

# Privatization Issues In The News

## Prison Privatization at the Capitol: Vendors get half-a-loaf

During the most recent legislative session, efforts were made by the for-profit private prison industry to build new private prisons. The Senate budget proposal had two new 2,000-bed private prisons while the House had language to build a 2,000-bed private prison in Graceville. The House language basically gave the prison to the GEO Group.

The PBA asked **Representative Curtis Richardson** to file an amendment to remove the Graceville prison from the budget, which he did. Rep. Richardson's amendment was then amended by taking out the language requiring the prison to be built in Graceville.

In the end, the private prison vendors got a 2,000-bed private prison to be built somewhere in Florida. This author would not be surprised to see it built in Graceville anyway.

## OPPAGA to review private prisons

OPPAGA (the Office of Program Policy Analysis and Governmental Accountability), the Florida legislature's oversight agency, will "review the operation, management, and oversight of private prisons governed under contracts with the Department of Management Services."

OPPAGA has completed a number of reports on the for-profit with various results. The last report they did was in 2002. ([www.oppaga.state.fl.us/reports/agency/dcpc.html](http://www.oppaga.state.fl.us/reports/agency/dcpc.html)) OPPAGA maintains high standards and produce reasonable and unbiased reviews of their subject.

This author spent about an hour and a-half with two OPPAGA analysts going over information we have compiled

over the years regarding the for-profit private prison industry. This was the first time the PBA was asked for input on an OPPAGA report.

We stressed to the analysts the need to look beyond the bottom line of cost savings and focus on performance issues: high turnover, facility incidents, political connections, etc.

We hope their efforts will be fruitful.

## CCA drops Bay County Jail contract

In an amazing and stunning move, Corrections Corporation of America (CCA) notified the Bay County Commission that they would no longer operate the Bay County Jail and Annex after October 1, 2008. The announcement took county commissioners off guard.

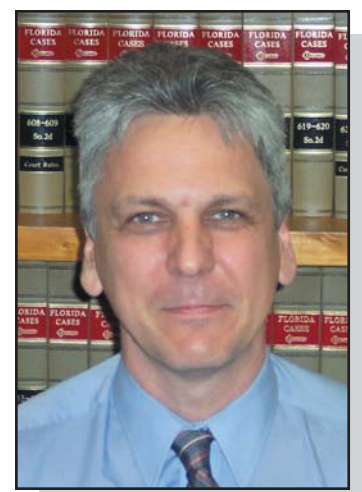
Bay County was CCA's first jail in Florida. CCA landed the contract in 1985.

The facility had numerous safety and other issues (<http://privateci.org/florida.htm#Bay%20County%20Jail>) and this author wonders why the county didn't revoke the contract with CCA sooner, other than for political reasons.

In fact, after the most recent contract was put out to bid and which CCA was awarded, the county was sued by Emerald Corrections, a CCA competitor, claiming the bidding process was tainted. The suit is still pending.

One county commissioner is considering suing CCA because the new jail being built by CCA was anticipated to save the county money because it was designed by CCA for use by CCA. He believes that someone else, whether another vendor or the sheriff, might not be able to run it effectively because of the design issue.

We'll let you know what happens. ●



*Ken  
Kopczynski  
Legislative  
and Political  
Affairs Assistant*

## Webpage

The Private Corrections Institute maintains an excellent webpage on the for-profit private prison industry. You can get recent news, lawsuits, reports, and links to other sites. Our "Hall of Shame" is a hit among activists.

The link is:

[www.PrivateCI.org](http://www.PrivateCI.org)

## Wackenhut over-billed Dade millions

By Scott Hiaasen and Larry Lebowitz • May 9, 2008

### An audit found that a security firm overbilled Miami-Dade County by \$6 million—by charging for guard posts that it hadn't filled.

The Wackenhut Corp. overbilled Miami-Dade County as much as \$6 million over three years for phantom security guards at county transit stations, according to a long-awaited audit released Thursday.

County auditor Cathy Jackson—who reviewed a sample of the bills—found that Wackenhut, one of the country's largest security firms, routinely charged the county for empty guard posts at Metrorail stations and along bus routes, and relied on inaccurate and falsified records to try to cover up the overbilling.

Miami-Dade Mayor Carlos Alvarez has given Wackenhut 90 days to repay the county or rebut the audit findings or he will cancel the company's no-bid contract, along with a separate Wackenhut contract for guards at a juvenile detention center.

Jackson said Wackenhut should also pay the county an additional \$233,000 for violating the terms of its contract. Wackenhut's billing is also being examined by public-corruption detectives with the Miami-Dade Police Department.

"There is no disputing that [Miami-Dade Transit] was billed for hours not worked by Wackenhut security officers, which is a very serious offense," County Manager George Burgess wrote in a memo to Alvarez.

Wackenhut, however, does dispute the audit. The company says Jackson used unreliable records to determine that posts were uncovered, and ignored other records that could prove guards were on duty.

### FIGURES DISPUTED

While Wackenhut says it will reimburse the county for any "substantiated billing errors," the company says Jackson's conclusion of \$6 million in overbilling from 2002 to 2005 is an exaggerated estimate based on a small sample.

"If you start with a false premise, you end up with a false conclusion," said Bruce Rubin, a company spokesman. "We respectfully but forcefully disagree with the auditor's methodology."

Jackson based her estimate on a review of 505 billing records—only .25 percent of the bills submitted in the three years studied—which found \$14,722 in questionable charges. She also found \$83,665 in suspicious charges, but these were not included in her sample for estimation purposes.

Wackenhut has been providing security for Miami-Dade Transit since 1989, and the contract has been awarded without bidding since 1994. The current contract, which pays Wackenhut as much as \$17 million a year, is set to expire in November 2009.

The security company, based in Palm Beach Gardens, has also spent the past three years fending off an unusual lawsuit brought by a former guard at the county's Juvenile Assessment Center, who accused her former employer of padding its bill to the county.

The former guard's attorney, H. Mark Vieth, has said he believes the overbilling could be as much as \$3.6 million a year. He has compiled sworn statements from ex-guards who said they struggled to fill unmanned posts, submitted false records and received pay for hours they didn't work.

Jackson "found exactly what we've been telling the county for a while now," Vieth said. "I could have practically written that report for her. The only difference, really, is that we're auditing 100 percent of the bills and she's found this much fraud" based on a far smaller sample.

Wackenhut has denied wrongdoing in the suit and has challenged Vieth to provide proof of

specific instances of overbilling.

Vieth has enlisted a team of investigators and bookkeepers to sort through Wackenhut bills, sign-in sheets, log books and other records to prove his case, which is not yet scheduled for trial. If he wins the case—brought under the county's False Claims Act—his client will receive 25 percent of any damages and the county will receive 75 percent.

### REFUSED TO TESTIFY

Yet the lawsuit has put Vieth at odds with the county. Last month he sought a contempt of court order against Jackson after she refused to testify about the audit before it was completed. Vieth plans to call her again for a deposition next week.

The audit was costly to Wackenhut even before its release. The company had been selected by county staffers to win another \$4.8 million county security contract—before county commissioners, worried about the audit findings, decided Tuesday to scrap the bids and start over.

In her audit, Jackson said Wackenhut constantly shifted guards around to cover unguarded posts, pulling in supervisors or patrols from the bus routes, but the county was billed as though all these jobs were filled.

In some cases, log books at Metrorail stations contained no notes to prove a guard was there, the audit found. In other cases, the logs and other records showed guards in two different locations at the same time.

Records showed that one armed guard was on duty for 34½ hours in a row—violating a rule capping guards at 13½ hours in a 24-hour period and "leaving in question the ability of armed employees to remain alert and responsive," the audit said.

Wackenhut officials said the log books were never intended to be used for timekeeping, and said the absence of notes in the books do not prove a guard wasn't on duty.

## Get aboard the PCI-Watch

If you are serious about fighting the for-profit private prison industry, then you need to sign-up for the PCI's Watch—the electronic private prison news service. Just send your request to [kenk@PrivateCI.org](mailto:kenk@PrivateCI.org) and ask to be put on the list. Please be aware—this is not for the faint-at-heart. Sometimes there is a lot of reading but it is well worth it.

