Report on Public and Private Management of Correctional Facilities

in the
United States of America

and the
United Kingdom

(Result of a Study Tour Undertaken in April 1991)

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NSW DEPARTMENT OF CORRECTIVE SERVICES

December, 1991
Mr Angus Graham
Director-General
Department of Corrective Services
Level 19, 24 Campbell Street
Sydney NSW 2000

Dear Mr Graham,

Report on Public and Private Management of Correctional Facilities in the United States of America and the United Kingdom

The members of the study tour which visited several correctional facilities in the United States of America and the United Kingdom during the month of April this year, are now pleased to present their formal report of their observation and findings.

The information contained in this report provides an overview of certain aspects of the criminal justice system in the seven (7) states visited in USA, as well as the UK. The report also outlines some of the reforms and advances taking place in these countries at the present time in the administration and management of adult, juvenile, and young offenders, and in particular the report covers the increasing role of the private sector in both the financing and operation of correctional centres.

Yours sincerely,

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1. ♦ INTRODUCTION ♦

In an effort to improve both the quality and cost effectiveness of services delivered in Corrections, many governments worldwide are now looking at the benefits of following the United States' (US) lead of introducing private sector management into the operations of correctional facilities.

Contract management of correctional facilities in the US was first introduced during the early 1980's, and as at the date of writing there are some sixty (60) correctional centres that are either under contract management or in the process of being contract managed in fourteen (14) states throughout the US, for Federal, State and County authorities.

The Australian experience in contract management of correctional facilities began in 1989 with the Queensland government letting a contract to Corrections Corporation of Australia for the management of its Borallon Facility, near Brisbane. Borallon, unlike many of the US privately operated correctional facilities, was not designed and built by the same company that was selected to manage the establishment.

The New South Wales government recognised early in the planning stages of the Junee project the benefits that could be derived through contract management and introduced in late 1990 changes to legislation that permitted management by the private sector of state correctional facilities. The legislative changes also enabled contracting out of escort duties associated with the transportation of inmates between institutions and the courts.

In order to optimise operational outcomes through the contract management process it is important to ensure that building designs reflect the management philosophy of the organisation which has the responsibility for facility operations. It was clear to the authors that failure to achieve this essential linkage was a weakness of an otherwise very successful project at Borallon. Accordingly, when the Junee project was being considered for contract management, the New South Wales government took the decision to link the design, construction and management functions through a single contract arrangement.

* Note: The proposed new correctional centre in the New South Wales country town of Junee, 447 kilometres south-west of Sydney, is being designed to accommodate 500 medium security and 100 minimum security inmates, and is schedule to be completed during the first half of 1993.
The results of this initiative culminated in the New South Wales government signing agreements on 7 August, 1991 with Australasian Correctional Services (ACS), an Australian registered company (principal shareholders: Thiess Contractors; Wackenhut Corrections Corporation of America; and ADT Security Pty Ltd) for the design, construction and management of the proposed new correctional centre at Junee.

In addition to the above contract management initiatives outside the US, the United Kingdom (UK) government recently let a tender to the private sector for the management of a new remand centre that is being built near Hull in the north-east of England. The Northern Territory government, in Australia, also recently invited expressions of interest from suitably qualified and experienced organisations for the design, construction, and management (or part thereof) of a new prison at Alice Springs.

As a result of the success of its Borallon project, the Queensland government also recently called for expressions of interest from the private sector to operate the new Remand and Reception centres presently under construction at Wacol near Brisbane. Furthermore, within the past months, the New Zealand government decided to consider the private sector for the design, construction, commissioning and operation of new Remand facilities in Auckland.

It is worth noting that the interest in private management of correctional facilities is not restricted to the USA, Europe and Australasia. Recent developments in south-east Asia have resulted in several countries, notably Singapore, expressing keen interest in the benefits of contract management of, and the provision of services to, correctional facilities through the private sector.

The growing trend towards increased involvement of the private sector in the management of correctional facilities and the provision of services to government operated institutions is likely to continue and may even escalate at a more rapid pace during the 1990's than it has over the past decade.

Economic factors will continue to put pressure on the public sector to do "more with less", and the involvement of the private sector with the benefit of more flexible resources, including innovative financing will undoubtedly become a more common feature of the corrections business in the 1990's. This outcome, coupled with changes and necessary reform in the public sector provide the best options for government to achieve the dual strategies of improving both the quality of services required in the Adult corrections and Juvenile Justice areas of the criminal justice system, and the cost effectiveness of their delivery.
On 16 March, 1991 the then Minister for Corrective Services, the Hon Michael Yabsley MP, approved of an overseas study tour of Correctional Facilities in April 1991 by a senior executive from the Department of Corrective Services (DOCS) in company with two Premier's Department senior management personnel.

The touring party comprised: Mrs Frances Buckeridge, who was at the time, Assistant Director-General, Department of Corrective Services; Mr Peter Hoare, who was at the time, Director, Capital Works Unit, Premier's Department, under secondment to DOCS as Executive Consultant to the Director-General and the Minister; and Mr Vishnu Prasad, Director, Management Review, Office of Public Management, Premier's Department.

The three senior officers undertaking this study tour were at the time of visiting members of an interdepartmental steering committee that had been set by the New South Wales government to oversee the planning stages of the new Correctional Centre at Junee. This project was to be the first correctional facility in Australia to be designed, constructed and managed by a single company.

The two week study tour was to include visits to Federal, State, and County correctional centres in the US (operated both privately and publicly) and a number of Her Majesty's detention centres in the UK. In particular the touring party were to visit facilities operated by the four management companies that had been successful, as members of various consortium, in being shortlisted to tender for the management of the proposed new Correctional Centre at Junee.

It was also the touring party's intention to visit the Headquarters of the four shortlisted companies (Group 4, Corrections Corporation of America, Wackenhut Corrections Corporation of America and Pricor International Incorporated) to meet with Chief Executives and senior management. The authors were to visit also: a number of government clients, other public sector administrations, as well as recognised specialists, both academics and practitioners in the field of Corrections and Juvenile Justice.

On completion of the study tour the authors were to:

- report to the Junee Steering Committee by 24 April 1991 on the operational performance of the four companies;
provide valuable input to assist the Department of Corrective Services in the development of an appropriate management plan for the proposed new Remand facility at Silverwater; and

prepare a detailed report on their findings for the consideration of the Director-General and the Minister

Following the study tour, the official party reported to the Junee Steering Committee, as scheduled in April 1991, on the operational performance of the four companies concerned, and this assisted the committee in its recommendation of a preferred tenderer for the Junee project. More recently, the Director-General approved of the management plan for the proposed new Remand Centre at Silverwater, that was developed with the benefit of the study's findings.

The preparation of this report completes the tasks to be performed by the study group in respect of this official overseas visit.
3. PURPOSE OF STUDY TOUR

As indicated previously, the main purpose of the study tour was to:

- provide an opportunity for the Junee Steering Committee to develop a better understanding of privately managed prison operations overseas;
- inspect various correctional facilities presently operated by the shortlisted tenderers for the Junee project;
- meet and discuss operational issues with Federal, State, and County authorities in the US as well as Her Majesty's prison services in the UK;
- appreciate advances being made in prison operations overseas and in particular in the area of remand; and finally
- prepare a written report to the Director-General and the Minister for Corrective Services (now the Minister for Justice, the Hon Terry Griffiths MP) on the observations and findings of the overseas study tour.
4. ACKNOWLEDGEMENTS AND QUALIFICATIONS

The authors publicly acknowledge the generosity, hospitality and assistance given the touring party by the officials, public and private, with whom the officers met and had telephone conferences with during this overseas business trip.

In preparing this document, the authors have endeavoured to report accurately and fairly on their observations and findings. Particular care was taken not to compromise individuals, where sensitive and/or confidential information was discussed.

Through the collective contributions of the authors and the editing procedures adopted in the preparation of this report, it is considered that the likelihood of significant errors and/or misrepresentation has been diminished.
5. STUDY TOUR ITINERARY

A. UNITED STATES OF AMERICA

1. CALIFORNIA

- Sacramento (4 April):
  Headquarters of the Californian Department of Corrections - meeting

2. TEXAS

- Dallas/Fort Worth (5 April):
  Tarrant County Headquarters (Fort Worth) - meeting
  Texas Remand Centre (CCA) - inspection and meeting

- Venus (5 April):
  Venus Pre-Release Centre (CCA) - inspection and meeting

- Kyle (6 April):
  Kyle Pre-Release Centre (Wackenhut) - inspection and meeting

- San Antonio (7 April):
  Central Texas Parole Violator Facility (Wackenhut) - inspection

- Navasota (7 April):
  Wallace Pack Unit One Correctional Facility (TDCJ) - inspection

- Cleveland (8 April):
  Cleveland Pre-Release Centre (CCA) - inspection

- Diboll (8 April):
  Angelina County Adult Detention Centre (Pricor) - inspection and meeting

- Huntsville (8 April):
  Wynne Unit (TDCJ) - inspection (party only)
  Goree Unit Young Offenders Facility (Boot Camp TDCJ) - inspection
  Headquarters of the Texas Department of Criminal Justice (TDCJ) - meeting

3. TENNESSEE

- Nashville (9 April):
  Headquarters of Corrections Corporation of America (CCA) - meetings
Riverbend (9 April):
Riverbend Maximum Security Institution (Tennessee Department of Corrections/Pricor) - inspection and meeting

Murfreesboro (9 April):
Headquarters of Pricor - meetings/telephone conferences

Nashville (10 April):
Headquarters of CCA - meetings/telephone conferences

4. Florida

Miami (11 April):
Turner Glidford and Knight County Remand Centre (Dade County) - inspection

Coral Gables (11 April):
Headquarters of Wackenhut Corrections Corporation of America - meetings/telephone conferences

Miami (12 April):
Metropolitan Correctional Centre (Federal Bureau of Prisons) - inspection

Coral Gables (12 April):
Headquarters of Wackenhut - meetings/telephone conferences

5. New York

New York City (13 April):
Manhattan Detention Centre (New York City Department of Corrections) - inspection and meeting

6. Maryland

Upper Marlboro (14 April):
Prince George's County Correctional Centre (CGA) - inspection and meeting

7. Washington District of Columbia

Washington DC (15 April):
Regional Headquarters of Carter Goble Associates (CGA) - meetings
Correctional Treatment Facility (District of Columbia) - inspection
Headquarters of the National Institute of Justice (NIJ) - meetings
Headquarters of the Federal Bureau of Prisons - meetings
B. UNITED KINGDOM

1. WORCESTERSHIRE
   - Broadway (17 April):
     Headquarters of Group 4 (UK operations) - meetings

2. LONDON
   - Heathrow (18 April):
     Harmondsworth Immigration Facility (Group 4) - inspection
   - Queen Anne’s Gate (19 April):
     Headquarters of the Home Office’s Prison Services - meetings
6. EXECUTIVE SUMMARY

6.1 PRIVATE SECTOR MANAGEMENT OF CORRECTIONAL FACILITIES

6.1.1. Consortia Performance

In considering the capability of the four (4) shortlisted consortia that tendered for the Junee project, the touring party inspected facilities operated by Group 4, Corrections Corporation of America (CCA), Pricor International Inc, and Wackenhut Corrections Corporation of America, and met with company executives as well as senior management of client departments. In addition the authors met with several specialists and academics in the field of Adult Corrections and Juvenile Justice in both the UK and USA. Where it was not possible to meet with key figures in the Criminal Justice area, the touring party organised telephone conferences as an alternative arrangement.

The following represents a summary of the main observations and findings as set out in the detailed report that relates to the operational performance of the four (4) abovementioned organisations.

(a) Group 4

Group 4 International Correction Services Incorporated is currently finalising negotiations with the State of Colorado for the design, construction and management of its first correctional facility in the US in Denver. The company’s UK operations (Group 4 Total Security Ltd) does manage, however, an Immigration Facility for the UK Government which the touring party visited near Heathrow Airport at Harmondsworth.

Group 4 in addition to tendering for the Junee project, also tendered for a new 330 bed Category "B" security Remand Centre near Hull in the north of England. For this particular project, Group 4 has formed a joint venture with Tarmac Construction in the UK, through the formation of a special purpose company (Remand Services Ltd).*

* Note: Group 4 subsequently were awarded this contract.
The various Group 4 companies mentioned above are all subsidiaries of Group 4 Securitas which is the largest security company in Europe, and through its international network of companies it now has operations worldwide.

Notwithstanding the company's extensive security experience, Group 4 is, however, a relatively new operator in the corrections business. Accordingly, in recognition of this relative inexperience, Group 4 teamed up with Carter Goble Associates (CGA) to form the specialist company Group 4 International Correction Services BV, to tender for the Junee project. CGA is recognised as one of the leading consultants to governments in the comprehensive planning and management of correctional facilities in the US.

Since its formation in 1974 in Columbia, South Carolina, CGA has attracted more than 500 separate client government agency briefs for its consulting services.

During the study tour the authors visited three (3) correctional facilities where CGA had designed and developed both the management and operational plans. The three correctional facilities visited were:

- Tarrant County (Fort Worth) Texas Remand Centre (1,940 bed maximum custody correctional facility) near Dallas in the state of Texas.

- Prince George's County Correctional Centre (650 bed maximum, medium and minimum security correctional facility for pre-trial and sentenced inmates) in Upper Marlboro in the state of Maryland.

- District of Columbia's new correctional treatment centre (800 bed facility for mental health and substance abuse inmates) in Washington.

Following these inspections, meetings were arranged with the President and Chief-Executive Officer of CGA (Stephen Carter) and other senior company executives, as well as the chairman of Group 4's UK operations (Jim Harrower) and the President of Group 4's US operations (Hal Williams).

From these meetings and inspections it was apparent to the touring party that the Group 4 consortia including CGA were capable of fulfilling the management and operational requirements of the Junee project, despite Group 4's relatively limited management experience in corrections, at the time of visiting.
(b) Corrections Corporation of America (CCA)

Corrections Corporation of Australia is a corporate affiliate of the parent company known as Corrections Corporation of America (CCA).

At the time of this study tour, CCA had a total of 23 correctional facilities either in construction or under operation for 37 US government agencies in six US states (Florida, Texas, New Mexico, Tennessee, Louisiana, and Kansas). These facilities were in addition to the Borallon project in Queensland which is being managed for the Queensland State Government by CCA's Australian affiliate company, Corrections Corporation of Australia.

During the study tour, officers inspected the two (2) 500-bed pre-release correctional centres managed by CCA at Venus and Cleveland in the State of Texas. Officers also met with the President (Doctor Grants) and senior executives of CCA at the company's headquarters in Nashville, Tennessee.

CCA which was founded in 1983 is, along with Wackenhut, one of the largest private management correctional operators in the US. The company was, at the time of the study tour, contracted to provide accommodation and management for 5,500 inmates. This figure could increase to 7,500 by the time current building programmes, tendering procedures and contract negotiations are completed.

During the study tour the authors spoke at length to several of CCA's clients who expressed satisfaction with both the quality of service provided and the cost savings (at least 10%) being derived from the contracts in place with CCA. With this operational performance in mind, and the commitment that CCA were giving to support its Australian operations, it was clearly evident to the authors that Corrections Corporation of Australia were sufficiently capable of fulfilling the operational requirements of the Junee project.

(c) Pricor International Incorporated

Pricor, which commenced operations in the US in November 1985, and has its corporate headquarters in Murfreesboro in the State of Tennessee, tendered for the Junee project as part of a consortia known as Contract Prisons Australia.
The company, at the time of visiting, had six (6) correctional and juvenile detention centres under contract management in four (4) US states (Tennessee, Alabama, Texas and Virginia). Pricor was also negotiating with six (6) country administrations in Texas for the management of six (6)-500 bed medium/minimum security gaols in the state's rural areas.

These new facilities had been "spec" built by private developers through the issue of "junk" bonds as the means of financing these developments. The authors inspected one of these six (6) facilities at Diboll, known as the Angelina County Adult Detention Centre, which was at the time of visiting at the commissioning/pre-occupation stage of development.

One of the interesting features of this project is that the developer, presumably through financial over exposure and poor design had created a situation where the State Correctional Authority could not support the placement of inmates into the facility, due to non-compliance with correctional standards as defined by Federal court orders.

This situation has created some financial difficulties for the developer which in turn is affecting the company's ability to make the necessary improvements required for compliance. Accordingly, Pricor's negotiations concerning these six (6) facilities have been delayed pending resolution of these matters.

In discussions with the company's executives it was apparent that Pricor's core business is the management of pre-release and pre-parole correctional facilities and minimum security gaols, although it does have other interests such as juvenile remands, juvenile detention, and residential rehabilitation.

During the study tour, officers met with Stephen Norris, President and Chief Operating Executive of Pricor International, at the company's Tennessee headquarters. The authors also visited the 620-bed Riverbend Maximum Security Detention Centre which is operated by the Tennessee Department of Corrections, along operational and management principles developed by Pricor. This facility accommodates the State of Tennessee's most difficult inmates, and includes those inmates under sentence of death.
The authors were impressed with both the operational procedures and interactive programmes that had been developed by Pricor for the management of this facility. Riverbend, despite its high security classification appeared to have an operational environment that was conducive to encouraging positive correctional outcomes.

Despite the fact that the authors were unable, due to time constraints, to visit a conveniently located correctional facility operated by Pricor, discussions with the company executives and client organisations plus the two inspections that were organised led the authors to conclude that Pricor did have the necessary skills and management background in corrections to operate successfully the Junee project and therefore their shortlisting was justified.

(d) **Wackenhut Corrections Corporation of America**

Wackenhut Corrections Corporation of America operates within the Government Services Group of the much larger parent company known as Wackenhut Corporation, which is a highly successful and diversified protective and support services company that operates throughout the US as well as internationally.

Although Wackenhut Corrections currently represents only 7% of the Corporation's total business, it does represent the fastest growing part of the business.

The corrections part of the Corporation's business generated revenue in 1990 of some US$35 million, through the management of ten (10) correctional facilities in seven (7) states in the US (Texas, California, Colorado, New York, Michigan, Florida and Louisiana). The company at the time of visiting had contract commitments for an additional three (3) facilities which would then given the company some 4,700 beds under contract management.

As previously mentioned, Wackenhut Corrections Corporation of America and CCA are the two most successful private operators in the US corrections business, and Wackenhut is confident it can improve its position in the industry by securing contracts by the end of 1991 that will result in the company having a total of some 7,500 inmates under contract management.

During the study tour the authors inspected two of Wackenhut's facilities, the first being a 500 bed pre-release centre at Kyle and the other the Central Texas Parole Violater Facility in San Antonio.
Meetings and discussions with the Texas Department of Criminal Justice (TDCJ) indicated clearly that Wackenhut provided a very good service to its clients in a professional and cost effective manner.

Later during the study tour, officers met with the Chairman and Chief Executive Officer of Wackenhut Corporation (George Wackenhut) and its President and Chief Operating Officer (Richard Wackenhut) and several of the company's Vice Presidents and Senior Executives at the Corporate Headquarters in Coral Gables, Miami, Florida. Whilst at Wackenhut's headquarters, the authors were able to talk to a number of independent authorities in respect of the company's performance in corrections, as well as some of the organisation's clients. The resulting discussions confirmed that the company had both the necessary capacity and operational experience to satisfy all the requirements for the successful management of the Junee Correctional Centre.

Following the study tour the authors reported back to the Junee Steering Committee that all four (4) consortia had the necessary experience to manage the Junee Correctional Centre, although Wackenhut and CCA had the greatest number of facilities under contract management at the time of visiting. Based in part on the findings of the study tour the steering committee having completed its review of the tenders submitted recommended to the New South Wales Government that Australasian Correctional Services Pty Ltd (ACS) was the preferred tenderer. ACS was subsequently awarded the Junee Contract after Cabinet endorsement.

6.1.2. GENERAL PERFORMANCE

The findings of this overseas study tour suggested that there is little evidence to support the concerns expressed by some critics of private sector's involvement in corrections.

The principal concerns that have been widely debated particularly in the US, regarding private management of correctional facilities include:

- private sector operations should not be permitted to make a profit at the expense of inmate labour;

- private sector delivered services may not be viable in the long term; and
the benefits to government, in expenditure and operational terms, are unlikely to be sustainable other than during the initial contract phase.

Many critics of private sector's involvement in corrections have a fundamental philosophical difficulty with the basic concept of involving other than the public sector in the management of inmates in correctional facilities.

In reference to the first concern expressed above, the critics argue that profits will inevitably lead to a reduction in quality and extent of services to be provided. Whilst these concerns are understandable they are somewhat "simplistic" and perhaps "misguided" since they conveniently avoid the question of public sector accountability.

Ultimately the public sector must be held accountable for the care and protection of inmates and no contractual arrangement can abrogate that responsibility. The client must set the minimum standards that are acceptable and then ensure by monitoring the performance of the contractor that the desired outcomes are achieved. Failure to do so becomes a matter of public rather than private sector performance. Experience to date in the US has shown that as far as the leading companies are concerned, the quality of service provided by the private sector in corrections has been at least the equal of, and in many cases, superior to their public sector equivalents. Certainly the cost of services provided under contract by companies such as Wackenhut and CCA is less than the cost of providing comparable services in the public system.

As regards to this second concern the critics assume that many companies will "buy" contracts to break into, or protect existing markets in the corrections business by tendering too low, thereby exposing themselves to unnecessary financial risks. As in the previous instance, it is obvious that the client has a responsibility to ensure that not only are the prices tendered reasonable, but also the company tendering must have the necessary financial backing to fulfill its obligations under the terms of the contract. The client department therefore should before committing itself to a contract, undertake, or have undertaken on its behalf, the necessary financial checks to ensure that unnecessary risks are avoided.
In most contractual arrangements there are normally financial guarantees and/or insurances required to be submitted by tenderers to cover these risks. Once again, failure to satisfy the above reflects badly on the public sector's performance, just as much as the private sector's performance.

The final concern expressed is predicated to some extent on the belief that the private sector operator can unilaterally increase charges over time in "real terms" and that any improvements in public sector costings will reduce the initial cost advantages of contracting out. It needs to be said at this point that most contracts sighted during the study tour were for a limited period (up to five years) and incorporated provision for some annual cost adjustments according to a predetermined formula that would take into account the movements in wages, materials, plant and equipment. Most contracts are either re-negotiated at their expiry date or fresh tenders are called, and in either situation the client is clearly not going to pay a premium unless the benefits outweigh the cost increases.

Once again, failure to achieve the desired outcomes that have been set must reflect to some extent on the public sector, as well as the private sector, performance. It should not be forgotten that one of the objects of introducing private management into corrections was to improve public sector performance through competition and innovation.

As a general comment the authors were satisfied that all of these concerns can be addressed if proper procedures and policies are developed and implemented by the responsible public sector organisation. Based in part on the observation and findings of the study tour, the authors believe that some of the key advantages to governments in contracting out to the private sector in corrections are:

- the provision of competition in corrective services;
- the greater flexibility of the private sector which is not bound by past work practices, and the greater innovation in management;
- the ability to develop prison designs that facilitate cost effective management;
the ability to be able to cut costs, as the private sector will:

- discourage waste as this cuts into profits
- avoid bureaucratic procurement procedures, enabling purchase to be made more quickly and cheaply
- develop better working conditions to retain valuable staff in order to achieve high morale and greater productivity.

- the development of a culture that is result-orientated thereby encouraging innovation and experimentation;
- the assurance by contract that comprehensive education, vocation and work programmes are developed and implemented;
- the standards set in contract are normally higher that the public sector attain and the benefits can ultimately have a flow-on effect into the public sector.
- the public accountability that results (prison regulations and contractual agreements are generally more strictly controlled).

In the general belief that the above advantages can be realised, many experts in the criminal justice area did indicate to the authors that they expected the industry to grow.

Since Federal Court Orders have been issued in many states because of poor or non-performance by the public sector agencies the move to involve the private sector has improved the quality of service delivery. Not only this, but to date the US experience suggests the savings to governments by contracting out to the private sector are in the order of 25% (Capital) and 10% (Recurrent).

The future for the private corrections industry, particularly in the US looks promising although even the strongest supporters recognise that there are still obstacles to overcome, namely:

- **Need for Further Legislation Reform:** At the time of writing only five (5) states in the US had comprehensive legislation to support the expansion of the private corrections business. Eight (8) other states had limited legislation to promote this market, with the bulk of the remaining states having yet to make the move to enable private management in corrections.

- **Opposition Within the Public Corrections Establishment:** There is still strong opposition in many public sector
organisations, particularly in the US, to private sector's involvement in corrections. There is a general fear of competition and its impact on job security. The preservation of "bureaucratic empires" and the concern that the private sector may set standards that the public sector cannot achieve are important issues.

- Public Employee Union Opposition: There is no doubt that the most vocal and perhaps powerful opposition to the private corrections business is from the public employee labour unions.

- Anti-Competitive Statutory Provisions and Bid Requirements: Existing legislation in the US may not create the environment in which opportunities can be developed if it is too limited or restrictive, and if tendering requirements are unreasonably demanding.

In considering the future prospects for the private corrections industry in the US, reference to a Charles W Thomas* and Linda S Calvert Hanson article "The Emergence of the Private Corrections Industry" which was published in Partnership Focus in March 1991, is useful.

These authors concluded that in respect to the US environment:

"A growing amount of experience revealed that the private sector was entirely able to manage relatively large correctional facilities which housed diverse types of inmates. Dozens of private facilities provided concrete evidence that privatisation could yield significant cost savings without adverse effect on the quality of correctional services they provided.

Thus the 1990's begin with the value of correctional privatisation being substantially more than a twinkle in the eye of a private entrepreneur. The most fundamental challenges to correctional privatisation have been met and overcome.

In addition, the correctional crisis which gave initial impetus to the correctional privatisation movement has become even more acute, putting heavy pressure on governments to identify solutions. Our expectation, therefore, is that the

* Note: Charles W Thomas is Professor of Criminology at the University of Florida and the officers travelling had the opportunity during the study tour of meeting with him in Miami.
growth of the private corrections industry will accelerate during the 1990's with the altogether possible effect that the year 2000 will find as many as 200,000 prisoners housed in privately managed facilities.

In conclusion, it is perhaps worth noting that such a growth in the private corrections business as suggested above would represent a tenfold increase in the 20,000 or so inmates currently under contract management in the US.

6.2 ADVANCES IN CORRECTIONS IN THE PUBLIC SECTOR

6.2.1. OPERATIONAL PERFORMANCE

The study tour highlighted a number of areas where practices and procedures in public sector correctional organisations were specifically designed to improve operational performance and service delivery. The Californian Department of Corrections, for example, has comprehensive documentation for each type and classification of institution that establishes standards by which designs should be undertaken and programmes developed. The emphasis is on quality of service, affordability and value for money (return on investment).

The size of the corrections business in California is enormous (100,000 inmates in State operated prisons, alone) and the demands on the system therefore has forced correctional practitioners to search for innovative and cost effective solutions to the dual problems of an aging system that is both overcrowded and expanding rapidly.

State administrators across the US have embraced unit management/direct supervision as the preferred operational/management philosophy, to varying degrees with the Federal government and some of the more progressive states such as California now leading the way in an endeavour to achieve positive results in both financial and correctional terms.

Innovative financing and diversionary programmes are a feature of many state correctional systems in the US, as practitioners strive to improve operational performance and service delivery and achieve improved correctional outcomes in difficult budgetary situations.

It presently costs some US$18,000 per inmate per annum to keep an offender in full time custody in the state of California, which compares favourably when viewed against
achievements in the New South Wales system of roundly A$38,000 per inmate per annum when all overheads are fully allocated.

In the US the authors were advised that correctional organisations construct facilities that satisfy management objectives whilst maximising the opportunities to benefit also from economies of scale. For instance, many institutions have an inmate capacity of at least 500 and often in excess of 1,000 inmates.

The benefits of such a strategy can be illustrated when considering the Texas example, where it is not unusual for outcomes of between US$30,000 and US$40,000 per inmate being achieved for the capital cost of providing new correctional facilities. This outcome compares favourably once again when considered alongside the current predicted achievements in New South Wales which are close to A$90,000 even after allowances are made for the different operating environment, culture, work ethic and market size in the Australian context.

The authors were suitably impressed with the "structured" day concept that was common to many of the correctional facilities visited in the US, and the philosophy behind keeping inmates occupied in a constructive and productive manner. It was evident that this strategy was seen as the key to improving management outcomes and achieving cost efficiencies through the lessening of tension and the development of a more interactive and positive environment for inmates and officers alike. Associated with this strategy, correctional organisations were achieving improved productivity outcomes through reduction in staffing to inmate ratios, more dynamic and flexible security arrangements and the use of innovative architectural designs incorporating advanced technology solutions.

For example, in the US inmate to staffing ratios in excess of 3:1 are being achieved regularly, whereas the best of the New South Wales system is presently realising only slightly better than 2:1.

It is worth noting that a reduction in staffing to inmate ratios has not resulted in a corresponding increase in the instances of unrest and violence. In fact, the unit management/direct supervision concept that has been implemented in the Federal system, for example, has already achieved improvements in inmate to officer relationships, without compromising security and therefore public safety, and has
enabled positive correctional outcomes to be achieved through a conducive environment for reform.

It is also of interest to observe that savings are being achieved in the US through rationalisation and sharing of common services/facilities, where the opportunities exist.

For example, dormitory style inmate accommodation is widely used particularly in the low security classification establishments where communal showers for instance are commonplace. In the US there is also a greater tendency towards dual/multi occupancy cellular accommodation than is the practice in Australia, and the Americans do not believe this necessarily creates problems if appropriately managed.

6.2.2 MANAGEMENT PHILOSOPHY

The modern correctional philosophy in the US and in other advantaged Western countries is based on the premise that programmes at correctional facilities must be progressive and focus on the opportunities for rehabilitation, and developed with emphasis on interaction and participation. The programmes cover areas such as education, vocation, work and life skill development, and substance abuse counselling. Through such programmes, practitioners in the US are convinced that positive correctional outcomes and a reduction in the rate of recidivism can be achieved. As previously stated, results to date indicate that these objectives can be realised with the benefit of cost efficiencies if developed and implemented properly.

In the US it was apparent to the authors that significant emphasis is now being given to juvenile and young offenders programmes with a commensurate level of funding and appropriately trained specialist staff being made available. It is fairly obvious that governments must endeavour to treat the "causes" as well as the "symptoms" of the disorder in the community at large.

Clearly the US with an inmate population now standing at more than 1.2 million (477 per 100,000 of the general population) and several times that number in alternative correctional programmes has a major problem that few other nations would want to emulate. These statistics are staggering and reflect a society in crisis in terms of corrections specifically and criminal justice more broadly.
Australia must learn from the European and North American experience and develop strategies and programmes that suit the Australian culture and environment whilst not losing sight of the overall objective to improve correctional outcomes and service delivery and reduce costs where possible.

6.2.3 OPPORTUNITIES FOR IMPROVEMENT IN NEW SOUTH WALES

One purpose of the study tour was to appreciate advances being made in prison operations overseas. Throughout this report reference is made to the prison management models that are successfully operating overseas. In the public sector prisons visited that were adopting the unit management approach to prison and gaol management, all correctional administrators told the same story - changing the culture was the key to achieving an interactive style of management. However, progress in achieving this had been slower that originally expected.

There were many different styles of unit management/direct supervision observed during this study tour, with each model being suited to local circumstances. The lesson for New South Wales is that Unit Management can be successfully implemented providing it is recognised that there will be a need to fine tune the system at each institution.

In recognition of the above, the timetable that has been established to reform the system of management at both Goulburn and Lithgow for example would appear to be reasonable and not inconsistent with overseas experience. Generally a lead time of between 2-3 years is required to successfully introduce unit management.

The key characteristics of the overseas models which are considered appropriate and capable of implementation in New South Wales are:

- a system of case management/unit management/direct supervision.

- accountability by the inmate for his/her own actions. During the induction process, inmates are advised that their length of stay, level of privileges and their physical environment in prison is very much influenced by decisions they make, which characterise their conduct and behaviour.
a highly structured day focussed on work, education programs, life skills and recreation. The typical prisoner daily routine overseas is program intensive, with the emphasis on participation and involvement in a very pro-active manner.

At the conclusion of the study tour, a recommendation was put to the Director-General that these principles of management, i.e. direct supervision; a highly structured day with the emphasis on education, work, life skills and recreation; accountability of the inmate for his/her own actions, with a daily routine that emphasises participation and involvement be immediately adopted for the John Morony Correctional Centre at Windsor, which was at the time nearing completion.

The Director-General accepted these recommendations which have now been incorporated in the Management Plan for the John Morony Correctional Centre.

These principles, when successfully implemented, will result in significant improvements for both officers and inmates:

- A higher degree of control will be possible, with opportunities for inmate movements to be more closely monitored.
- The inmate, by participating in structured activities for the day, will be learning to take responsibility for his/her actions and will be offered opportunities for rehabilitation.

Additionally, a structured day management system permits staffing ratios that are in line with the ratios achieved overseas.

A note of caution, the time off for good conduct is not legally possible in New South Wales and therefore the outcomes may not be of the same order as enjoyed in the United States.

Also, in any comparison of the United States management systems with those in operation in New South Wales, note must be taken of the fact that most of the prison system in the United States is under court order regarding standards. It is mandatory for at least four hours of education and four hours of work or education to be provided. Therefore, the necessary funds are allocated in the government's budgets.
There is no such requirement in New South Wales or in any other Australian state, and therefore, funding for these initiatives cannot be guaranteed.

In the present difficult economic climate it is unlikely that significant additional funding will be forthcoming, given other competing government needs and priorities. Therefore every effort should be made to improve utilisation of existing resources to enable such initiatives to be progressed.
7.  ♦ DETAILS ♦

A. UNITED STATES OF AMERICA

7.1 CALIFORNIA

• SACRAMENTO (4 APRIL AM/PM)

The touring party met with senior executives from the California Department of Corrections. Present at this meeting were Robert H Denninger, Chief Deputy Director; S Cambra, Assistant Deputy Director; and Ben De Groot, Re-entry Co-ordinator. Discussions concerned the operating environment in corrections in the State of California.

(a) GENERAL:

• The State correctional system comprises 100,000 inmate beds at the end of 1990 plus 4,200 community beds in 21 prisons and 41 conservation camps. This would indicate that 345 people out of every 100,000 of the State’s population are presently in full time incarceration in California’s state Prisons and Camps. By comparison, the Australian statistic is 81 inmates in full time incarceration in the States’ Prisons and Camps for every 100,000 of the general population, with the New South Wales figure of 98 being slightly higher than the national average.

• Projections are that by 1996, there will be a need for 162,000 inmate beds in the Californian state prison system. (Note these statistics do not include inmate populations in California’s county gaols and federal prisons).

• The cost of housing inmates in California’s state prison system is approximately US$18,560 per inmate per annum which includes US$2,000 per inmate per annum head office overhead charges.

• Contract out services are offered in community prisons for: medical specialists; inmate food services; and management of facilities with classification at or below minimum security.

• The State system has in the past, due to accommodation shortages, leased space in County gaols although this practise has now ceased due to overcrowding in the County Gaol system.

• In the past, the State system housed the more violent prisoners, although more recently less violent inmates have also been accommodated in the Californian state prison system. The State’s prisons also now accommodate inmates that have been paroled from the County Gaol system.
The Department of Corrections in California has some philosophical problems with contract management of their mainstay institutions as they envisage problems of ensuring quality control and delivery of services - audit capability problems, resource limitations to monitor due to budget constraints.

Unit Management/Direct supervision are the principal operational features of the State prisons. It is noted that the Californian experience indicates there is little difference in inmate/staff ratios between Unit Management model and the traditional management style, despite the fact that Unit Management is more demanding and requires greater range of skills. Security is more dynamic and flexible than under the traditional operational environment.

To assist in understanding the American correctional environment readers should note the United States system is organised in three tiers: the Federal Bureau of Prisons administers federal prisons; each state has its own state prisons; and at a local level each county or city has one or more gaols. The federal authorities and the separate state and county authorities can and do take different approaches to the management of their prisons; and there is considerable diversity, not only in the way in which establishments in different areas and at different levels are operated, but also in the way in which political accountability is discharged and in the background of the staff.

This distinction between the US system and ours is important because in the Australian context the terms "Prisons" and "Gaols" are interchangeable - not so in the USA.

(b) STANDARDS:

The Californian Department of Corrections has an audit function which reviews institutional performance annually. After initial resistance, prison managers saw the benefits to them of these annual audits as they could be used to highlight problems and/or deficiencies for rectification/resolution. The process does require careful management to ensure that the principal purpose of the head office audits is to be constructive and provide a management tool for improved prison operations.

Should a problem arise in an institution then an initial audit is reacted and there is an "entry" report followed by an "exit" report. These reviews are head office driven such that a head office report is first given to the warden to allow the operational manager the opportunity to put into place an action plan to address the situation by giving effect to the recommendations of the head office report.
Approximately one year later there would be a follow up Audit to review performance and progress against the action plan.

- Under the audit process broad policy issues that arise during these reviews are discussed at monthly warden meetings and also during regular head office executive meetings.

(c) LEGISLATION:
- Six years ago the State’s legislation was changed to permit the Department of Corrections in California to contract with the private sector for the design, construction and management of correctional facilities.
- Prior to this legislation the Department could not contract out services and had to use the Department of General Services to undertake the design and construction of prisons, for example.
- There is now a Public Works Development Board which comprises representatives from both the Departments of General Services and Finance. They approve projects and monitor performance as the State of California uses a variety of funding mechanisms for its prison construction programme: General Appropriation and Loan Funds; General Obligation Bonds; and Lease-Purchase Bonds. These latter two alternative funding mechanisms are discussed in more detail on pages 80 through to 84 of this report.

(d) OPERATIONS/DEVELOPMENT:
- The Department has an operations manual which sets the standards for managing the State’s prisons. This document drives the planning process, such that standard designs are produced for each level of security and this process has proven to be very cost effective.

(e) PRIVATE MANAGEMENT:
- Contracting out is not widespread throughout the California Prison system, although it is a feature of the low security dormitory style of accommodation.
- Wackenhut Corrections operate a 200 bed (50 man dormitory) facility in California known as the Nick Farland Facility. General feedback has been positive in terms of operational performance and service delivery. The institution has a work incentive programme although no industry. Programmes include Education and Community Services.
In California, due to fiscal constraints in local government administrations, not much progress has been made in the contracting out of services and/or management of gaols.

Lack of interest in contract management in County gaols and the absence of programmes may be influenced by the classification of inmates and their relatively short stay in County Gaols. Generally, inmates are either pre-sentenced or have sentences of one year or less for minor offences. There is a practice of moving inmates into the State system as soon as possible, because of the overcrowding and poor facilities and programmes available in the County gaol system.

(f) INDUSTRY - STATE SYSTEM:

- The industries programme in California employs some 10,000 of the State’s 100,000 inmates. The programme, although only employing approximately 10% of the state’s total prison population, is highly productive and provides goods and services to a number of other State administrations as well as markets in the private sector. There is a Government policy that states that new businesses that operate within the State Prison Industries Programme (SPIP) cannot be at the expense of existing industries outside of SPIP in areas where these businesses are operating.

(g) JOINT VENTURES:

- The Californian Government offers 10% tax incentives to attract industries into the State’s prisons. Property can be leased at concessional rates (twenty (20) year with ten (10) year extensions are not uncommon).

- Part of the profits go towards inmate programmes and some of the inmate wages going towards victim restitution and mandatory savings (to be available to inmates on release).

(h) STATUTORY REQUIREMENTS:

- California, like most US states, operates a regime where good conduct, behaviour and active programme participation is rewarded with early release. Although this programme is used as an effective management tool, it is recognised that it has to be controlled to avoid corrupt practices in administering the programme. To qualify, inmates have to participate in six hours a day of programme work as a minimum. On satisfactory completion, they receive a reduction of sentence for each day of satisfactory performance. Conversely, inmates can lose good conduct credits for poor behaviour.
• By law, Community Advisory Councils are set up and usually meet once a month to consider, amongst other matters, ways to improve the relationship between the Prisons and surrounding communities.

7.2 TEXAS:

• DALLAS/FORT WORTH (5 APRIL AM)

During the morning, officers met with Steve Carter and Jeff Spoon (Carter Goble Associates Inc (CGA)) and Tarrant County (Fort Worth) staff members G K Marcus and Patricia Ward, prior to inspecting the new 1,940 bed maximum custody Tarrant County (Fort Worth) Texas Remand Centre.

CGA is recognised nationally in the US as one of the leaders in correctional planning and management. The company provides a range of consulting and project management services specialising in the criminal justice system throughout the United States. The company has been operating since 1974 and has its headquarters in Columbia, South Carolina and has provided services in 45 states throughout the US, 400 County and Local jurisdictions and 10 Federal and National agencies and organisations.

CGA went into partnership with Group 4 Securitas (International) BV, a security company, to form a consortium of companies including the Jennings organisation in Australia for the purpose of tendering for the Junee Correctional Centre Project. Steve Carter as well as being President of Carter Goble Associates is also the Chief Executive of the recently formed company, Group 4 International Corrections Services Inc.

The Tarrant County (Fort Worth) Texas Remand Centre, which the touring party inspected, is a high rise facility in the final stages of pre-occupancy training. All of the policies and procedures, operational plans, and the training regime have been developed for this County Gaol by CGA. This facility represents the latest in modern management/design philosophy currently available in the US, and would be considered as a “Third Generation” correctional institution. The “new generation” correctional centre philosophy is covered in more detail on pages 85, 86, 87 and 88 of this report. The project brief developed was in response to the Master Plan prepared by CGA for Tarrant County to assist them in management of the County’s present and projected inmate population.
The Master Plan developed by CGA recognised the need for additional accommodation, improvements to and rationalisation of existing accommodation facilities to address the severe overcrowding situation in the County's Gaols. The strategy developed by CGA for Tarrant County recommended the provision of some 1,200 additional bed spaces at an estimated cost of US$68 million by 1991. This figure included the cost of renovating existing facilities to provide appropriate accommodation for another 800 bed spaces. The capital cost of the new accommodation and support facilities equates to approximately US$40,000 per inmate which is considerably more cost effective than similar but smaller correctional institutions in Australia.

For example, the PWD has prepared a concept design for the proposed new 900 bed Remand Centre at Silverwater which will cost approximately A$85,000 per inmate and represents the latest in Australian design concepts. Although this is considerably more cost effective than the A$190,000 per inmate total project cost of the new maximum security prison at Lithgow. It is, however, still more costly than many of the projects that were discussed and/or inspected during the study tour of the USA and referred to later in this report.

Although the above example is used to illustrate recent improvements in the Australian context, care should be exercised when making direct comparisons between the US and Australian experience. Australia, for example, with a smaller industry and market base, does not have the same economies of scale advantages as the US. Also, the industrial environment and general work ethic in the US is more conducive to high productivity and cost efficiencies.

Notwithstanding the above qualifications, there is much that can be learnt from the US experience with private sector involvement in corrections, and this should be pursued as there are many opportunities for improving the New South Wales Prison System. It would be neither appropriate nor necessarily desirable to mirror exactly the outcomes achieved in the US.

One of the interesting features of the American Justice system is that at the County level, the Commissioner, who is an elected representative, is responsible for the provision of funds and policy development in relation to corrections. The Commissioner, however, is not responsible for gaol operations as that comes under the Sheriff's office. The Sheriff is also an elected representative, and can, as often happens, be of a different political persuasion than the Commissioner, with the resulting predictable outcome.
Such a situation existed at the time of the overseas visit in Tarrant County where costly alterations and inefficient use/non-use of expensive infrastructure/high technology security equipment will eventuate in the short term as there is little synergy between the management philosophy developed for the gaol and the operational procedures being put into place.

Needless to say, it is absolutely essential that both the architectural design and the operational procedures reflect the management philosophy of an organisation if correctional institutions are to function efficiently and cost effectively with the attainment of desired correctional outcomes.

• VENUS (5 APRIL PM)

In the afternoon, the touring part met up with Don Hutto, Director and President of CCA International; Joe Driskell, Warden of the Venus Pre-Release Centre; and other senior CCA staff working at this facility.

It was clearly evident that CCA pays particular attention to the need to foster good relations with the local community and this was reinforced by the fact that the Mayor of Venus and City Manager were both invited to attend our discussions. Following brief discussions on CCA’s operations in Texas, generally and Venus specifically, the visitors inspected the Venus facility, a 500 bed pre-release centre which is similar to CCA’s other facility at Cleveland. They are both minimum security institutions.

By way of background, it is worth noting that, as a result of the overcrowding in the state’s prison system and legal action taken against the State over the poor condition and treatment of inmates in some of the state’s institutions, two private sector organisations were contracted to design, construct and manage four 500 bed pre-release centres (two each).

The State presently houses some 60,000 inmates and in 18 months of operation, Venus has only been below its design capacity once. This represents 348 people for every 100,000 of the State’s inmate population in full time custody, and compares with the Californian experience as previously advised.

As part of CCA’s management programme, custodial officers undergo 40 hours of initial basic training and this is followed up with ongoing on-site training. At the Cleveland facility, CCA subcontracts out 4 vocational programmes. Also, the company during its initial recruitment drive hired only a limited number of middle/senior managers from the State system, preferring to hire most of the custodial officers from the private sector and the local community.
The inspection of the Venus facility included the medical, food services, educational, vocational and training facilities/operations and the various work programmes. CCA, like Wackenhut, operates its facilities around a structured day which emphasises an intense activity programme and encourages participation to the maximum extent practicable.

• **KYLE (6 APRIL AM/PM)**

The touring party met with Ron Champion, Regional Vice President, Wackenhut Corrections Corporation, John Bonner, Administrator of the Kyle Pre-Release Centre which is operated by Wackenhut; and a number of Wackenhut’s key staff and custodial officers. The Kyle facility is a 500 bed pre-release centre which accepts minimum/medium security inmates from the Texas Department of Criminal Justice (TDCJ), who are within two years of their release date.

The centre concentrates on the rehabilitation of these inmates, stressing basic education and pre-employment training. Life skills training, counselling and substance abuse programmes are also available to inmates in order to maximise each person’s chances for a successful return to society.

The City of Kyle permitted the location of this centre within the municipality based upon a commitment from Wackenhut that local residents would receive employment. Over 85% of the total 135 staff members employed by Wackenhut came from the Kyle area.

The facility is monitored by a representative of the TDCJ who is on the premises during normal business hours. Wackenhut must adhere to TDCJ policies, and commonly shared data flows electronically between Wackenhut and TDCJ.

With its mission of preparing inmates for imminent parole or release from confinement, the Kyle Pre-Release Centre is, by definition, an educational and rehabilitative institution.

The basic components and objectives of Wackenhut’s programmes for inmates are:

• **Academic Education:** every inmate leaving the facility will be literate, and those who are able to earn a General Education Diploma will be given the opportunity. (A two year college programme is also provided).
• **Vocational Training:** every inmate will learn a marketable job skill, with special emphasis on trade work such as carpentry, metalwork, leatherwork and machine repair work, as well as computer training, computer repair, automated warehousing, computer literacy, and a limited computer programme capability, and culinary arts. An on-the-job training programme is provided to allow certification in other skilled areas of employment.

• **Life Skills/Pre-Employment:** every inmate will learn and practice basic practical skills necessary for adjustment back into the general community.

• **Substance Abuse Programme:** every inmate will be exposed to drug education and will have the opportunity to participate in group counselling activities to reinforce a drug free lifestyle.

The Kyle facility comprises a core building with two housing wings which hold 500 inmates. The central area is a two-storey concrete and steel structure which contains administrative and support areas. Two 250 person housing wings flank both sides of the core area, and each wing consists of two-man cells arranged in units of 50. Each unit contains a central living area where inmates, during free time, can read, relax, take their meals and socialise. Unarmed correctional officers move freely about these units, maintaining order and controlling movement within the complex.

The core area contains space for administrative officers, areas for counselling, education, intake and release, visitation, library, medical care, etc. Computer assisted laboratories are set up in the educational areas to provide reinforcement and practice opportunity for inmates. A fully equipped kitchen provides meals for all inmates and staff. Indoor and outdoor recreation is provided which includes a gymnasium.

Security is state-of-the-art with use of electronic surveillance equipment, control centres, and perimeter fencing utilising sensor devices.

The initial contract to Wackenhut is for the period June 1989 to September 1992 with provision for ongoing two year extensions.

• **SAN ANTONIO (7 APRIL AM)**

Officers met with Ron Champion once again and Paul Bailey, Administrator of the Central Texas Parole Violator Facility (CTPVF) in San Antonio which is operated by the Wackenhut Corporation. CTPVF is owned by Bexar County and leased to the Texas Board of Pardons and Parole (TBPP). Wackenhut is responsible for providing secure care, custody, control and transportation of a maximum of 619 prisoners.
This is the largest privately managed correctional facility in the US and is of comparable size to the Junee project, although the CTPVF by contrast is a high rise development. The CTPVF assists the State in alleviating the backlog of parole violators being held in County gaols. The facility also accepts US Marshal prisoners.

Under this arrangement, the State of Texas realises a reduction in operating costs by making beds available to the US Marshal Service. The Gaol houses short-term medium/minimum security male and female prisoners.

The Central Texas Parole Violator Facility is an eight storey concrete and steel building and was constructed in downtown San Antonio in the early 1960's and served as Bexar County's Gaol until it was vacated by them in early 1987. While the exterior of the building was in good condition, the interior had been allowed to deteriorate to such a degree that the original county recommendation was to completely demolish the interior structure and rebuild it at a cost of some US$10-12 million.

Wackenhut undertook a study for the TBPP and revealed the interior could be salvaged and, with the exception of a few sections which were sealed off, be economically refurbished to house approximately 619 inmates at a cost of US$1.4 million.

In October 1988, Wackenhut Corrections Corporation signed a contract to renovate and modernise the facility, including remodelling the kitchen and laundry facilities, cells and housing areas, modernising the administration support areas, undertake a complete rehabilitation of surveillance and detection systems and overhaul the existing elevators, etc.

Incorporated in the remodel/redesign work were changes which allowed for the direct supervision method of operations where correctional officers interact with inmates in the open area cellblocks. The contract was to have the facility operational within three months and work was successfully completed. Wackenhut purchased all new furnishings and equipment, and hired and trained 150 local facility personnel and received prisoners from the TBPP on January, 1989.

The touring party was impressed with what had been achieved, given the physical constraints of the existing premises and the contractual arrangements with the TBPP, however, all agreed that the institution was not conducive to desired correctional outcomes. There is limited scope for prisoner movement within the facility and areas are cramped with little natural light and ventilation. Programme facilities are limited by the architecture, and recreational and leisure amenities are insufficient for the number of inmates.
This situation is compounded further by constrained access, a consequence of the building design, and the resulting security issues arising from logistical problems associated with prisoner movements within the complex.

- HUNTSVILLE (7 APRIL PM)

The touring party visited one of several correctional centres in the Huntsville area. The town is the head office for the Texas Department of Corrections (TDC) and most of the State’s prisoners are accommodated in this part of Texas. The prison inspected by the officers in Navasota near Huntsville is known as Wallace Pack Unit One, which became operational in July 1986, and accommodates 1,101 prisoners with a minimum security classification. The facility has an extensive industry programme for general prison population of 1,048 inmates, and an impressive agricultural production capability which is operated by the remaining special minimum security inmates who are housed in separate units external to main building complex. The facility is managed by the Texas Department of Corrections incorporating the direct supervision model and utilising large dormitory housing units with common washing/ablutions as well as central dining and recreational facilities. Further, the prison’s management utilises “time” management principles to maximise the efficient use of shared and common facilities.

The facility is currently staffed by 264 officers (24 Administrative; 175 Security; 50 Programmes/Treatment; and 15 Maintenance), giving an inmate/staff ratio of 3.96:1.

The TDC traditionally has operated a strict regime in its prisons along military lines and this is reflected to some extent by the titles accorded correctional staff positions (Captain, Lieutenant, Sergeant and Corporal etc).

- CLEVELAND (8 APRIL AM)

Officers met once again with Don Hutto of CCA and with him toured the 500 bed Correctional Centre operated by CCA at Cleveland. This pre-release facility is similar to Venus and Kyle, which was also visited by the touring party, and accommodates inmates that are either at the “tail” end of sentences or those that have sentences of less than 2 years.

CCA manages this facility with 69 correctional officers, 5 shift supervisors, 1 head security officer with the balance made up of approximately 20 support personnel. Total staff numbers at present are 95 and the facility had an occupancy rate of 80%.
That is an inmate to staffing ratio at the time of visiting of 4.2:1 and a design ratio of 5.3:1 which is considerably better than comparable figures in the New South Wales prison system.

The cost of accommodating inmates at Cleveland works out to be US$35 per inmate per day and compares to a State average of US$40 to US$45 per inmate per day. The contract amount includes Capital financing (issuing of bonds and interest payments).

The Cleveland Project cost US$12 million (excluding land purchase) to design and construct and was completed in 18 months from the awarding of the contract. This represents a capital investment of US$24,000 per inmate which once again is considerably better that what is being achieved in Australia for similar facilities.

CCA, like Wackenhut, operate a structured day regime and the typical weekday routine is as follows:

| 6.00 A.M. | INMATES ARE WOKEN UP AND CELL DOORS OPENED |
| 6.30 A.M. TO 7.30 A.M. | INMATES HAVE THEIR BREAKFAST |
| 8.00 A.M. TO 11.30 A.M. | EDUCATION/VOCATION TRAINING |
| 11.30 A.M. TO 12.30 P.M. | LUNCH |
| 12.30 P.M. TO 4.30 P.M. | WORK DETAILS AND STUDY TIME |
| 4.30 P.M. TO 6.00 P.M. | DINNER |
| 6.00 P.M. TO 9.30 P.M. | COUNSELLING (VISITS) |
| 9.30 P.M. TO 11.00 P.M. | FREE TIME (TV/READING/TELEPHONE CALLS) |
| 11.00 P.M. | LIGHTS OUT AND INMATES LOCKED UP IN CELLS |

The above routine will be followed by 50% of inmates at any time, with the other 50% having a similar daily routine but in reverse. That is afternoon activities are in the morning and vice versa, evening activities are common to all inmates.

Included in the above is the opportunity for three hours of recreation/sporting activities per week. The routine on weekends is more relaxing for the inmates as they are permitted visitations, chapel services and more free time for passive or active recreation.

Whilst touring the Cleveland facility the touring party had the opportunity of having private discussions with the contract Monitor Mr Robert White, who works for the Texas Department of Criminal Justice - Institutional Division (TDCJ).
Mr White's responsibilities are to monitor CCA's operations at the Cleveland Pre-Release Centre to ensure contract compliance in accordance with the appropriate Court Order. Mr White reports directly to Mr John Gilbert, Regional Director with the TDCJ whom the touring party met with separately the following day.

CCA are required to submit Quarterly and Annual Reports to the Department through the Monitor, who in turn prepares comprehensive reports at the same time. CCA has an internal audit branch that reviews policies/procedures and operational issues and this makes the Monitor's job much easier as there is a self-checking mechanism.

TDCJ has its own internal school system (Wyadon High School) for the development of educational programmes.

The TDCJ has ensured that across the four institutions under contract management, two with CCA (Venus, Cleveland) and two with Wackenhut (Kyle, Bridgeport), similar programmes, services and operational procedures are in place.

Accordingly, the Monitor's reports will be measured against a common set of requirements/guidelines. Programmes, services, administration and operational issues under consideration by the monitor are:

- Vocational/educational programmes
- Classification areas
- Disciplinary processes
- Grievance procedures
- Racial balancing (housing/jobs/programmes)
- Documentation (quality, format, etc)
- Safety and maintenance inspections (training/programmes - occupational health and safety)
- Food services and stores
- Staffing issues (numbers, profile, training etc)

The Court order affecting contract managed prisons requires an inmate/staff ratio of 6:1 (excluding educational resources, etc).

The Monitor gave a good report regarding the general performance of CCA in respect of the Management of the Cleveland Pre-Release Centre, and advised that good lines of communication between Monitor and Contractor had been established.

In respect of inmate classification, based on CCA's report, the Monitor can recommend that an inmate, for example, be transferred from Cleveland to a TDCJ facility.
DIBOLL (8 APRIL LATE AM/EARLY AFTERNOON)

The touring party met with Kathryn Celauro, Vice President of the Pricor Corporation and other senior staff of the company to inspect the Angelina County Adult Detention Centre. Pricor have tendered for a contract from Angelina County to operate this Gaol. This facility is one of six that are being “spec” built by a consortium including N-Group Securities Inc in response to the severely overcrowded Prison and Gaol system in Texas at both the State and County levels.

Since the touring party’s visit to the US, an article in the Wall Street Journal (18 June, 1991) raised a number of concerns regarding the rationale of these “spec” built facilities. At the time, these six (6) spec built facilities were being launched the consortium issued a press release stating:

“with crisis overcrowding conditions, communities will be lining up to pay for their prisoners to stay in these new facilities”.

However, the Texas Department of Criminal Justice has not taken any bed space at the present time, as according to the authority, “the company’s prisons don’t comply with the Federal Court order on overcrowding, which sets prison standards in Texas right down to the dimensions of the cells”. In the meantime, the facilities are empty and as these projects have been underwritten by the issuing of high-yield bonds, or “junk munis” which require early prison lease revenue to service the high interest charges, the company is now in financial difficulties. The bondholders, in many instances county administrations and/or small community organisations, will themselves be in financial trouble after the reserves for interest-payments are exhausted and the bonds then face possible default. Not only does the community lose money it also suffers from a resulting bad credit rating.

These speculative projects have become a subject of considerable political lobbying and debate, particularly regarding why there wasn’t closer scrutiny of these proposals prior to agreements being reached. Some commentators believe it was simply a case of the developers speculating that due to the prison overcrowding situation in the state system, where some 9,500 inmates are being accommodated in overcrowded and sometimes obsolete county gaols, there was simply a “captive” market that had to make money for the developers.

This situation coupled with often desperate rural community leaders who were looking for an opportunity to create jobs in otherwise depressed and high unemployment areas created the potent “cocktail” which has resulted in this disappointing outcome, when clearly there was a need for better and more correctional facilities. There is an object lesson to be learnt, whilst the concept may have been sound, the execution of the strategy was wrong.
Several of the well established private prison operators in the US resisted the temptation to become involved when they discovered the financial basis of the ventures and the fact that their designs would not be incorporated in the final outcome.

For example this 500 bed adult correctional centre at Diboll was designed and built by a different organisation to the company that is contracting to manage the facility. The result is a design solution that was not driven by the management philosophy of the likely gaol operator but rather by the developer whose agenda was to design and build a facility that required the least capital outlay to accommodate 500 adult inmates for a number of local governments in rural locations throughout the State of Texas. Whether the gaols complied with Federal Court Orders, or facilitated modern correctional outcomes, appears to have been of secondary consideration to the profit motivation behind the venture developers.

During its inspection, the touring party were not impressed by this facility at all. In essence, it was a cluster of pressed metal boxes in modular form that were transported to the site then welded together. Site services were then connected to the accommodation and administration areas, and an envelope structure constructed similar to a typical industrial warehouse facility. The institution is air-conditioned as there is no natural light/ventilation. Pricor executives advised that the design of this facility could create management and operational difficulties and that notwithstanding these potential problems they saw this project as providing an opportunity to expand their area of operations in the developing private prison contract market in Texas.

- HUNTSVILLE (8 APRIL LATE AFTERNOON/EARLY EVENING) -

Officers met with the Regional Director of the Texas Department of Criminal Justice who is in charge of the four contract monitors overseeing the CCA/Wackenhut operations in the State of Texas at the Venus, Cleveland, Kyle and Bridgeport facilities.

In 1987 the privatisation process commenced in Texas as a result of Federal Court Orders which required the TDCJ to call for tenders from the private sector for the design, construction and management of four (4) 500 bed adult correctional centres. Nineteen (19) companies responded to the invitation for contract management with Wackenhut and CCA tendering at around US$35 per inmate per day and Pricor at US$50 per inmate per day.

The legislation at the time called for 2,000 beds to be under contract management (4 x 500 bed facilities). The legislation (Federal/State) provides no flexibility, whereas TDCJ’s policies and procedures provide some operational flexibility to permit innovation.
The Monitors are required to ensure that the area of service delivery, quality and content of programmes are not compromised by the temptation of the private sector to cut programme expenditure to make larger profits.

The Regional Director stated that it was essential that a clearly stated brief be prepared for contract monitors and that this be conveyed to the Contractor in order that both parties understand the operating and reporting requirements.

When tenders were being called, private sector consultants had recommended that US$42 per inmate per day was a reasonable figure for the private sector contract (management). The contract documents stated that a tender would only be let if the tender price was at least 10% lower than the comparable TDCJ operating figure. The contract price of US$35 per inmate per day was therefore satisfactory in meeting these contractual requirements. In discussions, the Regional Director advised that the TDCJ was extremely pleased with the operational performance of the CCA and Wackenhut facilities in Texas and that the Department was considering further contract management opportunities. Mr Gilbert advised that the TDCJ philosophy is to develop a good work ethic, self discipline and a reasonable standard of basic education for inmates. He also advised that it was the practice of the TDCJ to have contract Monitors with different professional backgrounds to develop some “checks and balances” in the assessment process. Current Monitors had either operational, administrative, financial and/or technical backgrounds. Mr Gilbert informed the touring party that the Monitors were rotated every two years to avoid the risk of individuals becoming institutionalised or developing too close a relationship with the contractors.

As the Regional Director’s office was located in the administration building of one of the oldest correctional institutions in Texas, he provided some background material on this facility which is known as the “Wynne Unit”.

The Wynne Unit consists of approximately 1,500 acres of farmland and was the first prison farm purchased by the state of Texas. The original purpose of the prison farm was to provide work opportunities for the older and handicapped prisoners. The facility became a success within months of its purchase producing cotton, corn, vegetables and animal fodder such that it enabled the prison system in Huntsville to be self-sufficient in these produce. Further, the cotton was sold on the open market in addition to being used to produce prison clothing.

The first permanent structure built on the Wynne Farm was completed in 1937 with subsequent additions in 1952, 1959 and 1965 providing accommodation and support facilities for a total of 1,600 inmates.
The old building consisted of eight dormitories on the first two floors and solitary and segregation on the third and fourth floor. The structure comprised a central control core connecting five separate buildings (spokes), which allowed one officer to observe all four levels from a secured area. The later additions mentioned above, provided education and dining facilities together with additional cell blocks.

The first permanent industry established at the Wynne Unit was a mattress factory, and this was built in 1963. In 1975 a chapel was later added to the complex.

Major further additions to the Wynne Unit began in 1973 and were completed in 1990 comprising an additional industrial complex, a large education facility, and two additional cell blocks and another gymnasium and major renovation works to the dining facilities.

The Wynne Unit currently has a maximum capacity of 2,385 inmates which comprises 2,185 inmates accommodated in the main security complex and 200 inmates accommodated in outside premises (trusty camps). The Wynne Unit accommodates close custody, medium custody, safekeeping and minimum custody inmates. The Wynne Unit employs some 900 people, with 560 of these in security functions.

Following these meetings, officers then visited a “Boot Camp” in Huntsville known as the Goree Unit which is a young offenders correctional facility designed for about 70-80 young male non-violent offenders in the 17-25 year old age group.

The TDCJ operated these facilities along military lines, with accommodation being provided barrack style, and individuals in custody being responsible for keeping their accommodation units neat and tidy. Self discipline and a positive work ethic are reinforced as part of their training whilst in custody. Their day is long and programme intensive and providing their performance is satisfactory, the individuals in custody under this programme are free to return home on probation after about 90 days.

During the inspection of this establishment the Camp Commander Captain Pitsrusie outlined the typical daily routine, and also canvassed with officers visiting, the sensitivities of this regimental/disciplinary regime, and highlighted issues that need to be carefully controlled.

The following represents a summary of some of these discussions as well as general views/issues regarding these type of facilities.

Given the nature of the residents in the “Boot Camp” visited, their age and background, it is important that specific limits on summary punishment be established and strictly adhered to in order to reduce:
• the probability of drill instructors participating in abusive behaviour towards probationers; and

• the resolution of minor misconduct through by-passing more formalised due process protections.

It was also stated in discussions with the Camp Commander that for a smooth transition of residents from the “Boot Camp” to the community, probation officers need to develop transition plans that commence whilst the person concerned is still in the facility. Supervision of the plan by a probation supervisor should then be carried forward by the same probation officer for maximum effect through to the stage where the individual probationer is under supervision in the community having completed successfully the period of residency in the “Boot Camp.”

The Camp Commander also stated that it is important that correctional “Boot Camps” reflect an appropriate correctional environment and this could, for example, be achieved by commands being instructional rather than simply giving orders “talking down”.

Based on operational experience, the Texas Department of Corrections achieves a reduction in managerial, programme and liability problems, by ensuring that there is an opportunity to rotate staff out of the “Boot Camp” environment on a regular basis. This is often achieved every six months, and provides intensive pre-service and routine in-service training opportunities.

Given that “Boot Camps” are in existence as an initial means of reducing the probability of anti-social behaviour of individuals eventually leading to criminal activities of significance warranting incarceration in adult institutions, appropriate training for officers involved in these facilities and correctional programmes are essential for positive outcomes.

For example, thorough physical examinations should be conducted on all participants in the programme prior to taking up residence in a “Boot Camp” to ensure that the rigorous physical activity which will be required of a probationer will not violate the probationer’s right to individual health and safety.

In general, throughout the US, the type of offender that is placed in a “Boot Camp” is a 17 to 25 year old, non-violent offender, who has not previously been in prison. Evidence to date suggests that this form of correctional sanction is not only cost effective as an alternative to imprisonment, but also has a better chance of succeeding given the type of person sent to such a programme. However, there is a need to critically look at the work performed to determine whether a better mix of activities can be incorporated that achieves positive outcomes in a more meaningful and productive way.
For example, some of the more traditional "Boot Camps" in the US, have probationers performing hard physical activities such as brush cutting, swamp draining and ditch digging to achieve a desired level of discipline and good conditioning.

This practice provides the opportunity for individuals to develop self-esteem through the achievement of milestones in a regulated and controlled environment. The programme is designed to develop self-confidence in an individual's ability to achieve stated objectives as well as creating the opportunity to develop teamwork and leadership skills. There is no doubt that if this programme could then provide a further opportunity of putting into practice skills learnt through this regimented process to perform community service work probation or pursuing the rigours of education and treatment, then additional benefits and correctional outcomes can be realised.

The "Boot Camp" concept is sometimes referred in the US as shock incarceration (SI) and this type of treatment originated in Georgia in 1983, based on the need to reduce prison crowding by providing an alternative to traditional incarceration to an increasingly large number of young offenders. Shock incarceration programmes are operating in about eleven (11) states, including Texas, and there are at least as many states currently considering the benefits of introducing such programmes into their package of alternatives to imprisonment.

There are three ways that offenders are selected to participate in SI "Boot Camp" programmes: judicial sentencing; selection by corrections officials; or a combination of judicial sentencing and recommendations from corrections officials. In some states, offenders must agree to participate in SI as an alternative to prison, in others, SI participation is compulsory.

Shock Incarceration (SI) has become a very popular alternative correctional programme, and since its inception eight years ago the goals and possibilities of SI have been defined and re-defined in practice. SI has a very broad political appeal in the US. It attracts those practitioners who believe that corrections should involve a highly disciplined, regimented experience as well as those who support traditional treatment and rehabilitation methods. While traditional treatment services such as alcohol and drug abuse counselling are provided in most SI programmes, the rigorous, highly disciplined "Boot Camp" can itself be rehabilitative by promoting self-awareness, acceptance of responsibility, and feelings of competence, mastery, and as stated previously, increased esteem.
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- NASHVILLE (9 APRIL AM)

The touring party met with CCA's President and Chief Executive, Doctor R Grants and other senior executives at their headquarters in Nashville and discussed the company's operational philosophy and its area of operations throughout the US.

Those present at the meeting were:

- Doctor R Grants, President and Chief Executive Officer
- David L Myers, Vice President, Facility Operations
- Robert G Britton, Vice President, Business Development
- Gregory K McCullough, Vice President, Finance
- Dennis E Bradley, Vice President, Operational Support Systems
- Peggy P Wilson, Vice President, Communications
- Ann B Ewers, Director, Human Resources
- Don Hutto, Director and President, International

A general introduction to Corrections Corporation of America's (CCA's) business activities was given by Doctor Grants. CCA was founded in 1983 and based in Nashville, Tennessee and was the first private corrections company established in the US. The company specialises in the development and management of prisons and other correctional and detention facilities on behalf of local, state and federal governments.

The President stated that he was delighted to have the opportunity of meeting with the touring party as he believed it would provide the opportunity for officers visiting, not only to see CCA's operations at "first hand" but also through such "face to face" discussion opportunities, to be able to develop a much better appreciation of the company's philosophy and managerial capability and style. Doctor Grants reiterated to the officers touring, that CCA was committed to supporting Corrections Corporation of Australia in teaming up with the John Holland company in tendering for the Junee Project.

At the time of visiting, the company had 23 facilities under construction or in operation for 37 US Government Agencies in six US states, in addition to the private management contract for the Boralion Project in Queensland. All up, CCA is contracted to provide accommodation for 5,500 inmates, and this figure could increase to 7,500 when current building programmes, tendering and contract negotiations are completed.

According to CCA's Annual Report in 1989, the company earned a net income of US$1.6 million which was the first time the company had recorded a profit and in doing so had established credit facilities approaching US$30 million.

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In 1989, revenues from CCA's operations totalled some US$36.7 million, and when account was taken of operating expenses, depreciation and amortisation, net operating contributions amounted to roundly US$7.6 million.

According to the President, the company is proud of its record and successes to date in the corrections business and sees itself as an innovative alternative to public administration of existing corrections and detention centres, particularly now in this difficult economic environment when public authorities are experiencing severe budgeting constraints. CCA's expertise includes: facility planning, financing; design; construction and management.

CCA actively markets its services in the US for juvenile and adult secure and non-secure facilities. The company's wholly-owned subsidiary, CCA International, pursues opportunities abroad.

According to CCA's President, the company designs and constructs facilities which utilise the most modern correctional technology and "state-of-the-art" equipment. Each correctional centre that the company designs uses the most advanced fire safety and security devices as well as electronic controls and communications equipment.

The Company believes that its quality assurance program that includes specific on-site monitoring and auditing of each facility by operational personnel, guarantee that the client's expectations of service delivery are not diminished in any way. CCA manages all its correctional facilities in accordance with the standards of the American Correctional Association.

According to Doctor Grants, the company's competitive edge lies in its ability to be able to perform at a lower cost level than most governmental operations. CCA's President indicated it was essential that facility designs reflect the operational and management philosophy of the company in order to achieve personnel economies. (In a twenty-four hour operation such as a correctional institution, this is of major importance). He stated that further economies in operations can be achieved through bulk purchasing, an advantage that is not available to small single-facility operations.

Another benefit the company sees it has is the freedom to operate without cumbersome bureaucratic purchasing regulations that, inevitably, increase the cost of supplies and materials.

According to CCA's President, the company has the debt and equity resources to meet front-end capital requirements at the design and build stage. This effectively eliminates the need for a bond issue or tax increase, as the governmental agency pays nothing until the first inmate is received into the facility.
In considering its legal responsibilities, according to Doctor Grants, CCA has the same exposure to liability for its negligence as does any other business. The company must maintain correctional facilities that are safe for employees, visitors and inmates and in doing so, CCA must take all reasonable steps to protect inmates from assault by others.

By managing its correctional institutions to American Correctional Association standards, CCA believes that exposure to such liability is lessened. The company is required to indemnify the particular governmental agency with which it enters into a contract arrangement, and CCA's financial stability and general liability insurance policy support that indemnification, according to its President.

CCA advised the touring party that the duration of its contracts varies with the different governmental entities. For instance, presently, the federal government contracts for three-year periods or a series of one year contracts up to a five year limit. According to the company, at the local and state level, the optimum contract length for the management of an existing facility is at least four to five years to permit implementation and evaluation of the program. According to the executives of CCA, when the company builds a facility, as well as managing it, the contract period is usually 20 to 30 years, with the facility ownership reverting to the government at the end of the contract. This type of arrangement is often referred to as a "lease-purchase" contract and unfortunately, cannot be considered in New South Wales under existing legislation where a correctional facility whether public or privately managed must be in government (public) ownership, at the outset.

In summary, the discussions with the President, Doctor Grants, and his fellow Vice Presidents and senior executives led the touring party to conclude that CCA has the ability to provide the required level of service in a cost effective manner that the New South Wales government is seeking in respect of the Junee Correctional Centre project. The officers were suitably impressed with the company's corporate headquarters' ability and commitment to support CCA's various operational activities. During subsequent discussions, some of which are covered in the body of this report, it become evident to the touring party that the company is highly regarded by those authorities, administrations, academics and politicians that have had business dealings with CCA in the criminal justice area throughout the US.

**NASHVILLE (9 APRIL EARLY AFTERNOON)**

The touring party met with Pricor's President, Steve Norris, and Vice-President, Kathryn Celauro, for a tour of the State of Tennessee, Riverbend, maximum security institution. Prior to inspecting the prison, officers met with the Warden, Michael Dutton, who explained the operating environment of the facility.
The institution is a modern facility that was constructed and became operational in September, 1989 accommodating 620 of the State's most difficult inmates.

The institution is classified as a maximum security prison and includes those inmates under sentence of death. The facility operates along unit management principles and provides a full range of industrial, programmatic, educational, vocational, and support services within the framework of a high security environment.

The high security housing units contain 96 cells with a central control station and common support and/or programme space. The 96 cell unit is further subdivided in pods of 24 cells each. Each pod is segregated from the others for formal activities. The ground and mezzanine levels front onto a common dayroom area. The units include a contiguous programme and/or industries component and individualised recreation and exercise space.

As part of this total development a less restrictive environment is provided in the form of low housing units comprising 96 cells and 128 cells respectively to accommodate medium and minimum security inmates. These units contain programmatic and recreational areas within the building and also have outside recreational areas.

The Pricor Company developed the management plan for this facility for the Tennessee Department of Corrections and assisted with the design briefs. The total staffing number is 375 (21 - Administration; 262 - Unit Management/Security; 27 - Operations; 32 - Auxiliary Services; 10 - Industries; 23 - Medical).

The inmate population of 620 comprises: 96 (administrative segregation - maximum security); 96 (inmates under sentence of death - mandatory segregation); 96 (close custody level IV - includes protective custody); 96 (close custody level IV); 96 (close); 128 (medium and minimum restricted); and 12 (infirmary - medical). This represents a relatively low inmate to staff ratio of 1.65:1 compared to that which is proposed for Junee, although due account needs to be taken for the type of inmate and special programmes that are a feature of this facility at Riverbend.

It is worth noting that recent changes in management philosophy within the Tennessee Department of Corrections has meant that correctional programmes are now more progressive and focus more on rehabilitation and development outcomes through interactive programmes (vocation, education, industry). Tennessee statistics show that whereas four years ago the State's prisons were 115% over populated, now there is a surplus of beds, as a result of a large building programme and greater use of alternative strategies to imprisonment and early release schemes that have been implemented in recent times.
Following a detailed tour of the Riverbend maximum security institution, officers met with Pricor Executives at their headquarters in Murfreesboro.

Present at the meeting were:

- Stephen H Norris, President, Pricor Incorporated
- Kathryn Celauro, Vice-President, Pricor Incorporated
- Barbara M Lonardi, Director of Personnel and Training, Pricor Incorporated
- James D Henderson, Senior Corrections Advisor, Pricor Incorporated

The President, Stephen Norris, provided an overview of the company's correctional philosophy which has as its objective the rehabilitation of inmates through training, treatment and education programs. "Simply put, warehousing of inmates will contribute to further overcrowding of prisons and increase the rate of recidivism", according to Mr Norris. He stated that the company's strategy is to convert the philosophy and methodology of Pricor into the prison culture of the particular administration it has a contract with.

Mr Norris advised officers that his company was delighted with its success to date at the Houston Texas facility it operates, where the rate of recidivism under its management is only 18%.

As stated previously, Pricor's overall facility philosophy is to manage a safe and secure correctional institutional for both staff and inmates. The atmosphere of an institution, according to the company, is created by all staff being fully trained in the important areas of inter-personal skill, communication and supervision. Unit management, which is an integral part of the Pricor management philosophy, reinforces this training. According to Kathryn Celauro, the company's Vice President, another critical factor in Pricor's philosophy is the visibility and accessibility of staff at all levels beginning with the Administrator.

The company believes that the use of decentralised forms of inmate management, unit management, reduction of physical barriers separating staff and inmates and greater reliance on professional supervision of inmates are all important factors to achieving positive inmate behaviour and desirable correctional outcomes. The resulting environment, in conjunction with sound programmes, is less institutional and offers inmates greater encouragement to take advantage of their period of confinement for self-improvement through educational, vocational and social means, according to Mr Norris.
Further, according to Pricor's President, Stephen Norris, current correctional trends indicate that staff should interact directly with inmates without architectural or psychological barriers that hinder communication. Pricor endorses a reasonable balance between the security needs of a facility and the environment that projects a spirit of openness.

In respect of the company's management experience to date, Mr Norris advised the touring party that Pricor's operations have to a significant extent centred on youth detention centres.

Currently, Pricor operates pre-release and pre-parole facilities and minimum security gaols. Pre-release and Pre-parole facilities take inmates at 180 days before release. The company as previously stated, has other business interests in the area of: Juvenile Remand and Detention Facilities, and Residential Rehabilitation.

Pricor is presently negotiating for six (6)-500 bed medium/maximum security gaols for local government authorities in rural areas throughout the State of Texas.

Whilst in Pricor’s headquarters, the touring party had private conversations, via telephone "hook-up" with Barry Mullins, regarding the Tuscaloosa Metropolitan Detention Centre in the State of Alabama. He confirmed that Pricor had a contract to operate this facility and the basis of the contract was on actual costs incurred, plus an allowance for a profit (which was negotiated at 7% to 10%). The clients for this project were the County of Tuscaloosa, the City of Tuscaloosa and the City of Northport.

Mr Mullins advised that Pricor knew what they were doing and according to him, they have the necessary experience in corrections, and he would be happy to have them undertake a design, construct, and management contract similar to that proposed at Junee.

He advised that prior to letting a contract to Pricor discussions were held with four (4) consortia. Pricor were then selected and a price was then negotiated. This process was considered by Mr Mullins to be extremely cost-effective, as no drawn out, costly and complex tendering procedure was necessary. It should be stated that this process would not satisfy the current tendering requirements in New South Wales.

Pricor were required to take out a US$5 million liability insurance for this contract.

Apparently, there are no programmes available to inmates in existing Alabama facilities, although new institutions are being designed to cater for such needs.
The Tuscaloosa Metropolitan Detention Centre is a 144 bed low security adult correctional institution and has been operational since June 1986. The contract amount with Pricor to manage this facility is costing the State of Alabama US$1.1 million per annum ($21 per inmate per day).

Mr Mullins advised further that due to Pricor's satisfactory performance and the absence of program activities, the contract Monitor had little to do. He basically reviewed the operations in terms of 15 different items including the delivery of food services, staffing numbers/profile, training programmes, actual costs. Alabama has found that contract management has proven to be 25% to 30% more cost effective when compared to the state run institutions.

The touring party, following discussions with Pricor Executives, visited a Juvenile correctional centre operated by Pricor, near Nashville, Tennessee. The facility accommodates up to 30 young offenders between the ages of 15 and 19 years, and appears to be operating reasonably successfully.

- NASHVILLE (10 APRIL AM)

Whilst at CCA's headquarters, arrangements were made for the touring party to have confidential conference discussions via telephone "hookup" with the following:

- Bill McGriff, County Auditor for Hamilton County, Tennessee
- Judge Kenneth Turner, Juvenile Judge for the Shelby County, Tennessee
- Herbert Nashner, Deputy Secretary, New Mexico, Department of Corrections, Santa Fe
- Emilio Sienz, Supervisor, Detention and Deportation, Immigration and Nationalisation Service

In addition, the officers met with Jeune Johnson Wood, Director of Interagency Services with the Juvenile Court of Memphis and Shelby County.

The following represents a summary only of the key issues that were discussed with some of the above people.

- EMILIO SIENZ:

Discussions surrounded his role as a contract monitor for one of his State's facilities that is operated by the CCA organisation.
In response to a general question put to Mr. Sienz regarding anti-corruption measures that his organisation had instituted prior to letting a contract with CCA, he advised that an independent monitor reviewed corruption issues both at the outset of the contract and on an annual basis. It has been found that internal reviews coupled with CCA’s own audit procedures have adequately addressed the corruption issue.

The contract that CCA presently has, is to operate a facility for an amount of US$38.60 per day per inmate and for this payment they are to provide all the security, food services, health care, programmes and transportation, if necessary to and from hospitals and to provide the security when inmates are hospitalised.

The contract CCA has with his organisation is now six years old and has been re-negotiated following successful performance of the initial two year and subsequent three year extension period.

Mr. Sienz indicated that as monitor, he was responsible to ensure standards of services and overall performance is maintained and this includes security (discipline), hours and nature of recreation programs, quality and quantity of food services (nutrition).

In general, he advised that to be effective in terms of meeting client requirements, the contract should be very specific. He believed it important to specify what is required of the custodial officers and believed some thought should be given to the background of the person designated to be the monitor.

**HERBERT NASHNER:**

Mr. Nashner provided a brief overview of the New Mexico environment in relation to corrections, and highlighted that New Mexico’s prison system was extremely overcrowded in the early 1980’s and suffered from a shortage of monies that inhibited the ability to be able to do much about the situation. The situation came to a head in 1987 when problems were encountered in the area of female detention. The situation was one of poor conditions and less than effective management combining to create an unsatisfactory environment. This became politically extremely delicate, and was the impetus for the introduction in that State of private sector involvement in the operations of a State prison.

The State Government put out a Request For a Proposal (RFP) not dissimilar to our Expressions of Interest document, to CCA, National (Florida) and Pricor. He stated that the Durran Inquiry (Federal Judicial) had revealed the necessity for active programming in the State’s prisons.
To administer the project, a Steering Committee was established comprising: General Services Department (Architectural/Engineering) similar to our PWD; Department of Finance, effectively our Treasury; and the Department of Corrections.

The Steering Committee in reviewing the proposals submitted by the three selected organisations determined that CCA had produced the better submission (least costly, better planning process, and most desirable, functional design).

The Department then undertook tough contract negotiations with CCA to ensure that the Durran requirements, America Corrections Standards, State requirements were achieved. As previously stated, Mr Nashner considered it imperative that the contract should specify the numbers of staff to be employed and the clinical services to be provided, and also that 10% savings must be achieved on both the Capital and Recurrent operations when compared to an equivalent state institution that was developed and operated by the Public Sector.

As a matter of record Mr Nashner advised the touring party in respect of CCA’s performance thus far:

- the facility was completed on time and within budget;
- there has been a good deal of community involvement;
- the contractor only hired some departmental staff in one or two key management positions;
- there has been a smooth transition;
- more staff than the contract requires have been engaged;
- 99% creditation has been achieved against the American Corrections Standards which is an extremely favourable outcome.

He also pointed out that after 20 years the facility resorts back to the State of New Mexico for a nominal amount of US$1.00.

On the subject of contract management more generally in the area of corrections in New Mexico, Mr Nashner advised that the State has separately contracted out medical and food services to the private sector. His general comment about some of the other players who have tendered for the Junee project is from his personal observation. “Pricor almost went out of business in the US in the past couple of years and haven’t really obtained the same standards of service and delivery as CCA”. In respect of Wackenhut, he also considered that they hadn’t quite come up to the same standards that had been set by CCA, in his opinion. To put the prison population into perspective, Mr Nashner had advised the touring party that the number of inmates in the State Prison System, at the present time, totalled some 3,200.
In regards to anti-corruption questions that were put to Mr Nashner, he advised that the Department prior to letting a contract with CCA, had attorneys check the make up of the company, its financial backing and insurance coverage. He also advised that so far, no problems in this area had been encountered.

**JUDGE KENNETH TURNER:**

Judge Turner is the Chief Administrative Officer of the Juvenile Court of Memphis and Shelby County, and in that capacity he is responsible for private contract administration. In discussions with the touring party he advised that CCA had a contract with the County for the management of a Juvenile Detention Centre. He advised that the contract negotiated with CCA is an open-ended contract with appropriate exit clause provisions. The contract is essentially a 30 year contract with termination arrangements that are mutually beneficial and equitable to both parties. The Judge advised the touring party that so far he was extremely satisfied with the quality of management and level of service provided by CCA.

As the head of Juvenile Justice System in Memphis and Shelby County, he is responsible for approximately 1.5 million people. Judge Turner advised that there was a disproportionate degree of minor crime statistics in the State of Tennessee generally, and in the Memphis and Shelby County area in particular. For example, during recent years, juvenile arrest data reflect that juveniles are committing far more serious crimes, violent crimes, than in bygone years. According to the 1990 Annual Report of the Juvenile Court, 660 juveniles were charged with 681 Class A felonies, ie especially aggravated robbery, aggravated rape and murder - 12 charges of murder second degree; and 26 charges of murder first degree. The Court had also transferred a record number, 208, of juvenile offenders to criminal court to be dealt with as adults.

Excluding traffic, during 1990 the Court handled some 19,000 children’s cases - 12,000 delinquent; 3,000 unruly; and 4,000 dependent and neglected. This represents almost a 20% increase over the previous year.

The staggering increase in the number of children’s cases is of extreme concern for authorities as it is severely straining all of the community resources. In its report, the Court advises that the primary cause of crime and delinquency is undoubtedly due to family disorganisation. For example, in Shelby County in 1989, nearly 50% of all births were out of wedlock, with the vast majority being of non-white descent.

Judge Turner informed the officers that given these statistics, he expected the trend to continue where larger numbers of children are admitted to the Court’s Detention Centre.
He stated that recidivism is some 60% to 70% in Memphis and as a result, the county of Shelby has established a training facility which since its opening in November 1985 has been fully occupied. The centre features a comprehensive rehabilitation program as part of CCA’s management package, which endeavours to tackle the high trend of recidivism.

The Judge advised that the Court was attracted to CCA by the companies response to the concerns of the Court regarding Juvenile Justice. (Educational programmes were an important feature of CCA’s proposal). To date, CCA’s programmes have been very successful and the vocational work developed by CCA go beyond that which was specified by the Court administration. To illustrate the success of the CCA operation, he stated that recidivism had decreased from between 60% to 70% down to 35%.

There is a full time monitor on the project with a criminal justice background from the service delivery sector. In summary, he stated that the court administration was extremely happy with CCA’s approach to the contract including the quality and content of their reporting procedures.

Some further general comments offered by Judge Turner to the touring party were:

- Pricor are a smaller and more specialised organisation than CCA;
- Wackenhut Corrections is only a small part of the Wackenhut Corporation whereas CCA is a company dedicated only to the business of corrections;
- CCA is generally regarded as the leader in their field.

The contract with CCA is to provide all programs and services specified as part of its operation for a contract agreed figure of US$76.16 per inmate per day. The Court was not unduly concerned about the relatively high cost. The County recognised that the nature of this program is such that is is more resource intensive than for adult correctional programmes. He stated that the County was more concerned about the quality of service being provided in this most difficult and important area of the Criminal Justice System, and the impact that the programme was having on the juveniles concerned.

- **Bill McGriff:**

Discussions concerned the relative costs in Tennessee of public and private prisons, and the Hamilton County Penal Farm was used as the basis for making such a comparison. On 15 October, 1984 CCA assumed management of this 350 bed minimum to medium security county prison located near Chattanooga.
Mr McGriff advised that the facility holds convicted county misdemeanants, state felons and some pre-trial detainees under the County's jurisdiction. The cost of the contract is re-negotiated by CCA and the County every year.

The following table compares the estimated cost of County operation against Contract operation in Fiscal Years 1985 through to 1988.

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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>County Operation (per diem)</td>
<td>US$2.85 million (US$25.05)</td>
<td>US$3.41 million (US$25.71)</td>
<td>US$3.64 million (US$27.49)</td>
</tr>
<tr>
<td>Savings (as %)</td>
<td>US$107,440 (3.8%)</td>
<td>US$101,313 (3.0%)</td>
<td>US$296,164 (8.1%)</td>
</tr>
<tr>
<td>Prisoner Days (Av population)</td>
<td>113,928 (312)</td>
<td>132,788 (364)</td>
<td>132,514 (363)</td>
</tr>
</tbody>
</table>

(*Note: these costs include hidden costs, not just the fee paid to the contractor - actual payments to the contractor are lower, on an average, than the basic per diem fee, because a lower fee is charged for offenders convicted of drunk driving)."

Mr McGriff advised that, due to the conservative nature of the County court estimates, the savings are certainly more than those identified in the table above.

In summary, Mr McGriff advised that the County was pleased with CCA's performance to date and the cost savings to the County were more than acceptable given the improved quality of service delivery offered by the company.

Prior to leaving Nashville for Miami, further discussions with the research people in CCA's headquarters revealed some interesting criminal justice statistics in the US. For example:

- during 1990 there was one crime committed for every five people in the US;
- the number of recorded crimes committed in the US in 1988 were 35.8 million;
• the cost of corrections in the US is estimated to be around US$100 billion a year;
• there is one in four households in the US that has been victimised by crime;
• during the decade 1980 to 1990 the Prison/Gaol population in the US more than doubled;
• there are presently some 760,000 people incarcerated throughout the US in state and federal prisons which are currently operating at 125% to 165% of capacity;
• by 1994 it is predicted that the state and federal prison population nationwide will have reached a massive 1.1 million;
• there is evidence of a dramatic increase in juvenile homicides which is alarming and of extreme concern to authorities and the community alike.

To illustrate how community behaviour has changed over the last 40 years or so, the California Department of Education has produced some interesting statistics relating to the top seven (7) disciplinary problems in the state's public schools:

<table>
<thead>
<tr>
<th>1940</th>
<th>1982</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Talking</td>
<td>1. Drug Abuse</td>
</tr>
<tr>
<td>2. Chewing Gum</td>
<td>2. Alcohol Abuse</td>
</tr>
<tr>
<td>4. Running in Halls</td>
<td>4. Suicide</td>
</tr>
<tr>
<td>5. Out of Turn in Line</td>
<td>5. Rape</td>
</tr>
<tr>
<td>6. Clothed Improperly</td>
<td>6. Robbery</td>
</tr>
</tbody>
</table>

The findings support the concerns expressed above by administrators in the juvenile justice area that serious crimes are now being perpetrated by youngsters even before school leaving age. These outcomes raise serious social issues that must be addressed at an early stage if the numbers of people entering the prison and gaol system are to be contained or reduced.

Some of the social trends which obviously impact on the incidence of crime, are:

• Dissolution of the family unit;
• Disappearance of blue-collar jobs; and
• Failure of the public education system
The touring party met once again with Ron Champion to inspect the Dade County Correctional Facility in Miami which houses 1,000 inmates. The facility is known as the Turner Gilford and Knight County Remand Centre and was visited in the company of Lucille Bobiney, Director, Proposal Development and Charles Lister, Director, Project Development, both from the Wackenhut Corrections Corporation.

The facility is operated by the Florida Department of Corrections and is a new facility that has only been operational for just over 12 months at the time of inspection. On hand during the study tour of the facility were officers from the original team that prepared the management operational plan, and the architectural design, including Captain Siddiou from the Florida Department of Corrections, and Alberto J Carreno, Vice Chairman of the Architectural/Engineering/Interior Design consults for this project.

This modern facility has a building mass of various heights, although no section is higher than nine storeys, such that the external appearance is that of any modern commercial development. This is an important feature as the facility is adjacent to one of the major arterial roads into Miami, and is clearly visible to motorists.

The inmate population at the Dade County Correctional Centre is accommodated in housing units of 48 persons each. These housing unit groups permit a wide range of classification possibilities as well as having one correctional officer for every 48 inmates. The savings in operating expenses for this design compared to traditional design, permits more efficient use of corrections staff and results in an operational savings to the County taxpayers.

The operational philosophy of the facility is based on the Federal Bureau of Prisons Functional Unit Management concept. In this concept, the correctional officer works within the living module in a supervisory role and works among the inmates without any form of separation. Officer security is maintained by the use of electronic body and telephone alarms. The need for frequent and costly inmate movement is eliminated by delivery of all services to the housing unit such as visitation, attorney consultation, counselling, recreation, dining, and library reading. The management strategy requires direct supervision.

The management intent is to prevent negative behaviour before it occurs. This "Proactive Supervisory" model relies on staff ability to supervise and interact rather than rely on structural barriers.
The architectural design makes a positive contribution to the correction programme by improving operational efficiency so that the facility can be effectively operated by custodial staff and be built and maintained at a lower cost. The reduction of staff in escorting inmates lowers operation salary costs appreciably.

The facility cost US$40.5 million to build and fit out which represents approximately US$40,500 capital cost per inmate. The inmate accommodation is made up of 19 general population housing units of 48 inmates each (912); 1 disciplinary unit of 50 inmates; 1 medical housing unit of 32 inmates; and 1 health services quarantine unit of 6 inmates.

The single-cell functional unit management concept incorporated in this facility is indicative of what is termed a “Third Generation” prison, and the design is intended to meet all the accreditation requirements of the American Correctional Association as well as Chapter 33.8 of the Florida Administrative Code.

As stated previously, the Dade County Correctional Centre is intended by its design to take on a non-institutional appearance to minimise the visual impact of its security and control features. The exterior fenestration of the building mass is comprised of spandrel glass panels and precast concrete wall panels which also encompass all outside exercise areas. The spandrel glass panels add to the design of the building by their energy conservation features, and the added security feature of being unable to locate the inmate room windows for outside communication.

Located behind the spandrel glass panel, all inmate rooms have an exterior security window which permits natural daylight yet prevents escape and introduction of contraband.

Special colour schemes and graphics have been developed to identify the separate housing units, related elevator lobbies, and dayrooms. The use of colour, in conjunction with graphic symbols and letters, creates a complete system for identifying each and every area of the building. Outside exercise areas are enclosed by security walls in order to facilitate a full range of activities, including basketball. The exercise areas have overhead screen enclosures which provide security against escape, contraband introduction, and loss of recreational equipment.

The facility, in addition to that previously outlined, was designed to include a kitchen that is equipped to serve 6,000 expandable to 9,000 meals per day, including a two-day storage capacity for prepared foods. Video courts are provided for bookings, arrangements and bond hearings.
The central control centre, which is probably the most sophisticated the touring party encountered on the tour, monitors over 2,000 doors, 200 cameras and all building security and life safety devices. Onsite parking provides for a total of 36 visitors and 157 employee parking spaces.

The management plan incorporates rapid response procedures for isolating and/or evacuating the centre in an emergency such as a major fire. To assist with this plan, the design of the facility is such that each level can be rapidly emptied of inmates through a series of corridors and fire exits, so that inmates can be marshaled to enclosed areas outside the building via a tunnel system beneath the main structure. The secured tunnel is also used to transport inmates to and from the main building complex.

The touring party was conscious of the lack of synergy between the management philosophy reflected in the design and the operational procedures that had actually been incorporated in the day to day management of the centre. The experience at this facility was not unlike that encountered at the Tarrant County (Fort Worth) Texas Remand Centre and reinforces the need to ensure that prison design reflects not only the management philosophy of the organisation but that this philosophy is put into practice through the operational procedures that are implemented on a day to day management basis.

**CORAL GABLES (11 APRIL PM)**

The touring party met with chief and senior executives of the Wackenhut Corporation at their corporate offices in Coral Gables. Those present included:

**Wackenhut Corporation:**
- George R Wackenhut, Chairman of the Board and Chief Executive Officer;
- Richard R Wackenhut, President and Chief Operating Officer;
- Fernando Carrizosa, Senior Vice President, International Operations;
- Michael A Di Gregorio, Senior Vice President, Finance, Treasury and Chief Financial Officer;
- Robert C Kneip, Senior Vice President, Corporate Planning;
- Patrick Cannan, Director, Corporate Relations;

**Wackenhut Services, Incorporated:**
- Jack C Faulkner, Vice President, Business Management.
**Wackenhut Corrections Corporation:**

- George C Zoley, President
- Wayne H Calabrese, Vice President, Business Development
- Robert W Mianowski, Vice President, Operations
- Carol M Brown, Vice President, Medical Services
- Ronald D Champion, Regional Vice President
- Charles F Lister, Director, Project Development
- Robert J Barncastle, Director, Operations
- Adelardo Pacheco, Director, Operations
- Lucille Bobiney, Director, Proposal Development

The Wackenhut Corporation essentially has three principal operating groups:

- Domestic Operations (Security Services)
- Government Services (Diversified Security Related Services)
- International Services (Security and Related Services)

Together, these form the Wackenhut Corporation, a successfully diversified and profitable protective and support services company which had an operating revenue in 1990 of some US$520 million and has set itself a target for 1991 of US$600 million. The Wackenhut Corporation employs some 41,000 people worldwide with 65% of the company’s total business being security services related. These services range from security of Atomic Power Plants, Defence Establishments, Petroleum Plants, Health and Marine Establishments, Banks and Payroll Security Services through to the management of Correctional Facilities in the United States.

The following illustrates the operating revenues and employee numbers associated with each of the three Principal operating groups, making up the Wackenhut Business:

<table>
<thead>
<tr>
<th>THE WACKENHUT CORPORATION</th>
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<tbody>
<tr>
<td>DOMESTIC OPERATIONS GROUP</td>
</tr>
<tr>
<td>EMPLOYEES 22,000</td>
</tr>
</tbody>
</table>

-61-
Wackenhut Corrections Corporation operates within the Government Services Group of the Wackenhut Corporation and represents only 6.5% of the Corporation’s total business, but is a significantly larger 20% of the Government Services Group Business, at the present time. However, despite its relatively small operating revenue for 1990 (US$34 million) it represents the fastest growing business within the Wackenhut Corporate operations. Business growth between 1989 to 1990 for the corrections arm of the Corporation was 18.5%, and this is predicted to increase further to 25% by 1991.

At the time of visiting, Wackenhut Corrections Corporation (WCC) had procured a partnership with Thiess Contractors Pty Limited and ADT Security Pty Limited in Australia through consolidation in the form of a new company incorporated in Australia called Australasian Correctional Services (ACS) in which WCC is a 15% shareholder. ACS had submitted a tender for the design, construction, commissioning and management of the Junee Correctional Centre, and the briefings provided by the Corporate Executives demonstrated tangible evidence of Wackenhut’s commitment to the success of the Junee project. Subsequent to this study tour, ADT and Wackenhut Corrections formed a 50% joint partnership in a company known as “Australasian Correctional Management Services Pty Ltd” to operate the Junee Project if awarded the contract.

During discussions, the company advised that adequate anti-corruption provisions are available and are implemented both within the company and by the company’s clients. This has been a feature of Wackenhut’s business over the past ten years and is backed up by legislative and regulatory requirements.

The success of the parent company provides a sound (financial/administrative) base from which the corrections arm of the company can operate effectively and efficiently.

The company has expertise in the use of electronic systems/equipment/aids particularly where such systems are to be an integral part of the procedures for monitoring individuals who are not incarcerated in a correctional facility but rather are supervised under one of the several alternative programmes (home detention, community corrections etc).

Wackenhut advised that by the end of 1991 it is planning to have responsibility for operating 1,000 home detention programmes. At the time of visiting, the company was managing ten (10) correctional facilities in the US, and had contract commitments for an additional three (3) facilities which would give them an overall total of 4,700 beds under contract management.
During subsequent discussions the company advised that it was negotiating, along with CCA, to expand its 500 bed pre-release correctional centre at Kyle and Bridgeport by 1,000 beds (500 additional bed facilities at each location). Wackenhut also indicated that it was hopeful of securing a 1,200 bed contract with the state of Louisiana, and that together with existing facilities and the above institutions, and if successful with the Junee Project, it would have the responsibility and capability to manage a total of 7,500 inmates.

The company advised the touring party that it is also involved in industry programmes within institutions such as “Job Corps” where 40,000 kids are involved in programmes at 76 contract centres and 30 conservation centres.

The company also advised officers that the Federal/State governments are considering funding programmes whereby unemployed persons are required to participate in the employment schemes such as “Job Corp”. The range of payment rates to the company would reflect the nature of the contract, its size and location (distances individuals need to travel and/or relative isolation of work facilities - set up costs).

In respect of contracting to the private sector in the corrections business, the company advised that it had not developed to the extent that it could in the US partially due to individual labour laws in the various states and as a result in some cases of intransient attitudes of certain state bureaucracies and governments. It is generally the case to date, that the southern states of the US are more receptive to the trend towards involvement of the private sector in corrections than their northern counterparts.

In discussion with Wackenhut Senior Executives, it became apparent that the company believes that in the short term, the largest growth potential for the company in private corrections is on the international scene as more and more governments are considering the benefits of private sector involvement in the management of correctional facilities.

The company, apart from tendering for the Junee project is also having discussions with other states in Australia apart from New South Wales, and is also talking to the New Zealand government and the British government regarding future private prison opportunities. Wackenhut believes the business prospects in the next two to three years looks extremely promising for the company in this area of corrections.

The company clearly has a well developed and sound financial and operational base and its corporate support services were impressive to the touring party. Wackenhut’s operational policies and procedures are comprehensive and the technical development and expertise within the company in the security business is well recognised.
Comprehensive training and staff development programmes are a feature of the Wackenhut philosophy and business operations and enables a comprehensive range of services and programmes to be provided, such as:

- security services (electronic, physical, dynamic, static)
- correctional programmes (educational, vocational, life skills, counselling)
- health services*
- food services*
- transportation services*
- laundry and cleaning services*
- facility maintenance services*
- Wackenhut can provide in house services or can contract out where necessary and has the resources and experience to manage either process.

In discussion the company advised that in respect of its corrections business in the US, all programmes proposed by the company are required to be accredited by the American Corrections Association.

In terms of Wackenhut’s operations the company carries out regular corporate audits on the various businesses within the organisation. The company advised that if its tender is successful, the Junee project would be considered by the company in the same manner as any other Wackenhut project and the usual company monitoring procedures and operating processes would be in place, consistent with the Wackenhut Corporate environment.

On further discussions concerning anti-corruption issues the touring party were advised by Wackenhut that internal company checking procedures ensure the maintenance of the Wackenhut Corporation’s standards of behaviour.

In discussions concerning transportation, Wackenhut advised that they have the capacity to transport inmates and would be prepared to provide these services if this was required on any of its contracted projects. They also advised that to date there had been no prison escapes in the US from institutions managed by the company or whilst the company was carrying out escort duties.

- **MIAMI (12 APRIL AM)**

The touring party inspected the Metropolitan Correctional Centre (MCC) in Miami which is a Federal Bureau of Prisons facility. The officers met with the Warden, Stephen F Pontesso and then proceeded to tour the prison. The MCC Florida recently had its fifteenth anniversary in recognition of its beginnings in 1975 as a Youth Centre housing some 250 youth designated offenders.
On the day of the inauguration in March 1976, the facility had already undergone significant changes, as the new facility was redesigned to accommodate 100 holdovers in a dedicated building and 200 designated inmates in another assigned building. The institution went through a further change in early 1982 with its second mission being to house 450 inmates, the majority of which were holdovers.

The Metropolitan Correctional Centre as presently modified, is designed to house 1,300 inmates, of which 120 are classified work cadre (designated), and the balance are either holdovers or detainees. While the majority of the inmates are waiting to go to trial for drug-related crimes, other offences represented by the inmate population include larceny, theft, and forgery. Of the total prison population: 56% are Hispanic, 23% are white and 21% are black.

The inmate systems management department at this facility processes nearly 27,000 inmates in and out of the institution each year.

As is the case in most Federal run institutions, the operations division of the organisation is responsible for the maintenance of facilities, financial management, food services, safety, human resources, health services, and computer management.

The programmes division at the MCC-Miami consist of psychology, religious programmes, education, recreation, unit management and case management. Case management and unit management staff have their offices in the inmates’ living units where they are accessible to the inmates, able to develop a rapport with them, and address the variety of concerns inmates have.

In summary, the various activities and services provided by the Programmes Division do much to address the human needs of inmates and to keep them engaged in constructive activity, all of which allows the institution to function smoothly, with reduced tension and stress.

The touring party found the general atmosphere in the MCC-Miami to be good despite the fact that at the time of visiting the facility had more than the 1,300 inmates that the institution was redesigned for. Double bunks were a feature in some day room areas, and recreational areas and yet despite the problems of overcrowding, tensions were reasonably well under control. Programmes appeared to be reasonably extensive and effective.

UNICOR, which is known as the Federal Prison Industries, is a self-sustained government owned corporation that manufactures and sells products to various government agencies.
All profits are invested back into the corporation to pay UNICOR inmate gratuities, to purchase/maintain equipment, to build new factories and to pay UNICOR staff salaries. No appropriated funds are utilised to operate Federal Prison Industries (UNICOR).

UNICOR has one factory at MCC-Miami, which is a Cut and Sew operation that manufactures such items as bed sheets, towels, bath mats, wash cloths and a number of other items. It employs approximately 350 inmates at the time of visiting and provided a good opportunity for inmates to gain work experience in an industrial setting and at the same time, it assists the Bureau of Prisons with the management of their institutions.

Education programmes include instruction in English and Spanish, and the General Education Diploma is offered at the institution in three languages: English, Spanish and French. The MCC-Miami also has a Special Education Programme that services the needs of low level readers and illiterates and experience has shown that this latter programme is popular with inmates who have difficulties with learning and concentration.

Recreation activities are varied and include both self-directed, leisure and skill development programmes, community support in the form of visiting sports teams and special entertainment groups greatly supplement internal activities funded through the recreation cost centre. Additional sports clinics and fitness programmes, including softball, volleyball, basketball, body conditioning, jogging and soccer.

In summary, the touring party were generally impressed with the programme activities and the operational environment within the MCC-Miami, given the presently overcrowding situation and the ad-hoc nature of the institutions development.

**CORAL GABLES (12 APRIL PM)**

Following the inspection of the Metropolitan Correctional Centre in Miami during the morning, the touring party returned to Wackenhut’s Corporate headquarters in Coral Gables to engage in follow up discussions with Mr Ronald Champion, Regional Vice President with the company, and the person responsible in particular for the operations of the company’s correctional facilities in the state of Texas.

These further discussions enabled the touring party to develop a better understanding of operational issues concerning Wackenhut’s managed correctional facilities in the US generally, and in Texas specifically, as this latter state is where most of Wackenhut’s corrections business is concentrated at the present time.
Following these discussions the touring party had the opportunity of meeting and having private discussions with Charles W Thomas, Professor of Criminology at the University of Florida.

Professor Thomas, who is a well known and respected authority on the criminal justice system in the US, advised officers that it was not until 1985 that enabling legislation was available permitting private sector management of adult correctional facilities in the US. Prior to that time, private sector involvement in corrections had only been in the juvenile corrections area and in the adult corrections area was limited to small community based correctional programmes. These work release centres and halfway houses, along with delivery of food service, education services and medical services in gaols and prisons, constituted the limit of private sector involvement during the early 1980's.

Laws and public policy prior to 1985, made the operation of gaols and prisons in the US an inherently governmental responsibility which neither could be nor should be delegated to the private sector.

Circumstances since that time have changed dramatically, and undoubtedly were influenced by the gaol and prison population during the 1970's and 1980's which by that time were reaching historic proportions in the US. The cost of constructing and operating new gaols and prisons was growing at a faster rate than the pace of prison population increases. Court suits filed by inmates alleging unconstitutional gaol and prison conditions along with the crowding situation, were resulting in federal court orders mandating change. Government revenue flows were not matching the increasing public demands for services. As a result of little significant increase in taxpayers funds to provide the required services, authorities were told, in effect, to do more with less. Hence the entry of the private sector in an effort to increase cost efficiencies in the delivery of specific services through innovation and competition, reflective of the private sector business environment.

Professor Thomas advised the touring party that at the time of visiting there were some 60 private sector managed correctional institutions throughout the US accommodating approximately 20,000 inmates. This can be compared to a total prison/gaol population throughout the US of approximately 1.2 million (Federal/State/County).

The breakup of these figures is approximately:

- Federal (nationwide) 70,000
- County (local) 450,000
- State (nationwide) 700,000
As stated previously, the total number of inmates in full time correctional facilities throughout the US represents approximately 477 out of every 100,000 of the general public. These figures illustrate the problems facing prison administrators in the US at the present time.

Although the overall numbers of prisoners in privately managed institutions are relatively small at this stage, Professor Thomas advised that US experience to date suggested the savings to government of private sector involvement are in the order of 25% (capital) and 10% (recurrent).

Professor Thomas indicated that the Capital cost savings reflected the more innovative design input from the private sector and the efficient use of materials and a more productive goal oriented work ethic. The recurrent savings, in real terms, are likely to be considerably more given that when comparisons are made with equivalent public sector costs, indirect charges are often hidden, and quality and quantity issues relating to service delivery often tends to flatter the public sector figures unrealistically. The officers discussed this latter issue with Professor Thomas as the Queensland situation at Boralion required CCA to be 10% less costly when compared to the public sector.

The issue that needs to be considered in this context is what is the fundamental purpose of private sector involvement, is it to save money, or to achieve a more cost effective service delivery situation that meets stated objectives and minimum standards. In the New South Wales situation, it is the latter situation as the public system presently does not satisfy the minimum standards and contractual requirements that we are setting for the Private Sector. One of the strategies of introducing the private sector into management of New South Wales correctional facilities is to provide a "catalyst" for reform and improvement in the public system through innovation and competition generated by private sector participation and initiatives in the New South Wales corrections environment.

Professor Thomas was impressed with the Junee concept and thought it would provide an example to the US of how a project such as this should be managed in a professional manner (the process and procedures). He stated that he agreed with the touring party that it was essentially for the contracting government agency to be clear about its requirements and that it was necessary to ensure that business is undertaken with a reputable company. The industry is still at a point of immaturity, and any poor performances at this stage in its development could do untold damage to the private sector debate in the theatre of corrections.
Professor Thomas agreed with the visiting officers that the contract must be good, workable and beneficial to both parties if desired financial and correctional outcomes are to be realised. He indicated that figures in the US suggested that the comparable average capital cost of providing accommodation for inmates in prisons was US$60,000 per bed (public sector) and US$45,000 per bed (private sector). These figures were supportable based on the outcome of other discussions that the touring party had with various Federal, State and County officials and private sector companies.

Following the touring party’s meeting with Professor Thomas, arrangements were made by the Wackenhut people for officers to have confidential discussions with Levern Meads, Under Secretary - Administration to the State of Louisiana, via a telephone conference "hook-up".

Mr Meads advised officers that the State of Louisiana had only constructed three reasonably sized correctional institutions in recent years and they were each 600 bed facilities designed to house both medium and minimum security inmates. The three correctional centres were at:

- Avoyelles, which was built by the State, and is managed by the State;
- Winn Parish, which was built by the State, but is contract managed by CCA; and
- Allen Parish, which was again built by the State, but is contract managed by Wackenhut.

Mr Meads advised that the Avoyelles facility had achieved an inmate to staffing ratio of 3.5:1, and this compared to inmate to staffing ratios of 3.67:1 for the other two private managed facilities. He informed the touring party that a "Bill" had to be passed to facilitate private sector involvement in the management of state correctional institutions, and that any recommendation to do so now has to be passed by a Budget committee.

The State of Louisiana had a central procurement process, prior to the involvement of the Private Sector in the management of State Correctional Facilities. Mr Meads believes that since the two contract managed prisons have been operational, the State has saved money. He suggested that capital cost savings in excess of 20% were being realised, and operational savings in the vicinity of 16% have been achieved compared to a figure of 10% that was required in the contracts.
Mr Meads advised that the State monitors for these private prison contracts have come from a variety of backgrounds (ranging from correctional officers to educational officers). The design of these facilities has been along the dormitory style of construction for the general prison population with cellular units to cater for disciplinary or protection inmates.

Discussions with the Under Secretary also covered the topic of industry programmes and he advised that in Louisiana State Prisons the industry programme is reasonably extensive, and comprises:

- inmate apparel
- furniture for prisons
- printing for departments
- licence plates for motor vehicles
- records processing for state organisations, and
- farming for the prison system.

7.5 NEW YORK

NEW YORK CITY (13 APRIL AM/PM)

The touring party visited the Manhattan Detention Centre in New York City and met with Mr Leroy Duncan who is the Assistant Deputy Warden and Tour Commander for this facility. Prior to inspecting the facility the Tour Commander provided a brief overview of the New York prison system, and advised that facilities operated by the New York City Department of Corrections house approximately 20,000 inmates at the time of visiting. This represents nearly a threefold increase during the last decade from a figure of just over 7,000 in 1980.

The New York City prison population is made up of 65% city detainees; 22% city sentenced and 13% state detainees. The total design capacity of the City’s correctional facilities is approximately 19,700 so the present overcrowding is not high.

However, in providing a near balance situation between prison capacity and inmate population, extraordinary measures have had to be taken. Examples include floating detention facilities which were, when first proposed, converted container vessels that have been redesigned for inmate accommodation.

Since the first floating detention facility was put into service to overcome the overcrowding of the City’s correctional facilities, the New York City Department of Corrections commissioned Avondale Shipyards to construct two “Barges” for inmate detention. These facilities are moored permanently in the city waterways. These latest floating detention facilities can accommodate 800 beds each, and are unique
five storey vessels. They each contain some 300,000 square feet of inmate housing, functional administration, and programme spaces complete with galleys, storage and shop areas.

Mr Duncan advised that of the 20,000 inmates in the New York City Prison System there are approximately 1,700 females and 1,100 male adolescents (detainees).

The ethnic background of the city’s inmate population is currently 57% black, 35% hispanic, 7% white with the remaining 1% made up of Asians and American Indians, etc.

The average length of stay for detainees is 46 days and for sentenced inmates is 52 days.

The cost of incarceration (full year 1988 figures) on average in New York City Correctional Facilities is US$143 (daily cost per inmate) and US$52,195 (annual cost per inmate). The total operating budget for the New York City Department of Corrections for the full year 1990 was approximately $709 million, and as at 30 June, 1989 the Department had 14,000 people on the payroll.

The Manhattan Detention Centre (MDC) is regarded as a “New Generation Gaol” which has been designed and constructed from one of the city’s oldest institutions which was vastly different from the present facility and was known as the “Tombs”, due to its structural deficiencies. The reconstruction of the old building along modern management model lines, was completed in October 1983. Since then the facility has been significantly expanded by the design and construction of a new 426 bed facility adjacent, and connected to, the revamped “Tombs” complex.

The new structure has been designed to achieve maximum flexibility in operation while overcoming the major defects in the original building; lack of programme space, inadequate recreation space, inadequate ventilation and light; and problems of extreme heat during the summer months and excessive noise levels.

The revamped old building and the new facility, both have single occupancy cells arranged around inmate activity areas in a completely air-conditioned environment. This has replaced the poorly ventilated tiers of steel cages which were previously encircled by staff corridors.

The current management and staffing plan for the MDC is designed to maximise the efficient and effective use of the new gaol, and to achieve professional staff-inmate interaction in a safe and controlled environment. No other facility in the New York Corrections system is comparable with the MDC. Physical barriers between staff and inmates are virtually eliminated. An essential component of this plan
are the Unit Managers (Assistant Deputy Wardens are designated Unit Managers).

The building is vertically organised in three distinct management units or "mini-gaols", each of which is essentially a self-contained facility with its own complete "mini-centre" for educational, vocational, recreational and inmate support activities. Access to the three management units is by elevator.

The benefits of this management system are varied and pertinent for positive correctional outcomes. Assignment of staff to units under a single manager improves morale and accountability, results thus far have shown a reduction in staff turnover and inmate disquiet has significantly reduced.

The complex presently accommodates some 890 inmates and appears to be operating reasonably smoothly. Whilst the touring party were inspecting the facility, there was a minor disturbance where an inmate had overpowered a prison officer and within a short space of time a tactical response unit had gone into action and had secured the area where the incident had occurred and had effected a release of the "hostage" and had secured custody of the offending prisoner without a shot being fired.

7.6 MARYLAND

- UPPER MARLBORO (14 APRIL PM)

The touring party met with Bruce Orenstein and Ira Goldfarb, who are both Senior Associates with Carter Goble Associates (CGA), and proceeded from Washington DC to the adjoining state of Maryland to inspect the Prince George's County Correctional Centre in Upper Marlboro.

Prior to inspecting the facility the officers met with Lt William Bailey of the Prince George's County Department of Corrections who, together with the CGA officials, provided a brief overview of the Corrections environment in the Prince George's County as a background to this relatively modern facility.

To appreciate the mission of Prince George's County Correctional Centre it is necessary to briefly consider for a moment the reasons behind the decision to construct this facility.

Historically, the local gaol in the County held pre-trial offenders with a few sentenced inmates. Inmates with sentences of six months or more were usually remanded into State Custody where they remained until discharged. The nature of the local gaol system, however, has
changed significantly in recent years, due to two principal reasons, being:

- the state's need to purge their penal systems of short term offenders as a means of managing their inmate population; and

- the desire on the part of the judiciary to protect offenders from an already overcrowded and hostile state system.

To illustrate this point, the Bureau of Justice statistics reported recently that one in every 27 males in the US is under correctional supervision. To add to previous statements regarding the prison population explosion throughout the US, between 1983 and 1988, the number of individuals incarcerated in the nation increased by 33%.

These statistics have created management problems at state and county correctional institutions across the nation. For example, the Prince George's County jail population has more than doubled since 1987 - a staggering outcome and of concern to both the local authorities and the community, generally.

With these increasing numbers of sentenced offenders having to remain in the existing local facilities for longer periods of time, there soon became an urgent need for a new facility such as the Prince George's County Correctional Centre.

The gaol was originally designed as a 600 bed medium security pre-trial and sentenced detention centre for the Prince George's County Department of Corrections, by CGA and is described as a model unit management and direct supervision centre. It was in fact, one of the first of its kind in the US. Carter Goble Associates were involved from the outset both in early planning stages of the project and in developing the design and the management and operational plans for the county.

The county was committed to a low-rise scheme and using the direct management supervision concept required a flexible housing unit module. To satisfy this requirement, the design solution produced a three-storey doughnut-shaped corridor system with all functional areas attached. Visitors use the top floor, inmates and staff the middle level, and all services are provided in the lowest level.

Twelve 48-bed housing modules corresponding to different inmate classifications are arranged around the outside of the corridor system, with inmate programme services and administration on the inside. Contained spaces are used for outdoor recreation. A central kitchen provides 3,000 meals per day with the capacity if required to produce 10,000 meals per day from the cook/chill food processing system.
The Prince George's County Correctional Centre was completed in 1986 at a cost of US$30 million, and with its 600 bed capacity, the facility has an inmate to staff ratio of 3.2:1. Since it was opened in 1986 an additional 50 inmates have been accommodated at the facility and the classification of inmates now ranges from maximum and medium through to minimum security.

**7.7 WASHINGTON DC**

- **WASHINGTON, DISTRICT OF COLUMBIA (15 APRIL AM)**

  The touring party met chief and senior executives from Carter Goble Associates, Group 4 Securitas (International Security Company) and the DC Department of Corrections at the CGA regional headquarters in Washington DC. Those present during the morning meeting were:

  - Jim Harrower, Managing Director, Group 4 ICS BV
  - Steve Carter, President, CGA Inc/Chief Executive, Group 4 ICS Inc
  - Bob Goble, President, CGA Consulting Services Inc
  - Don Keens, Director, Group 4 Remand Services, and
  - Hal Williams, President, Group 4, ICS Inc

  A general introduction to the Carter Goble Associates Inc business activities was given by Steve Carter. As stated previously, CGA began its planning practice in 1974 in Columbia, South Carolina, and since then the organisation has grown quite substantially and has become a nationally recognised leader in comprehensive planning and management throughout the US. The company’s philosophy is based on the fundamental need to blend three important elements: insight, technical knowledge; objective reasoning; and creative thinking. These skills combined with a personal and practical approach has attracted more than 500 separate governmental agencies at every jurisdictional level to use the services of the company.

  CGA's business is tailored towards satisfying the ever changing and demanding needs of governmental clients. Hence the company is expanding both nationally and internationally and now has a cluster of companies that services governments world wide. The associated CGA companies comprise:

  - CGA Consulting Services Inc
  - CGA Management Services Inc and
  - CGA International Ltd

  The companies organisational structure is as follows:
The CGA Holding Company provides centralised management for all companies controlled by the organisation. Specifically these include:

- Financial management, book-keeping and accounting
- Personnel administration
- Marketing
- Communications
- Employee training and product quality assurance

The CGA Consulting Services, Inc provides analytic, research, planning and management consulting services to government agencies. Specific areas of focus and expertise concern correctional facilities and services, judicial facilities and management improvements; specialised rural and small urban passenger transport systems; and general government facilities planning. The company also provides specialised consulting services for other public and private sector needs.

CGA Management Services Inc grew out of the need by the mid 1980's for the company to expand into the provision of more comprehensive programme management and construction management services in order to be responsive to the construction boom in the correctional field that was occurring at that period of time in the US. To put this growth into perspective, at the time of writing the US was reported to be investing more than US$2.5 billion annually in new or substantially renovated correctional facilities. This arm of the company provides governments and private sector organisations management services to control quality, schedules, and costs in the planning, design, and construction of facilities and the provision of services.
The international branch of the company mirrors the US consulting arm in the services provided and is the newest element to the companies operations reflecting the business development opportunities in Europe and in the Australasian region.

By 1989 the company achieved a turnover of some US$4.5 million and employed over 50 staff members.

Steve Carter advised the touring party that the Prince George’s County Correctional Centre was the result of a poor correctional record in that County for many years created in part due to extreme overcrowding. Prior to this facility with its modern correctional philosophy, the incidence of rapes, murders and disturbances in the county correctional system was above the nation’s average. Since Prince George’s County Correctional Centre was completed in 1986, and the county introduced the Unit Management and direct supervision concept the incidence of disturbances has reduced considerably.

Once the Prince George’s County Correctional Centre became operational, the County constructed an additional 232 bed facility for US$8.3 million and has incorporated a court facility as part of the total complex. The facility also has the flexibility for video conferencing (Bail Application). CGA were involved in this development for Prince George’s County.

Another project that CGA has recently been involved with is the Arlington County Detention Facility in the State of Virginia. CGA has been providing programme management services to Arlington County in the development of this project. The project is defined as a high-rise solution in a highly urban setting, and the design solution has been sensitive to its historical location. This contemporary correctional facility will house both pre-trial and sentenced inmates and will be operated under the district supervision management approach. The detention facility will accommodate 656 inmates in 48 bed housing units and will be staffed by 219 officers which will result in an inmate to staff ratio of 3.0:1. This facility is planned to be completed in 1992 at an estimated capital construction cost of US$41.7 million.

In Pittsburgh, Pennsylvania, CGA is designing and developing a management plan for a new gaol in Allegheny County. This facility will accommodate 1,500 inmates with a capacity for future expansion to 2,000 inmates. The Unit Management concept will be introduced at 150 bed housing unit modules.

Following the meeting with CGA and Group 4 executives, the touring party inspected the District of Columbia’s new Correctional Treatment Facility with Walter Ridley, Director, DC Department of Corrections; Deirdre Jordan, Special Assistant, DC Department of Corrections; and Edith Fitzhugh, Project Manager, DC Department of Corrections.
The Director of Washington DC’s Department of Corrections, Walter Ridley, advised the officers that his Department had developed this new Correctional Treatment Facility in the District of Columbia fairly recently, with a US$50 million Federal government grant. The decision to develop this facility resulted from CGA’s five-year operational master plan that was prepared for his Department, which focused on strategies for population management, inmate programmes, operations, and administration. CGA assisted the Department in the development of philosophical and mission statements which guided analysis of existing operational and future strategies.

In the summer of 1986, the United States Congress, recognising the severe overcrowding in the District of Columbia’s Correctional System, indicated a willingness to participate financially in the construction of this new facility. The Office of the Mayor, in response to the tremendous problem of substance-abuse among those inmates admitted to the District’s Correctional System, proposed the construction of this new treatment facility that would focus upon innovative approaches to managing the mental health and substance abuse inmates.

CGA was contracted to develop a plan for the new Correctional Treatment Facility that stressed intensive counselling within an incarceration environment. The facility will serve as a reception and diagnostic centre for all inmates entering the Department’s system (from ten institutions), and will provide for extensive treatment services to substance abusers, mentally deficient, and sexual offenders. The study effort included an analysis of the demand for treatment alternatives, determination of the unique spatial requirements and technical assistance in operational and programme services development.

The new Correctional Treatment Facility is designed to accommodate 800 special category inmates, as previously stated, with mental health and/or substance abuse problems, and should be completed before the end of 1991 for an all up construction cost of US$65 million.

This institution will be very staff intensive due to the special nature of the inmate population, and with a projected total staff figure of 686, represents an inmate to staff ratio of 1.17:1.

It is worth noting that most other US correctional institutions have an inmate to staff design ratio ranging from a low 2.5:1 to a high in excess of 6.0:1. This range reflects the size and classification of the inmate population. The staffing profile at this new facility will comprise 286 security officers and 400 treatment specialists.
WASHINGTON, DISTRICT OF COLUMBIA (15 APRIL P.M.)

Following the inspection of the District of Columbia's new Correctional Treatment Facility and subsequent discussions with Carter Goble Associate's senior executive, the touring party met with senior management with the National Institute of Justice (NIJ), a Federal research body which is a branch of the US Department of Justice. Those present at the meeting were:

- Michael Russell, Deputy Director of the NIJ
- Tom Albrecht, Programme Manager for Interagency Institutions with the NIJ
- Cheryl Binell, Contract staff in the NIJ - Corrections Information Exchange
- Sharon Williams, Contract Staff in the NIJ - Corrections Information Exchange

The prime role of the NIJ is to assist the Federal Government as well as the State and Local Governments in the Criminal Justice field.

The Institute's mission is to develop knowledge about crime, its causes, and control. Priority is given to policy, relevant research that can yield approaches and information that State and Local agencies can use in preventing and reducing crime. The decisions made by criminal justice practitioners and policy makers affect millions of citizens, as crime affects almost all public institutions and the private sector as well. Targeting resources, assuring their effective allocation, and developing new means of co-operation between the public and private sector are some of the emerging issues in law enforcement and criminal justice that research can help illuminate.

The National Institute of Justice is required to carry out the mandate assigned to it by Congress in the Justice Assistance Act of 1984, through the:

- sponsoring of research and development programmes to improve and strengthen the criminal justice system and related civil aspects, with a balanced programme of basic and applied research;
- evaluation of the effectiveness of justice improvement programmes and identify programmes that promise to be successful if continued or repeated;
- testing and demonstrating new and improved approaches to strengthen the justice system, and recommending action that can be taken by Federal, State and Local governments and private organisations and individuals to achieve this goal;
• dissemination of information from research, demonstrations, evaluations, and special programmes to Federal, State and Local governments, and serving as an international clearing house of justice information; and

• training of criminal justice practitioners in research and evaluation of findings, and assistance provided to practitioners and researchers through fellowships and special seminars.

Authority for administering the Institute and awarding grants, contracts, and co-operative agreements is vested in the NIJ Director. In establishing its research agenda, the Institute is guided by the priorities of the Attorney-General and the needs of the criminal justice field. The Institute actively solicits the views of police, courts and correctional practitioners as well as the private sector to identify the most critical problems and to plan research that can help solve them.

The NIJ has also provided research on the privatisation debate in corrections in the United States, and advised the officers that the private sector is increasingly becoming involved in the management of adult correctional facilities, as well as being involved with the operations of institutions for Juvenile Justice. The private sector’s involvement in adult corrections is the most recent emerging business (within the last ten years), whereas their involvement is specialised services to correctional facilities such as catering, laundry and escort duties as well as being involved in industry programmes has a longer history.

The NIJ’s research programme into the private sector’s involvement in the business of corrections has resulted in good interaction between the public sector agencies involved and the private contractors.

In recent years, the NIJ has undertaken a construction information exchange programme, whereby the Institute collects fairly detailed information regarding correctional facilities across the nation from Federal, State and Local government authorities and then produces a document which is readily available to the participants and the private sector alike.

The purpose of this programme is to develop a network for research studies, and to provide the mechanism for inter-agency sharing of data on the construction of correctional centres throughout the US. To give some idea of the extent to which this agency is consulted, the NIJ received over 3,500 genuine enquiries last year concerning their research programmes and the data produced.

The data collected by the NIJ on inmate populations often centres on the special groups, which is found to be very beneficial to Government agencies charged with the responsibility of managing correctional facilities and providing specialised programmes for these interest groups in the general prison population. Data such as that collected
by the NIJ is most helpful to correctional organisations in their master planning of new correctional facilities. Data at the NIJ is stored on computers in DBase III format.

The NIJ officials advised the touring party that at present there are some 1.2 million people in full time incarceration in the US in prisons, gaols and camps, which represents 477 inmates per 100,000 of the nation’s population. Interestingly, 42 states are presently under the influence of Federal court orders which have impacted on the management of these inmates in prisons and gaols throughout the nation. The institute by way of comparison, advised that the Canadian authorities provide significantly more programmes and supporting staff in correctional facilities than do their American counterparts. For example, there are approximately 35,000 inmates in full-time incarceration in Canadian Correctional Facilities and they are operated by about the same number of staff. That is a very programme intensive environment, where the inmate to staff ratio is about equal (1).

The NIJ also advised that the rapid increases in incarcerated population over the last few years in the US, have placed major financial strains on the Federal, State and Local governments in funding correctional programmes. More than twenty (20) states are currently under court order to improve their prison systems, and many jurisdictions are specifically required to reduce overcrowding in gaols or prisons. In this climate, correctional administrations are examining many options for dealing with their population problems, while at the same time meeting their responsibilities for both public safety and prudent use of public resources.

The choices they face are complex and not easily resolved. Those who decide to construct new correctional facilities never do so lightly, because substantial expenditures are often involved, and lengthy delays may be incurred in preparing voter referenda and construction plans. These delays, in turn, can increase costs significantly.

The NIJ has undertaken a broad range of activities to help correctional managers learn about the latest research thinking and practices in other jurisdictions for dealing with these difficult problems. NIJ holds national and regional conferences and have sponsored publications on construction design principles for prisons and gaols, privatisation of corrections, and financing of gaol and prison construction.

Due to some of the complex financing schemes that have recently been developed in the US, the Institute prepared a brochure so that correctional administrators could gain greater confidence in dealing with some of the key issues surrounding alternative financing for correctional facilities. Traditionally in the US, nearly all State and Local governments have financed correctional construction projects through cash ("pay as you go") or general obligation bonds. While voters in some states continue to approve levels specifically for construction of
correctional facilities, in many states and localities over the past few years, the combination of rising construction costs, insufficient cash reserves, cut-backs in grant programmes, constitutional and statutory limitations, and the “taxpayers’ revolt” have severely limited the ability to finance construction through those conventional methods. They are turning instead to financing alternatives not subject to debt ceilings or referendum requirements.

According to an NIJ study “The Privatisation of Corrections”, the most widely adopted alternative financing arrangement is the lease-purchase bond. While comparatively new to corrections, it is not a dramatic departure in government financing. It has been used successfully in the past for financing the purchase of computers, motor vehicles, office buildings, and telecommunications equipment. However, the details of lease-purchase financing are not easy to understand, and new twists are constantly introduced by underwriters in response to changes in tax legislation, financial markets and court decisions. Without expert financial advice, most correctional administrators would have difficulty making even an approximate cost comparison between lease-purchase financing and general obligation bond financing according to the NIJ.

In the US a tax exempt lease-purchase (LP) agreement is a way for a State or Local government to buy property with instalment payments. Strictly speaking a lease-purchase is a lease in name only, depending on details of state law, it is actually a “conditional sale” or an “instalment sale”. (In a true lease or rental agreement, the tenant does not end up owning the property).

The term lease is used mainly because the government usually does not get a clear title to the property, until it has completed making a series of payments which are sufficient to buy the property and pay interest to the lenders who financed the purchase. If at any time, the legislature chooses not to appropriate funds to continue the payments, then, as with a lease, the agreement is terminated.

Unlike the general obligation (GO) bond, an LP agreement is typically not backed by the Full Faith and Credit of the government, and thus is not technically a debt obligation. By contrast, a GO bond carries with it a pledge to raise sufficient funds through taxes to pay debt service. The courts can enforce this pledge against the taxpayers of a state or locality.

The trend in recent years towards large scale projects being funded by LP agreements, despite the typically higher cost of LP funding, can be attributed to a growing number of obstacles in the US to conventional funding methods. Among the reasons for the decline of conventional methods based on GO bonds are the following:
Debt Limits: Some communities in the US have reached the legal limit of their permissible public debt. These debt limits may have been set at levels much lower than the community can prudently afford. In these cases, LP bond issues may serve as an interim method of raising capital until community charters or state constitutions can be revised to reflect current financial conditions. In other jurisdictions in the US, debt limits recently approved by the voters effectively prevent the government from issuing new GO bonds.

Restrictions on Incurring New Debt: In some jurisdictions in the US, recent legislation or voter initiatives have imposed new procedures or limitations that make the process of incurring added debt much more complex or burdensome than in the past.

Voter Resistance: The "taxpayers' revolt" in the US, whether already expressed at the polls or only a potential for the future, is a consideration in the minds of many politicians who wish to avoid proposing new debt. In recent years, under half of gaol construction bond issues have been approved nationwide. Proposed bond issues for prison or gaol construction are particularly subject to taxpayer resistance against "coddling criminals".

Need For a Special Election or Referendum: Approval of a bond issue in the US typically requires submitting the issue to the voters, and thus entails expenditure of time and resources to qualify the ballot measure and to provide appropriate information to the voters in conjunction with the election.

Pressures of Litigation: Some corrections agencies in the US are under Federal court orders to improve conditions in their prisons or gaols by a specified date, and do not have sufficient time to prepare a bond issue and qualify a ballot measure. Similarly, fines that would be imposed by a court on the corrections agency for failure to act promptly may more than offset the added cost of lease-purchase financing. Even the savings achieved by bringing expensive litigation to a close may justify added costs in financing.

Lease-purchase issues can be designed to avoid many of these obstacles. Depending on details of state law, jurisdictions may be able to issue LP bonds despite having reached their legal debt limit, or without following cumbersome administrative procedures associated with GO bonds or with construction projects funded by GO bonds.

LP bonds can often be issued much faster than general obligation bonds, especially in jurisdictions that require voter referenda for general obligation bonds. For this reason, funds for court ordered improvements may possibly be secured through LP bonds when voter approval of GO bonds cannot be timely obtained. In some situations,
speedy issuance can also allow a community to save money by taking advantage of favourable interest rates or by avoiding anticipated increases in construction costs.

These potential cost savings may be offset by a higher interest rate for LPs and by higher legal and underwriter expenses. Because LP bonds are inherently riskier than GO bonds, they will tend to carry an interest rate typically three-tenths of a point to somewhat over one point higher than a GO bond in the same jurisdiction. The size of the difference depends on municipal bond market conditions (which change over time) and unique credit features of each jurisdiction. Special devices may be used to enhance the security of the LP issue and thereby lower the interest rate, and where this is achieved, LP bonds can become such close substitutes for GOs that they will be evaluated in the bond market as having nearly equal risk.

From an investor's viewpoint, LP bonds can be as attractive as general obligation bonds. The LPs are generally exempt, in the US, from federal, state and local income taxes on their interest payments. (As with GOs, investors are usually subject to income taxes on any gains which they might realise from the sale of their LPs).

Although LP bonds are riskier than GO bonds (because they are not backed by the issuer's full faith and credit) bond rating services consider them to be much less risky than "moral obligation" bonds, such as those that were issued (principally by New York State) several years ago and subsequently fell into default. LP bonds are backed by collateral, namely the facility whose construction they finance and any associated land.

While LP bonds can be viewed as ingenious methods for financing the purchase of urgently needed facilities, their use to fund large capital projects may, in some cases, be a symptom of other problems. For example, spendthrift governments in the US may be trying to evade the normal and proper scrutiny of taxpayers.

Taxpayers themselves may be refusing to authorise unavoidable capital improvements or the courts may be ordering capital expenditures which are directly contrary to the will of the people and their legislators. Alternatively, state laws may be unnecessarily limiting some technical aspects of GO bond issues, thereby making them less attractive. The appropriateness of using LP bonds is thus partially a political issue which cannot be addressed strictly in financial terms.

There are three main parties in a LP agreement, shown in the following diagram. These are:

(1) the government agency seeking to acquire some property or capital facility;
(2) A quasi-public corporation (e.g., a building authority) that will borrow money, contract to build a facility, and finally pay off its debts using the lease payments received from the government agency; and

(3) the private investor.

Also involved are hired parties such as underwriters who market the debt obligation, construction companies who may build or renovate a facility, architects, engineers, and legal counsel.

LPs work much like general obligation bonds. In the example shown in the following diagram, the government uses the Building Authority to act as a middleman in issuing debt and building the prison or other capital facility. The government agency agrees with the Authority to make lease payments for the capital facility (subject to legislative appropriation). The Building Authority then issues lease-purchase bonds (in some cases technically known as Certificates of Participation (COPs)) which typically do not include a full faith and credit guarantee.

Funds raised through the sale of LP bonds are used by the Authority to pay the expenses related to construction of the prison or other capital facility. The Authority holds title to the facility until the government agency has made lease payments sufficient to pay off the LP bonds. When the LP bonds are paid off, the Authority surrenders title to the government agency which then owns the facility.

**PARTIES TO A LEASE-PURCHASE AGREEMENT**

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<th>AGENCY OF GOVERNMENT (STATE OR COUNTY)</th>
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<th>INVESTORS</th>
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<td>Use of Prison or Gaol</td>
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When lease payments end, then state or county owns the prison or gaol.

- **WASHINGTON, DISTRICT OF COLUMBIA (15 APRIL PM)**

After the meeting with the US Department of Justice’s National Institute of Justice, the touring party met with senior executives with the Federal Bureau of Prisons in Washington DC. Those present at the meeting were:
Discussions centred initially on the management philosophy that the Bureau has developed in its modern correctional facilities. Like several state and local government agencies, the Federal Bureau of Prisons recognised during the early 1980’s that if problems then encountered in the country’s prisons and gaols were to be overcome, a new management concept was required in correctional establishments. Some of the Bureau’s concerns relate to: inmate control; tension and violence; noise; staff problems; inmate idleness; prisoner movement; vandalism; discipline; and costs etc.

The Bureau advised that new cost effective prison and gaol designs were urgently needed to facilitate management strategies that would address the above concerns of correctional practitioners. In short, there was a need for a "new generation" of correctional facilities that benefited from state of the art design that in form, function and style would be significantly different from traditional institutions and that would prove to be secure, safe and cost-effective places for inmates to live and for staff to work.

By blending the knowledge, both in architecture (hardware) and management (software) towards a common goal it has been possible to produce a "new generation" of correctional thought that has been translated in the "new generation" design and management philosophy that is evident in many of the Bureau’s modern correctional facilities. The "new generation" prison/gaol model of podular design and direct supervision management in correctional facilities has been endorsed or adopted in the US by the following bodies:

- Advisory Board of the National Institute of Corrections
- American Jail Association
- American Institute of Architect’s Committee on Architecture for Criminal Justice, and the
- American Correctional Association

Officers were advised that the National Institute of Corrections had identified eight principles common to successful "new generation" correctional facilities:

- Safety: Both the design and supervision of the institution must be geared to the safety of inmates and staff. The facility must meet life-safety codes. Staff members cannot tolerate explicitly or implicitly, fights, retaliation, or sexual assault. Staff must be able to get help in the housing units quickly.
Supervision: Officers are in direct contact with inmates at all times, except when the inmates are located in their room at night. Officers are not separated from inmates by barriers within the housing units; they do not remain in an office or at a work station, but move around and supervise the area. Officers expect reasonable behaviour from inmates and provide leadership examples. Their human relations skills, not strength or weapons or barriers, are their protection. Living units should house 50 or fewer inmates. Designs for very small units (12 cells) are impractical, because a prison/gaol cannot afford to keep a staff member on duty there at all times.

Control: The staff must be in total control of the institution. There can be no areas where they are reluctant to go alone, at any time. Inmates can never be left together unsupervised and must have no place to congregate away from the supervision of an officer. Inmates who disobey or challenge the authority of the staff must be immediately removed from the unit; the specifics of a particular incident can be discussed later to ensure that there has been no abuse of authority. An officer should never argue with an inmate. It is best if officers from other areas remove inmates from the housing unit.

Effective Personnel: To operate a “new generation” correctional centre, the facility must be able to recruit qualified staff and provide them with adequate salaries and support. Staff members must be given special training and should have opportunities for career advancement. They should be selected for their ability to relate to others.

Communications: Effective management depends on a clear flow of information, and officers should direct it. Officers must be trained to get and give information in a low-key way, and they must be given tools (telephones or computers) so they can obtain information quickly. There must be provisions for communication among staff members (especially between shifts) when one officer takes over a housing unit from another.

Classification and Orientation: Officers must be given information on an inmate’s background and behaviour during previous incarcerations. Some correctional facilities classify inmates according to offence and past record, but most “new generation” institutions rely principally on observations of behaviour, as inmates progress from the most closely supervised level of custody after entry.
Prison/gaol management must have the ability to separate certain types of inmates from the majority. For instance, special provisions must be made for those who cannot or will not behave rationally, such as drunks and the mentally ill; for disruptive inmates; and for special management problem inmates.

After booking, an inmate should be given an orientation session that shows what is expected of him or her, so other inmates will not provide misinformation. Common rules should be posted prominently in the housing areas.

- **Manageability of the Institution:** The correctional facility should be cost effective to build, manage and maintain. Furnishings should be selected with a view to upkeep and replacement. High standards of sanitation and order should be set by housing unit officers, and they should be maintained by inmates in the unit. This creates a healthy interaction between officers and inmates, and reinforces the role of the officer as the one who sets standards.

- **Just and Fair Treatment:** Inmates who perceive themselves as not being treated fairly will attempt to band together, to rebel, and to retaliate. Staff members must be consistent and reasonable in their rules and should maintain control through leadership, not intimidation or authoritarianism. The disciplinary system must not be arbitrary or excessively harsh, and there should be a provision for appeal. A grievance system for inmate complaints is advisable.

Staff members, too, must be treated with respect by management. They should have the same rights as inmates to air grievances and appeal administrative discipline.

Since the introduction of direct supervision in the mid 1980’s in the US, the Unit Management model incorporating Case Management has been introduced as a natural development on the initial “new generation” gaol concept. The Federal Bureau of Prisons has endorsed this latest development in prison management philosophy to achieve improved correctional outcomes in a more cost effective manner. An example of one significant development in this area is in the educational programmes where in the Federal System in the modern institution, the teachers perform the correctional officer function, whilst inmates are attending classes.

Dr Bogan advised officers that the Unit Management concept was introduced first into the minimum security prisons in the Federal system, however, this has now progressed right through the system to encompass maximum security institutions as well.
The Federal Bureau’s strategy at present appears to be to develop maximum security prisons and to redevelop/refresh the older institutions for minimum/medium security inmates. The Bureau develops five year formal capital works programmes for the purpose of securing funding for prison projects.

The Senior Deputy, Assistant Director advised the touring party that the Bureau is constantly refining the procurement processes/procedures for developing capital works projects, and has developed a set of guidelines to ensure that there is some consistency in the design process. There are published documents that are updated annually, as required. Dr Bogan advised the touring party that a typical Federal Bureau Prison designed to accommodate 750 minimum security inmates with a supporting facility (camp) to accommodate a further 150 low security inmates would cost approximately US$50 to US$60 million and take two and a half years to deliver once a decision to proceed had been given.
B. UNITED KINGDOM

7.7 WORCESTERSHIRE

- BROADWAY (17 APRIL AM/PM) -

The touring party, in the company of Brigadier P E B Madsen CBE a consultant to the security company Group 4 Securitas, travelled from London to Group 4's UK headquarters in Farncombe House, Broadway in the midlands of England to meet with the chairman, Jim Harrower, and the company's senior executives.

Discussions with the Group 4 company centred on the company's business operations ranging from the provision of security services through to the management of correctional facilities for government clients. The chairman of Group 4 Total Security Limited, Jim Harrower, is also chairman of the company's correctional business known as Group 4 International Correction Services (Group 4 ICS), and he provided the touring party with an overview of the company's business interests and activities.

Group 4 Securitas (International) has been interested in using its security knowledge in the design of prisons and remand centres since the mid-1980's, particularly in the UK. The company, recognising that the problems in the UK of overcrowding and poor conditions in many of the country's older prisons were not a unique phenomenon, sought to expand their interest in the corrections business beyond the UK. Group 4 demonstrated a continuing commitment to this objective when in September 1990 the company announced a joint venture with the American company of Carter Goble Associates (CGA). Together they have formed a new holding company, Group 4 International Correction Services BV.

In addition, a ten per cent minority shareholding in CGA has been taken by Group 4 Securitas (International), and the company's chairman joined CGA's Board of Directors.

This new company will be involved in the design, construction and operation of remand centres and prisons, internationally, as well as producing related services including the escorting of prisoners. Group 4 ICS is seeking contracts in the USA, Australia and Europe initially, and eventually in other parts of the world.
Group 4’s first interest in custodial work was announced three years ago, when Group 4 Total Security (the UK operations) joined up with Tarmac Construction to form a consortium capable of designing and building prisons in the UK. This initiative was in response to the British government’s indications at that time, that it would put such work out to the private sector. Prior to this announcement, the Property Services Agency (PSA) had been totally responsible for all prison construction in the UK.

Subsequent to this initial indication, the UK government decided that there was no need to limit privatisation to the design and construction of custodial premises.

The high cost of keeping prisoners in custody in the UK and the unrest and recent widespread riots, notably at Strangeways Prison in Manchester in the north of England, were obviously having a marked effect on the British government’s decision to find a better way of managing prisoners in the UK.

A UK government Green Paper in July 1988 announced its intention to appoint management consultants to investigate the practicality of Private Sector involvement in the Remand System. The UK Government subsequently engaged the firm, Deloitte Haskins and Sells to undertake this task and the consultant’s in their report, which was issued in February 1989, recommended privatisation of both remand centres and court services. The firm did not, however, quantify the costs of going private and so a Remand Unit within the Home Office was established to investigate the comparative costs likely to be involved in both strategies.

Group 4 and Tarmac’s joint venture company, known as Remand Services Ltd, made a submission to the UK Government in June 1989, when the first comparative costings were undertaken.

A similar exercise was conducted on the court services some three months later, and Group 4 Remand Services Ltd, another specially formed company, made a submission to the Home Office.

As a result of the first study, the UK Government decided to conduct a pilot scheme at the Wolds Remand Centre a 300 bed facility which is currently being built by the private sector near Hull in the Humberside region of the north-east of England, and invitations to tender were called on a “Commercial-In-Confidence” basis for the management of this facility on 1 May, 1991. The Wolds facility is a purpose built remand prison designed to hold inmates in custody awaiting trial or sentence. It is located adjacent to the Everthorpe Young Offenders Institution at Brough and is designed to category “B” level of security.
The UK government has also decided to move ahead with privatisation of escort services to courts. The initial contract will be for the London metropolitan area - involving some 4,500 prisoner movements per week plus manning within the crown and magistrates courts. At the time of visiting, legislation was in the process of being put before the Parliament which would make this possible, and the new Group 4 joint venture company is confident that it will be able to play a significant role in both these areas.

Jim Harrower, chairman of Group 4 ICS BV, explained that the new company brings together the extensive experience of Carter Goble in the provision of privately built and operated prisoners and remand centres in the United States, and the experience of Group 4, the largest security organisation in Europe.

As previously mentioned, Mr Harrower, as chairman of Group 4 Total Security, is the head of the UK’s largest guarding company.

The chairman in discussions with the touring party, stated that to run remand centres and prisons effectively, there is a need to have an appropriate level of security to ensure that the inmates do not escape. Further, Mr Harrower agreed with the officers that it is essential that various support, training and vocational life skill services are provided to prisoners in order that they are well equipped to re-enter the general community on release. According to Mr Harrower, Group 4 has the security know-how, and so by joining forces with Carter Goble Associates it is forming a partnership with one of the USA’s foremost correctional consultancy firms to create a formidable combination that provides an all-embracing service.

The chairman of Group 4 emphasised the importance his company places on the people it employs as they are the key to the success of the business and essential to maintaining the organisation’s reputation. The quality of those people, the conduct of their operations, and the way in which they are equipped to perform their tasks is all-important according to Mr Harrower. He stated that in the UK there is only one customer, the Home Office which is responsible for all custodial activities, and there is therefore no room for making mistakes in dealing with government in Britain, as issues of: performance, integrity, reliability and professional conduct are vital to ensuring a viable correctional operation/business for his company in this country.

As previously stated in this report, there are presently about 1.2 million people in various forms of custody in the USA and as Jim Harrower pointed out to the officers, that means there are potentially some 3,000 customers since various Federal, State and Local government bodies have responsibility for prisons, gaols and other correctional facilities. He advised the touring party that a new company, Group 4 International Correction Services Inc has been selected to negotiate a contract to design, construct and operate a 300 bed facility in Denver, Colorado.
In Australia, Group 4 Services Pty Ltd, have submitted an expression of interest for court services in Queensland, and have been shortlisted with three other consortia to tender for the 600-bed medium/minimum security correctional centre at Junee in New South Wales.

In all these operations and facilities, security is a vital ingredient, but Jim Harrower and his Group 4 ICS colleagues are aware that there is a greater need to provide a level of service that the community expects in terms of the rehabilitation needs of offenders, whilst in custody. He stated he believed his organisation can provide the necessary services at a cost that is cheaper than governments are presently paying, and at the same time, the company can provide greater benefits to the inmates. He considers this applies not only in the UK but in the USA and Australia as well.

Jim Harrower stated: “It also provides us with an excellent opportunity of enhancing the image of the security industry and raising its profile around the world”.

As previously stated, Group 4 Services Pty Ltd have tendered for the Junee project as partners in a consortium with Jennings Construction Services. Together these companies formed an effective team and with their design consultants: Noel Bell Ridley Smith and Partners; W L Meinhardt and Partners; DC Hydraulics; Lincoine Scott Australia; and the National Australia Bank as their Financial Services Manager, put together a professional tender/presentation to the New South Wales government.

Group 4 Services Pty Ltd is a wholly owned subsidiary of Group 4 International Correction Services BV, whose shareholders are Group 4 Securitas (International) BV (80%) and Carter Goble Associates (20%).

Group 4 Services Pty Ltd are supported by US Correctional Corporation in providing senior staff in security management, preparation of operations, policies and procedures and provide continuous operations technical and managerial assistance.

The design architects, Noel Bell Ridley Smith and Partners, have current prison design expertise being associated with Jennings in the design of the John Morony Correctional Centre.

Following the meeting with the chairman of Group 4 and his company’s senior executives, the touring party were shown around the Farncombe House Estate and visited the company’s training centre. Set in the heart of the Cotswold countryside, the Group 4 Training Centre is based on a magnificent 200 acre country estate near the village of Broadway. All of the training facilities have been designed for both indoor and outdoor programmes. Accommodation and catering facilities for the residential courses are provided at the centre.
Group 4 commenced its training programme in 1964 and the number, range and popularity of the company's programmes have constantly increased, according to the Director of the Training School, who the officers met during the tour of these facilities.

Programmes have been designed with security, support and administrative staff as well as senior management in mind, and are tailored to specific needs. Programmes range from marketing and sales, operations, finance, distribution and purchasing, and the courses focus on the need to emphasise: team building, management training and reward experience.

Typical course fees range from 125 pounds sterling for one day courses on "telephone techniques" for example, to six day full residential courses costing 995 pounds sterling for "Better Management for Senior/Middle Managers".

7.8 LONDON

- HEATHROW (18 APRIL AM/PM)

Officers met up once again with Group 4 executives to tour Harmondsworth Immigration Facility at Heathrow that is managed by the company for the UK Government. This centre is a secure detention facility housing 200 illegal immigrant inmates. The buildings in this centre were in very poor condition. The facilities were crowded and the layout didn't appear to be conducive to modern management techniques.

- QUEEN ANNE'S GATE (19 APRIL AM)

The touring party met with senior officers from the Home Office (HO) that are involved in the proposed privatisation of the remand centre that is presently under construction in Hull, in the far north-east end of the country.

Charles Erickson, heads up the Remand Contracts Unit, which was specifically set up to prepare and oversee the contract for this project, and he spent some time with the visiting officers explaining the background to this project.

One of his opening comments concerned the fact that when this project was first being developed, there were no mandatory standards for prison operations, only prison rules and some general operational guidelines. Therefore, there was no system in the UK Prison System for monitoring the effectiveness of the delivery of services. Hence the HO has had to develop a set of standards, not unlike the Minimum Standards that were prepared for the Junee project.
To highlight, for instance, some of the operational difficulties currently in the prison system, the touring party were advised that one of the reasons that the HO is considering prisoner transport for privatisation is that the Service does not at present have sufficient numbers of suitable transport vehicles with effective communication capability to transport prisoners.

Officers were advised that the proposed new remand centre will accommodate 320 inmates and nine companies were invited to tender for the design and construction phase which is now nearing completion. As previously advised, the HO will shortly be inviting tenders from the private sector for the management of the facility.

To provide some background to this project, reference was made to the Home Secretary’s speech to the House of Commons in March 1988, and the introduction to the subsequent Green Paper that was prepared and issued in July 1988 on “Private Sector Involvement in the Remand System”.

In his statement of 30 March, 1988 in the House of Commons, the Home Secretary advised that, as a result of the two latest reports he has received from the Home Affairs Committee on “The State and Use of Prisons” dated April 1987 and “The Contract Provision of Prisons” dated March 1987, and the Committee’s subsequent visit to the USA to inspect prisons and youth custody institutions operated by the private sector, he would publish a Green Paper on private sector involvement in all aspects of the remand system.

In its Fourth Report the Home Affairs Committee recommended that there should be an experiment in the contracting out of prison operations which concentrated on the provision of remand centres.

In September, 1987 following the Home Affairs Committee’s visit to the United States, the Home Officer Minister for State, the Earl of Caithness, who had responsibility for prisons, also went to the US.

Following these two visits the reports back advised the Home Secretary that, whilst very helpful, it was recognised that constitutional, legal and operational backgrounds in the UK are quite different from those encountered in the US.

It was stated that “...in the US privately-managed institutions are being introduced into a system already accustomed to diversity of control, political accountability, regime, staff expertise and ethos...”. The HO advised therefore that introducing private companies in the UK centrally directed and more homogenous prison system, raised some rather different issues.
In considering some of these different issues, the HO referred, for example, to legal as well as financial considerations. In some areas in the US the attractiveness of contracting out was undoubtedly influenced by court orders that limited the population within existing correctional institutions, in circumstances where it was difficult, if not impossible, to raise public finance for new buildings. These discussions with the HO were consistent with matters that were outlined previously in this report when officers met with senior management of the National Institute of Justice in Washington DC.

The Home Office people considered that any judgement about the success of initiatives in the US must be made keeping in mind these differences.

Questions that have been asked previously concerned the lessons that should be learnt from these overseas experiences, particularly in the US. For example, can the private sector provide a more cost efficient service, at a lower cost? Different visitors to the US have come to quite different conclusions about the success of their arrangements. Some of those visitors have been impressed by the level of basic care, the cleanliness and quality of the facilities, and the adequacy of the correctional environment that exists in the US. On the other hand, some have had their views confirmed that private operations are incapable of meeting the requirements of the prison system.

According to the HO people there is general recognition that facilities can be procured more quickly in the US, however where some parties cannot agree is whether the design and construction can be done more cost effectively. Certainly, the experience of the touring party suggested that contracting authorities in the US seemed satisfied with both the speed of construction, the cost of delivery and the added flexibility that the private facilities gave the client departments.

The experience in the US has been more helpful to the HO in identifying the questions that needed to be addressed in considering private sector involvement in the UK prison system. For example, some of the practical matters and issues of principle have been overcome in the US: contracts specifying detailed monitoring procedures, and a wide range of standards to be met, can be attractive to private companies; and ways have been found to monitor the standards specified.

The Home Secretary, as stated in the Green Paper, considered the situation in the UK prison system was such that consideration of private sector's involvement in corrections in the UK should be undertaken as a matter of some urgency. The Home Secretary also stated that in parallel with this exercise, consultants would be engaged to consider the practical implication of private sector involvement as proposed in the Green Paper.
The Green Paper’s introduction stated that people held in custody on remand are entitled to appropriate and civilised arrangements prior to their trial and that this was essential to the proper administration of justice.

The Green Paper states:

"They must meet the requirements of ensuring that defendants appear for trial at the right time, do not interfere with witnesses or otherwise pervert the cause of justice, and do not commit further offences. They must at the same time enable the defendant to prepare his case for trial. Because people on remand are charged with, but not convicted of, an offence, they should provide facilities which reflect that status".

Unfortunately, as is to some extent the case in Australia, in England and Wales remand prisoners are often, due to accommodation difficulties in the prison system, held in local prisons and remand centres which are already under the heaviest pressure. (Reference to remand prisoners in this context means unconvicted persons held in custody awaiting trial, or those held during trial).

Overcrowding at these institutions is often the worst due to the rapid growth in the prison population. For example the remand population alone in the UK has almost doubled since 1980, from 6,400 to 11,700 in the early part of 1988. These figures include prisoners who have been convicted but not yet sentenced.

The problems reflect the neglect of the prison system in the UK over a number of years, and this is made worse by the fact that the local prisons are generally the oldest facilities in the system and not surprisingly have some of the worse conditions as a result of a lack of adequate and modern facilities, particularly integral sanitation. In fact, the situation became so bad, particularly in the south east of the country, where the pressures of an expanding prison population has forced authorities to hold considerable numbers of remand prisoners in police cells. This type of accommodation is quite unsuited for this purpose and furthermore has resulted in police officers being diverted from their normal and property duties.

In the Green Paper the British government outlines its response to these problems facing the Prison Service, and suggests there are two important elements that must be tackled if solutions are to be found. Firstly, there is a need to identify and develop appropriate alternatives to imprisonment. The primary aim of punishment in the community is to provide a more cost effective and appropriate means, other than imprisonment, for dealing with certain types of offenders. At the same time, the development of alternatives to the use of full time custody also helps to take pressure off an already overstretched prison system.
The second aim of the Government’s response is to ensure that enough prison places are available for all those persons whom the courts have decided must be kept in custody. Furthermore, this accommodation has to be of a satisfactory standard and have sufficient and appropriate levels of security.

The Green Paper discusses a number of initiatives to reduce the number of remandees in custody including: more use of bail and bail hostels; reductions to the amount of time remandees spend in custody awaiting trial, and greater use of alternative community programmes as a preferred penalty.

Also to cope with the ever increasing prison population, the Home Office has expanded the number of prison places to meet demand. Expenditure on prison building has more than doubled in real terms since 1979. Similar to the NSW experience, the HO is carrying out the biggest prison building programme this century to meet demand, reduce overcrowding, and improve conditions.

The current programme includes 26 new prisons, of which six are already built and in use. The British government also has in hand a substantial programme of renovation and expansion at existing establishments.

Altogether, over one billion pounds sterling is being invested to provide 22,000 new places by the mid-1990’s. To put this into context, the present prison population in England and Wales is approximately 45,000 and these inmates are held in 130 correctional facilities (includes three female correctional institutions). This would suggest that 87 people out of every 100,000 in the general population are presently in full time custody in the UK Prison System. This compares reasonably well to the experience in Australia where the ratio is presently estimated to be 81 for every 100,000.

Mr Erickson advised the touring party that although the local prison system is generally in a poor state of repair, not all facilities are like that. Once prisoners are sentenced and move to category C and D prisons, the conditions are much better. Category B prisons are for high security inmates and these are a problem at the present time, however, Category A which is the highest category (dispersal prison) are generally in very good condition.

As previously stated, the report prepared for the HO by the consultant firm of Deloitte Haskins and Sells supported private sector’s involvement in both Remand Prisons and Court Services.
- Remand Centre Contracts: for the private sector to design, construct and operate centres to hold a pre-determined number of unconvicted prisoners (up to 500).

Contracts limited to the operation of remand centres could be considered where new facilities are already in design or under construction. It was envisaged that any new remand centres would be constructed on land already owned by the Government or acquired by the Crown for the purposes of these contracts.

Where new remand centres are to be considered in future, it was envisaged by the consultant that these would be owned by the contractor and leased to the authority on a 20 to 30 year contract. It should be noted here that the Hull project does not fall into this latter category as it was designed by the HO and although it is being constructed by the Private Sector, it is funded by the Government for an agreed price on a progress payment basis.

The contracts the consultants envisaged for the management of these new remand centres would be likely to be for a period of five to seven years, and this is consistent with the Junee project where a five year contract with a three year option to extend is being considered.

- Court Service Contracts: would be for escorting both unconvicted and convicted prisoners to and from both Crown Courts and Magistrate's Courts, and for their care and custody whilst at court.

The consultants estimated there would be a need for between four and ten Court Service contracts to cover England and Wales, excluding London. Their studies recommended a single contract for London and suggested court service contracts once again over a period of five to seven years.

The report recommended, at least in the short term, that management responsibility for the specification and letting of a remand centre contract would best be placed with Prison Service headquarters in close consultation with the Prison Service Regional Office concerned.

In respect to independent monitoring and inspections, the consultants suggested that each contract should be monitored by a new public official, the Monitor, who would report to the contracting authority. The Monitor’s responsibilities would include the protection of remand prisoners’ rights, the investigation of grievances and adjudication on disciplinary matters.
The consultants suggested that should the Government decide to proceed with involving the private sector, then decisions would be needed on:

"(a) what powers to give contractors and contracting authorities and what enabling legislation to enact;

(b) what specific safeguards and service standards to set;

(c) what boundaries to define for Court Service contracts and what sizes and locations to set for Remand Centre contacts; and

(d) what balance to strike between improved levels of service and cost savings".

As stated previously these recommendations have been embraced in broad terms and further studies were initiated by the HO which led to the decision to proceed with private sector management of the new remand facility presently being constructed at Hull. Also, the HO decided that the initial contract for court services would be for the London Metropolitan area.

In further discussions, the Home Office people advised the visiting officers that the Prison Officers Union is still the single most important problem to overcome if the opportunities for change in the UK Prison System are to be achieved.

Mr Erickson advised that the HO has introduced as a pilot project, on a limited basis, electronic monitoring although he stated this system still needs time to prove itself.

On the matter of prison officer training, the HO advised that there is a two week pre-training programme at UK prisons followed by a nine week college training programme. After successfully completing this training, there is a two week induction programme, followed by a 12 month period of probation (includes the 13 weeks previously mentioned).

At the end of the probation period there is an annual in-service training programme of ten days.

Mr Erickson informed the touring party that the UK Prison System used to have four Regional Executives, however a recent reorganisation of the structure of the Service has resulted in the establishment of 15 area managers. The UK Prison Service is responsible for the efficient and effective management of prisons and prisoners throughout England and Wales.
The Service is headed by a Director-General who is supported by six senior Executive Directors covering the following areas:

- Building and Services
- Inmate Administration
- Custody
- Inmate Programmes
- Prison Medical Services
- Personnel and Finance

Each of the Prison Service's 15 areas contains between seven and nine prison establishments. The role of the 15 area managers is new and they are linked between the Prison Board (which comprises the Director-General and the six senior Executive Directors, plus two additional non-executive members) and the prison establishments.

The Area managers:

- manage, support and guide governors;
- are directly accountable to one of the three new senior executive operational directors on the Prisons Board; and
- contribute to the development of policy by directorates.

In further discussion with the HO, the touring party were advised that the HO presently spends 80 million pounds sterling per annum on prisoner escorts and court custody. Through the private sector involvement it has been estimated that this cost can be reduced significantly to about 12 million pounds sterling per annum. In addressing the anti-corruption debate, the HO will require a certification process on all employees in the companies that will be eventually contracted to provide the escort services and court duties.

The Prison Service now embraces the unit management principles in all UK prisons, regardless of their age, condition or design. The Property Service Agency carries out a bi-annual inspection of every prison in the UK, as part of an Audit programme.

The project delivery performance of the UK Prison Service in regards to the development of new prisons, in the past, has been slow and expensive. Typically, it has taken some ten years to commission a project from the initial concept stage. (Six to seven years to complete the planning, and three to four years to undertake the design and construction).

Mr Erickson advised that the privatisation process for the new Remand Centre will, to a large extent, address these problems in that it will provide the opportunity for further refinement of the process once the project is operational.
He envisages a similar outcome to the New South Wales Junee Project which linked design, construction and management together in a single contract, building on the experience of the Boralion, Queensland model.

In concluding discussions with the Home Office, on the UK Prison System, the official duties of the study touring party were effectively completed.
8. APPENDICES

8.1 APPENDIX A - LIST OF ORGANISATIONS AND OFFICIALS

Alabama Department of Corrections:
- Barry Mullins, Operations Manager

Alberto J Carreno, PE (Consultants)
- Alberto J Carreno, Vice Chairman

California Department of Corrections:
- Robert H Denninger, Chief Deputy Director
- S Cambra, Assistant Deputy Director
- Ben De Groot, Re-Entry Co-ordinator

Carter Goble Associates Incorporated:
- Stephen Carter, President and Chief Executive Officer
- Bob Goble, President, Consulting Services
- Bruce Orenstein, Senior Associate
- Ira Goldfarb, Senior Associate
- Jeff Spoon, Senior Consultant

Corrections Corporation of America:
- Doctor R Grants, President and Chief Executive Officer
- David L Myers, Vice-President, Facility Operation
- Robert G Britton, Vice-President, Business Development
- Gregory K McCullough, Vice-President, Finance
- Dennis E Bradley, Vice-President, Operational Support Systems
- Peggy P Wilson, Vice-President, Communications
- Don Hutto, Director and President, International Operations
- Ann B Ewers, Director, Human Resources
- Joe Driskell, Warden, Venus Pre-Release Centre

Detention and Deportation, Immigration and Nationalisation Service:
- Emilio Sienz, Supervisor

Florida Department of Corrections:
- Captain Siddiou, Assistant Warden, Dade County Correctional Facility, Miami
Group 4 International Correction Services BV:
- Jim Harrower, Managing Director
- Brigadier Madsen, Consultant

Group 4 International Correction Services, Incorporated:
- Hal Williams, President

Group 4 Remand Services:
- Don Keens, Director

Hamilton County, Tennessee:
- Bill McGriff, County Auditor

Home Office, Prison Services:
- Charles Erickson, Head of Remand Contracts Unit

Juvenile Court of Memphis and Shelby County
- Judge Kenneth Turner, Juvenile Judge for the Shelby County
- Jeune Johnson Wood, Director of Interagency Services

Mason City, Tennessee:
- Joe Ward, Mayor

New Mexico Department of Corrections:
- Herbert Nashner, Deputy Secretary
- Nancy Rodregiez, Operations

New York City Department of Corrections:
- Leroy Duncan, Assistant Deputy Warden and Tour Commander, Manhattan Detention Centre

Parker/Croston Partnership, Incorporated (Consultants)
- Merwyn E Croston, Junior, Partner
- Lynwood Jekel, Architect
Pricor International Incorporated:

- Stephen H Norris, President
- Kathryn Celauro, Vice-President
- Barbara M Lonardi, Director of Personnel and Training
- James D Henderson, Senior Corrections Advisor

Prince George's County Department of Corrections:

- Lt William Bailey, Tour Commander, Prince George's County Correctional Centre

State Government of Louisiana:

- Levern Meads, Under Secretary, Administration

Tarrant County, Fort Worth:

- G K Markus, County Official
- Patricia Ward, County Official

Tennessee Department of Corrections:

- Michael Dutton, Warden, Riverbend Maximum Security Prison

Texas Department of Criminal Justice:

- John Gilbert, Regional Director
- Robert White, Monitor, Cleveland Pre-Release Centre
- Captain Pitsrusie, Commander, Goree Unit (Boot Camp), Huntsville

University of Florida:

- Charles W Thomas, Professor of Criminology

US Department of Justice (Federal Bureau of Prisons):

- Dr Joseph B Bogan, Senior Deputy Assistant Director, Administration
- William J Patrick, Chief of Facilities Development and Operations
- Stephen F Pontesso, Warden, Metropolitan Correctional Centre, Miami

US Department of Justice (National Institute of Justice):

- Michael Russell, Deputy Director
- Tom Albrecht, Programme Manager for Interagency Institutions
- Cheryl Binell, Contract Staff, Correctional Information Exchange
- Sharon Williams, Contract Staff, Corrections Information Exchange
Wackenhut Corporation:
- George R Wackenhut, Chairman of the Board and Chief Executive Officer
- Richard R Wackenhut, President and Chief Operating Officer
- Fernando Carriozzo, Senior Vice-President, International Operations
- Michael A Di Gregorio, Senior Vice-President, Finance, Treasury and Chief Financial Officer
- Robert C Kneip, Senior Vice-President, Corporate Planning
- Patrick Cannon, Director, Corporate Relations

Wackenhut Corrections Corporation of America:
- George C Zoley, President
- Wayne H Calabrese, Vice-President, Business Development
- Robert W Mianowski, Vice-President, Operations
- Carol M Brown, Vice-President, Medical Services
- Ronald D Champion, Regional Vice-President
- Charles F Lister, Director, Project Development
- Robert J Barncastle, Director, Operations
- Adolardo Pacheco, Director, Operations
- Lucille Bobiney, Director, Proposal Development
- John Bonner, Administrator, Kyle Pre-Release Centre
- Paul Bailey, Administrator, Central Texas Parole Violator Facility

Wackenhut Services, Incorporated:
- Jack C Faulkner, Vice-President, Business Development

Washington DC, Department of Corrections:
- Walter Ridley, Director
- Deirdre Jordan, Special Assistant
- Edith Fitzhugh, Project Manager, District of Columbia’s new Correctional Treatment Facility, Washington
8.2 APPENDIX B - LIST OF REFERENCE MATERIAL

UNITED STATES OF AMERICA

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❖ A Master Plan for the Tarrant County Judicial System, by Carter Goble Associates, August 1986
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