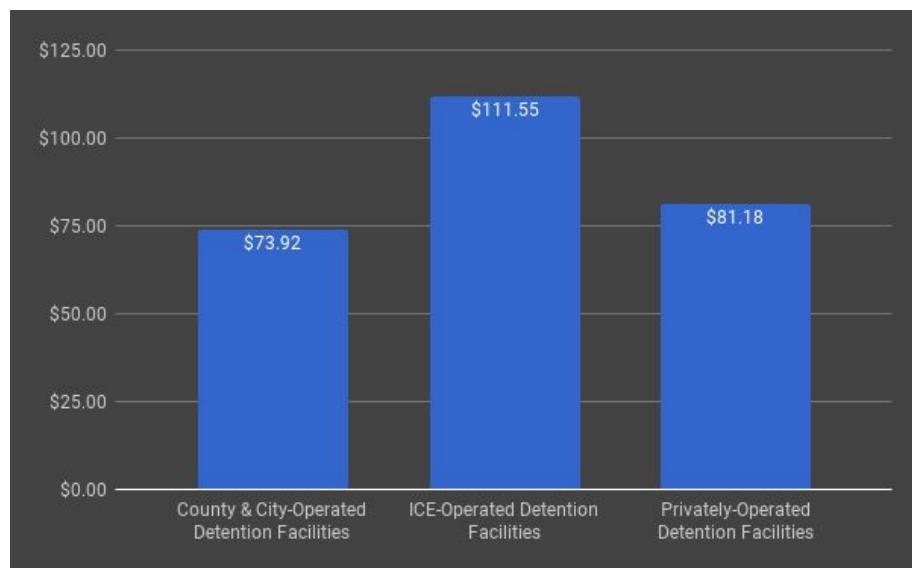
This is in direct correlation with policy director for immigrant and refugee beneficiary RAICES, Amy Fischer’s worries, “it has been our understanding that that determination over whether or not you are released from the border or sent to a detention center is entirely based upon bed space.”

The rising amount of beds and the extra beds being built by Geo Group and CoreCivic makes

Fischer think that, “if there is a bed available in a detention center, they’re gonna put you there because then that way we can line the pockets of the private prison companies that operate these detention centers.”

According to Senator Rodriguez, the reason for the trend towards prison privatization is the popular belief among Republicans that private prisons are a cheaper option and help with the overcrowding of federal prisons. His assertion is matched by a [report of the Congressional Research Service](#) that states, “Placing more inmates in private facilities could help alleviate overcrowding in federal prisons without the need to invest in a large-scale expansion of federal prison bed space. However, research suggests that moving federal prisoners into private prisons might not help to control the rising costs of the federal prison system.”

Average amount of tax money spent on each immigrant detainee per day by a federal prison, an ICE prison and a private prison.



According to Community Initiatives for Visiting Immigrants in Confinement (CIVIC), “detention alone cost taxpayers approximately \$2 billion in 2015.” Although it may seem like direct deportation would be the cheaper option to address this issue, when the costs of apprehension, detention, legal processing, and transportation are combined, “the government spends more than \$23,000 to deport each person.”