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'These people are profitable': Under Trump, private prisons are cashing in on ICE detainees

Monsy Alvarado, Ashley Balcerzak, Stacey Barchenger, Jon Campbell, Rafael Carranza, Maria Clark, Alan Gomez, Daniel Gonzalez, Trevor Hughes, Rick Jervis, Dan Keemahill, Rebecca Plevin, Jeremy Schwartz, Sarah Taddeo, Lauren Villagran, Dennis Wagner, Elizabeth Weise, Alissa Zhu

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[Billy McConnell](#) was attending the grand opening of a Louisiana prison in 1997 when a sheriff mentioned he'd like a new jail but didn't want to operate it. McConnell saw money in that moment.

He co-founded LaSalle Corrections and began cutting deals to build and operate jails in rural towns across the South. Then states throughout the USA, including McConnell's home state of Louisiana, started reducing inmate populations to save money.

That's when President Donald Trump swept into office, [promising to crack down on immigrants](#). McConnell saw his next opportunity: the business of immigration detention. LaSalle Corrections quickly opened six more facilities in Louisiana. His detention centers hold more than 7,000 immigration detainees.

McConnell is aware of critics who condemn the rapidly growing use of jails and prisons to detain immigrants – many of them [asylum seekers](#) – whose detention and proceedings are supposed to be civil in nature, not criminal.

“What somebody else thinks about Billy McConnell compared with what God thinks of Billy McConnell is almost irrelevant,” he said, noting that he carries a crucifix at all times and ministers to detainees locked inside detention centers. “We don’t arrest ’em. We don’t try ’em. I know what the laws on the books say, and I’m a guy who goes by the rules.”

The use of private prisons to detain immigrants is not new, but the business has exploded under Trump. At least 24 immigration detention centers and more than 17,000 beds were added in the past three years to the sprawling detention system run by U.S. [Immigration and Customs Enforcement \(ICE\)](#).

A USA TODAY Network investigation found that the companies operating those centers have generated record-setting revenue since 2016 while making record-setting political donations – primarily to Republicans, including Trump – as political figures moved freely between government policy roles and jobs in the [private immigration industry](#).

The booming business spends \$3 billion a year housing a record high of roughly 50,000 people, the majority of whom have no criminal record. The investigation revealed more than 400 allegations of sexual assault or abuse, inadequate medical care, regular hunger strikes, frequent use of solitary confinement, more than 800 instances of physical force against detainees, nearly 20,000 grievances filed by detainees and at least 29 fatalities, including seven suicides, since Trump took office in January 2017 and launched an overhaul of U.S. immigration policies.

Network reporters interviewed 35 current or former detainees and reviewed hundreds of documents from lawsuits, financial records and government contracts and toured seven ICE facilities from [Colorado to Texas to Florida](#). They found that private prison companies established close ties with officials from the very top of the federal government all the way down to the local level, currying favor with sheriffs and city officials who often serve as middlemen to secure big-money ICE contracts.

The private prison industry set highs for federal campaign contributions in the 2016 presidential election cycle, spending more than \$1.7 million, then again in 2018 by spending more than \$1.9 million. Most of the money went to Republican causes, according to data from the [Center for Responsive Politics](#) and the Federal Election Commission.

Trump has received more than 25 times the amount of contributions that President Barack Obama received over his entire eight years in office – \$969,000 to Trump and \$38,000 to Obama. The industry donated to people inside Trump’s inner circle, including [Vice President Mike Pence](#), former Energy Secretary Rick Perry and former United Nations Ambassador Nikki Haley while each served as governor of their home states.

Private prison companies spent millions more in federal lobbying efforts and hired people in Trump’s orbit, including former Florida Attorney General Pam Bondi, who works at the White House, and Brian Ballard, Trump’s former campaign finance chief in the critical swing state of Florida.

“This is their moment,” said Silky Shah, executive director of the [Detention Watch Network](#), a group that advocates against detaining migrants. “They’re thinking, ‘We don’t know how long Trump is going to be in office, so let’s get all the money to him and to Republicans and solidify ourselves.’ ”

The White House declined to comment on its ties to the private prison industry.

[Immigration activists](#) argue that asylum seekers and undocumented immigrants with no criminal history should not be held for months and years in prison-like detention centers. They have led frequent protests against private prison operators, leading eight major banks to announce they will not grant any more loans to those companies and a Democratic presidential field vowing to end their existence.

David Venturella, senior vice president of client relations at GEO Group, one of the two largest companies detaining immigrants, said his company has been doing the

same work for more than 30 years. He said the industry faces heightened criticism because of a hyper-politicized climate, opposition to the man who occupies the White House and a recurring false narrative about its involvement in the migrant crisis along the southern border.

When members of GEO Group's executive leadership met to speak in December with reporters from the USA TODAY Network at the company's headquarters in Boca Raton, Florida, protesters blocked entryways to the building, hung a sign reading, "This facility is on lockdown" over the parking garage entrance and blocked employees from getting to work. Nine demonstrators were arrested for trespassing and using a loudspeaker on a public street.

"I think from our perspective, we're providing a service to the federal government to help them meet their needs and carry out their mission," Venturella said. "What we try to do is provide the best level of service and care for those individuals who come into our facilities."

'Federal business is the best business' for private prison companies

Private prison companies entered the immigration business in the 1980s, but it wasn't until the terrorist attacks Sept. 11, 2001, that their growth took off.

Two months after the attacks, Steve Logan, CEO of Cornell Companies, which was later bought by the GEO Group, said during an earnings call that it could only be good for the company that law enforcement had become focused on people "that are illegal and also from Middle Eastern descent," according to "Corrections: A Critical Approach" by [Michael Welch, a criminal justice professor at Rutgers University in New Jersey](#).

"More people are going to get caught," Logan said during the call. "The federal business is the best business for us."

Another increase in immigration detention came around 2008. The prison boom of the 1990s was beginning to level off just as the Great Recession hit. A number of states moved away from private prisons as a way to cut costs, making the federal government's steadily increasing use of immigration detention a more stable, promising source of revenue.

More recently, multiple states cleared out their prisons of low-level drug offenders and other nonviolent inmates as part of a national movement to revamp the criminal justice system.

Louisiana was named the prison capital of the world when its combined inmate population reached nearly 40,000 people in 2012, according to the nonprofit Pew Charitable Trusts. In 2017, Gov. John Bel Edwards signed legislation to reduce the prison population.

At the time, the state Department of Public Safety & Corrections paid sheriffs \$24 a day to house state inmates. ICE was willing to pay considerably more per detainee. At the Jackson Parish Correctional Facility in Jonesboro, Louisiana, for example, ICE pays \$74.35 per detainee per day, according to their contract.

"You have this fertile ground for ICE and the federal government to move in to pay two or three times as much," said Jamila Johnson, managing attorney at the Promise of Justice Initiative, a New Orleans-based nonprofit organization focused on criminal justice changes in the state.

All those changes helped lay the groundwork for an immigration detention system dominated by the private prison industry.

Dozens of private companies make money from immigration detention

Five companies – GEO Group, CoreCivic, LaSalle Corrections, Management & Training Corp. and Immigration Centers of America – own and operate the largest

ICE detention centers in the country.

Dozens of other private companies do subcontract work at ICE facilities, running guard services, medical facilities, mental health counseling, food preparation, commissary sales, phone and video communication for detainees and janitorial work.

Private contractors help ICE inspect the private companies that run its detention centers. Another private company helps to conduct death reviews.

The giants in the field – GEO Group and CoreCivic – have operated private prisons for more than 35 years. They manage 41 facilities that hold more than half of all detainees in ICE custody.

The GEO Group has grown from a division of a Florida-based private security firm to an international behemoth, operating facilities in Australia, the United Kingdom, South Africa. The company projects \$2.49 billion in revenue in 2019, according to its third-quarter earnings report. George Zoley, the chairman of the board, CEO and founder, earned \$6.6 million in total compensation in 2018.

CoreCivic was created by a group of Tennessee businessmen and generated \$1.9 billion in revenue for the 12 months prior to September 2019, according to S&P Global Market Intelligence. CoreCivic's CEO, Damon Hininger, started his career as a corrections officer at Leavenworth Detention Center in Kansas in 1992 and steadily rose through the ranks, becoming CEO in 2009 and earning \$4.1 million in total compensation by 2018.

In 2013, both companies converted most of their holdings into real estate investment trusts, allowing them to pay income taxes only on the business not covered by the trust. The rest of the taxes are paid by shareholders. In 2018, GEO Group paid federal income taxes of \$14.1 million on total revenue of \$2.33 billion. CoreCivic paid \$8.3 million on \$1.8 billion in revenue.

“It was because they were becoming less and less popular on the stock market, partly due to how badly they ran their facilities,” said Judy Green, [founder of Justice Strategies](#), a New York-based nonprofit group that focuses on changing the criminal justice and immigration systems.

Company officials defended their restructuring as a legal maneuver that acknowledges their national portfolio of revenue-generating real estate.

“We own 80 facilities that have tens of thousands of square footage with brick and mortar buildings,” said Pablo Paez, executive vice president of corporate relations for the GEO Group. “We went through the same process that every company goes through to convert into a (REIT).”

Trump and GOP allies collect checks from privately run detention centers

Since the 1990 election, for-profit prisons, their political action committees and employees have given \$9.5 million to candidates and the groups that support them, according to a USA TODAY Network analysis of data from the Federal Election Commission and the nonpartisan Center for Responsive Politics in Washington. Over that time, 78% of those funds backed Republican candidates or causes.

GEO Group and CoreCivic each donated \$250,000 to Trump’s inaugural committee that helped fund the festivities as he was sworn into office. Hininger of CoreCivic said the company supported inaugurations of Presidents George W. Bush and Obama but did not provide specifics on how much they donated to those committees.

GEO Group gave \$225,000 to a super PAC that supported Trump. GEO Group’s PAC and its CEO gave a combined \$225,000 to Trump Victory, a committee that collects money and distributes it among the Trump campaign and other Republican efforts.

The GEO Group has taken the controversial step of frequently using Trump properties for business events and trips.

In 2017, GEO moved its annual conference, normally held near its Boca Raton headquarters, to the [Trump National Doral Miami golf resort](#) 53 miles away. Venturella, the GEO Group vice president, said in court filings that he stayed at least 10 times at the Trump International Hotel in Washington.

Speaking to the USA TODAY Network, Venturella did not rule out holding GEO events at Trump properties but said the company would take into account the publicity that would probably follow such a decision.

“Obviously, the negative attention we received would be discussed,” he said.

Two donations to a pro-Trump super PAC became the subjects of a lawsuit and Federal Election Commission complaint.

Under Obama, the Justice Department, which oversees the Federal Bureau of Prisons, published a memo Aug. 18, 2016, stating it would wind down relationships with private prisons, either allowing contracts to expire or reducing the scope of the contracts.

The next day, a subsidiary of GEO Group – GEO Corrections Holdings – gave \$100,000 to Rebuilding America Now, a pro-Trump Super PAC led by two former Trump staffers.

On August 29 of that year, then-Homeland Security Secretary Jeh Johnson ordered a review of ICE’s use of privately run detention centers. About a month later, GEO Corrections Holdings donated \$125,000 to Rebuilding America Now.

In response, the Campaign Legal Center, a nonpartisan watchdog group based in Washington, filed a complaint with the FEC alleging that GEO Group violated the ban prohibiting government contractors from making contributions to political

committees. GEO Group said the donation was made by a subsidiary that has not won any government contracts, so it did not break any campaign finance laws. The complaint is pending.

“All of our political contributions to federal super PACs comply with all applicable federal laws and regulations,” said Paez of the GEO Group.

Hininger of CoreCivic said it doesn’t matter to him whether a candidate is liberal or conservative, even though the company and its employees gave to Republicans 78% of the time since 1990. Venturella of the GEO Group said part of that disparity is due to the increasing number of Democrats who refuse or return their contributions.

“We meet with members of both parties,” he said. “So while the records may show that some organizations accepted our contributions, we certainly provided contributions to other candidates. Some have kept them, and some have returned them.”

The scope of the private prisons’ donations to Republican causes was seen during an event Trump hosted at his Bedminster, New Jersey, golf club.

In August 2018, Trump held a meeting to discuss prison changes, reentry issues “and other subjects,” according to the president’s remarks at the event. Guests included five governors and two state attorneys general – all but one of whom had received donations from the private prison industry in their state elections, according to data compiled by the nonpartisan National Institute on Money in Politics.

They included former Republican Gov. Matt Bevin of Kentucky (\$2,000), Republican Gov. Phil Bryant of Mississippi (\$6,000), former Republican Gov. Nathan Deal of Georgia (\$78,000), Democratic Gov. John Bel Edwards of Louisiana (\$13,500), former Republican Florida Attorney General Bondi (\$2,000) and Republican Texas Attorney General Ken Paxton (\$15,000), according to data

compiled by the National Institute on Money in Politics. Perry and Jared Kushner, Trump's son-in-law and adviser, were among other guests at the table.

"It's easy to see how they've been making money off this investment," said Jordan Libowitz of the watchdog group [Citizens for Responsibility and Ethics in Washington](#).

Private prison companies hire immigration, Trump administration officials

In 2018, private prison companies spent \$3.8 million on federal lobbying. Their lobbying efforts during the Obama administration peaked at \$2.75 million in 2016, according to federal disclosure reports and data from the Center for Responsive Politics.

Hininger said those contributions are necessary given the level of polarization in the country and falsehoods about how ICE detention centers are run.

"It's hard to have a rational conversation" about the industry, he said.

GEO Group has traditionally spent the most on lobbying efforts. In 2018, it paid a total of \$4.3 million to state and federal lobbyists, according to the company's political engagement report.

"Yes, we have ratcheted up our efforts because the attacks and the rhetoric against our company have increased," Venturella said.

In October, CoreCivic, the GEO Group and Management & Training Corp. formed an advocacy group called the Day 1 Alliance. Its national spokeswoman is Alexandra Wilkes, who worked for America Rising and a PAC with the same name that backed Republican candidates in part by digging up damaging information on their Democratic opponents.

Wilkes said the alliance was formed to set the record straight on the private industry's role in immigration detention.

“We know that we're up against incredibly well-funded special interests that will say anything and stop at nothing to distort the role we play,” she said.

The money involved in ICE detention can be seen in the close ties between the federal government, presidential campaigns and private prison companies.

In 2017, the GEO Group tapped a firm founded by Ballard to lobby on its behalf in Washington. Ballard ran the Trump campaign's Florida financing strategy, chaired Trump's joint fundraising committee and was the finance vice chairman on Trump's inaugural committee. Florida lobbying records show Ballard represented the GEO Group on the state level from 2011 to 2013 and again in 2019. Ballard did not respond to a request for comment.

Next came Bondi, the former Florida attorney general who also represented the GEO Group for Ballard Partners. Bondi came under scrutiny during her time as attorney general when a group called “And Justice for All” supporting her campaign accepted a \$25,000 check from Trump's charity. A month later, Bondi announced that her office would stop investigating fraud allegations against the now defunct Trump University. Trump later paid a \$2,500 fine for the donation because it violated tax laws, and Trump reimbursed the donation.

Bondi went on to serve on the president's [Commission on Combating Drug Addiction and the Opioid Crisis](#), worked on his transition team and was hired by the White House in November to work on “proactive impeachment messaging.”

In Louisiana, Scott Sutterfield left his position in September as acting director of ICE's field office in New Orleans and immediately took an executive position at LaSalle Corrections. Sutterfield denied any impropriety in the move, arguing that he was not involved in policy setting at his previous job, which focused on overseeing the immigration deportation process and ensuring detention facilities in the region

were in compliance with federal requirements. He said he recused himself from decisions involving LaSalle before applying for the new job.

When asked whether Sutterfield had made decisions affecting LaSalle's business while working for ICE, Kevin Sumrall, the company's director of operations, said, "Not extremely a lot."

Alan Zibel, research director for Public Citizen, a public policy advocacy group based in Washington, condemned the close relationships between government and industry.

"There are a lot of connections," said Zibel, who wrote a report on private prison influence. "It's pretty clear that the private prison industry saw the Trump administration as an opportunity to expand its business and work with like-minded people."

Private prison companies donate to Vice President Pence, sheriffs

In central Louisiana, LaSalle Parish Sheriff Scott Franklin was up for reelection this year and received \$5,000 in campaign donations from LaSalle Corrections and its affiliates, according to records filed with the Louisiana Board of Ethics. The donation represented a quarter of his total fundraising haul of \$20,000.

In nearby Catahoula Parish, Sheriff Toney Edwards was also up for reelection and received \$2,500 in October from LaSalle. That was a quarter of his fundraising during that reporting period, ethics board records show.

Both counties started holding ICE detainees this year. Neither sheriff responded to requests for comment, but critics say the donations show how much influence private prison companies exert on the local level, where ICE pays for detainees to be housed in jails. In many cases, the local government agency contracts the detention work out to a private prison company, which gives the agency a cut of the profits.

In the past two decades, the industry has given at least \$13 million to Republican state candidates and state political committees, according to a USA TODAY Network analysis of data compiled by the National Institute on Money in Politics.

Those contributions have also ended up in the hands of state officials who have close ties to Trump or have a chance to bend his ear.

Pence received about \$36,000 from the industry for his 2016 campaign before ditching his reelection bid for Indiana governor to become Trump's running mate, according to the data. He and his running mate collected \$33,000 in donations in the 2012 gubernatorial election.

Perry, the former governor of Texas and Trump's former energy secretary, received at least \$59,000 during campaigns from 1998 to 2010, according to data compiled by the National Institute on Money in Politics.

Before Trump named her ambassador to the United Nations in 2016, Haley received at least \$23,000 for her successful campaigns for governor of South Carolina in 2010 and 2014, according to the institute's data.

Immigration detention generates taxes, jobs for rural America

The lure of an ICE detention center for small, financially troubled towns can be irresistible.

In Adams County, Mississippi, the median household income is \$30,359, less than half the national average, according to U.S. Census data. That partly explains why leaders embrace the Adams County Correctional Center, a private facility owned by CoreCivic that holds more than 1,200 ICE detainees.

The detention center is the largest taxpayer in the county, said Adams County Administrator Joe Murray. The facility generates more than \$1.8 million in real and personal property taxes that help fund the county and the school district. ICE,

which started placing detainees at Adams in June, promised to pay the county 50 cents per detainee per day, which could generate an additional \$800,000 a year for the county.

Mike Lazarus, a county supervisor, said taxes haven't risen for 12 years because of the detention center, which held convicts for the Federal Bureau of Prisons before transitioning to an ICE facility in June.

“I know there are a lot of people who disagree with the politics and all of detention, but as far as Adams County is concerned, it’s been a blessing,” Lazarus said. “You take that money and you turn it into blacktop roads and bridges, which you’re not getting from the state right now.”

The tiny town of Richwood, Louisiana – pop. 3,400 – finally got its lawnmower repaired last year and bought a couple of used patrol cars for the police force of five officers, while municipal employees received their first raise in years, according to Mayor Gerald Brown.

The Jackson Parish Correctional Center in Louisiana generates about \$750,000 a year for the sheriff’s office. “I’m good with the decision I made,” said Janice Fleming, an alderwoman who initially worried about the arrangement.

Alex Friedmann of the nonprofit Human Rights Defense Center in Nashville, Tennessee, said private companies and local governments benefit so much because ICE pays a higher premium per detainee than state and local prisons do. Jails typically pay private prison companies \$35 to \$40 per day per inmate, while state prisons pay \$55 to \$65 per day, he said.

ICE can pay up to \$300 per detainee. Children and families are worth the most per head.

“That’s why they pursue these federal detention contracts – these people are profitable,” Friedmann said.

In other pockets of the country, locals are fighting back against ICE.

Officials in Hudson County, New Jersey, are tired of the controversy surrounding their agreement to hold ICE detainees in their correctional facility.

The county announced that it plans to end its relationship with ICE by next year and started clearing out immigration detainees. The facility that housed as many as 800 ICE detainees is down to 300. County officials broker deals with neighboring counties to hold their criminal inmates to make up the difference.

In some cases, state governments get involved.

California passed a series of laws that go into full effect in January that aim to ban all ICE detention centers in the state. Washington state lawmakers are working on a similar bill.

This town got a private prison company to pay for Little League

The Adelanto ICE Processing Center, 85 miles northeast of Los Angeles in the Mojave Desert, is big business for the city.

It provides 760 jobs for residents, is the largest property taxpayer in the city with a total assessed value of more than \$118 million and pays about \$38 million in economic benefits to Adelanto, according to City Manager Jessie Flores.

That helps explain why city leaders have worked so closely with the GEO Group, the company that runs Adelanto, to keep the facility running despite demands from city residents and immigration advocacy groups to close the facility.

Up until this year, the city held the contract with ICE to house detainees, then it contracted the work out to GEO Group. Over the past year, city leaders coordinated with GEO leadership to devise a new setup: The city would back out of its contract with ICE, then GEO would sign its own standalone contract with ICE that could run

for up to 15 years. That arrangement means the facility will continue to operate despite the state's efforts to restrict immigration detention, allowing some money to keep flowing from GEO to the city of Adelanto.

Emails obtained through the California Public Records Act show how closely all sides were involved in that process.

In a Feb. 5 email to Greg Hillers, GEO Group's assistant warden of finance and administration, Flores called a recent meeting with GEO Group CEO Zoley "very productive and informative." Flores threw in a request – \$3,500 for the Adelanto Little League baseball team.

"The league is in desperate need of equipment such as Uniforms, Baseball bats, Ground maintenance, Park usage fees, Utilities, etc..." Flores wrote. "Your continued support and consideration is very much appreciated."

Emails show both sides working together until June, when the city ended its contract with GEO, and the private prison operator immediately signed a contract with ICE.

Critics say the carefully orchestrated move skirted California's efforts to ban immigration detention. The GEO Group pointed the finger in the other direction.

"One could argue that California is trying to do an end-run around federal immigration authority or the Constitution," Venturella said.

Long-term contracts could keep detention centers open for very long time

Private companies have usually signed short-term contracts with ICE or local governments. As California's new law is set to go into effect in January and communities in other states fight ICE, the industry is trying to lock in longer 10- and 15-year contracts.

In three Texas detention centers - the T. Don Hutto Residential Center in Taylor, the South Texas ICE Processing Center in Pearsall and the Houston Processing Center - ICE is finalizing direct, 10-year leases with the private companies that operate them, according to Bethany Carlson of Austin-based Grassroots Leadership, a non-profit working to end immigrant detention. The group filed a lawsuit earlier this year requesting more information on the contracts.

[Henry Lucero, an ICE official](#) who oversees detention facilities, said the agency usually signs short-term contracts to allow for flexibility as immigration flows change. He said there will always be a need for ICE detention facilities in border states such as Texas and California, making the longer-term contracts a better deal for the government.

“That’s a risk for private industry to go into these arrangements, hire people, invest in facilities, knowing potentially ICE will not be there 30 days from now, one year from now,” Lucero said. “So giving that a longer-term contract puts private industry at ease ... but also gives the ability for ICE to have a reduced price because of that stable and long-term effect.”

Carlson and others said they are worried those kinds of contracts will make it easier for ICE to run the detention centers for many years, no matter who is in the White House or running Congress.

“ICE could really lock in detention for the next decade,” Carlson said.

More in this series

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