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Steel-Town Lockdown

Corrections Corporation of America is trying to turn Youngstown, Ohio, into the private-prison capital of the world

By Barry Yeoman

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BOB HAGAN WAS READING HIS E-MAIL one July afternoon when the telephone rang at his home in Youngstown, Ohio. "If you have a police radio, turn it on," a friend told the 51-year-old former locomotive engineer. Hagan went down to the basement, hauled out his old scanner, and listened to the news: Six prisoners had escaped in broad daylight from the Northeast Ohio Correctional Center and were still at large. The inmates had cut a four-foot hole in the prison's fence during outdoor recreation, then maneuvered through three rolls of razor ribbon without being detected. No alarm went off, and the officers patrolling the perimeter didn't notice anything amiss.

Hagan, a Democratic state senator who serves on a corrections oversight committee, knew the prison couldn't be trusted to handle the emergency safely. Unlike most prisons, which are government run, the Youngstown facility is managed by Corrections Corporation of America, a multinational company based in Nashville that makes its money running lockups. Since it opened the prison in 1997, CCA had repeatedly demonstrated the dangers of allowing businesses to operate prisons for profit. The company staffed the facility with guards who had little or no experience in corrections—and then imported 1,700 of the most violent inmates from Washington, D.C., to fill what was supposed to be a medium-security prison. CCA left metal equipment everywhere, which the prisoners quickly stripped and fashioned into weapons. During the first year alone, 20 prisoners were stabbed and two were murdered. The inexperienced staff resorted to tear gas and humiliation to keep order. Sick and injured inmates received inadequate medical treatment. "Knowing what I know now," Youngstown mayor George McKelvey later told reporters, "I would never have allowed CCA to build a prison here."

Now, as Hagan listened to the latest crisis on his scanner, he knew someone had to monitor the search for the escapees. He called his son inside from playing baseball, then jumped in his car to drive the seven miles to the prison. "We're in real trouble," he thought, steering past Youngstown's ruined landscape of abandoned steel mills. The city had once led the nation in steel production, but on that summer afternoon, the shuttered industrial buildings seemed like little more than convenient hideouts for escaped convicts. "God, I'm gonna see them," Hagan said to himself, peering into the shadows of buildings.

When Hagan reached the prison, he found local and state police scrambling to make up for lost time. The company, it turned out, had waited at least half an hour before notifying authorities of the escapes, giving the inmates a significant head start. "The warden had his jackbooted Ninja guys, all dressed in black, running through the woods—untrained and unprepared to pursue dangerous criminals—before they notified the police," Hagan recalled later. When CCA finally did call for help, it offered such sketchy information that police didn't know how to respond. Well after the inmates fled, a Youngstown officer radioed the dispatcher, asking if anyone knew when the men had escaped. "Negative," came the response. "Still in a state of mass confusion up there."

The company exhibited no such confusion, however, about how to secure its bottom line. Despite the high-profile escapes and killings in Youngstown, CCA announced last year that it wants to add 500 beds to the private prison—and build two more facilities nearby to incarcerate another 5,000 prisoners. If the expansion is approved, 1 in every 50 residents of Youngstown and the surrounding two-county area would be an out-of-state inmate. The plan suits many elected officials, who are desperate for an economic boost to a region hardened by the loss of its steel industry. But some residents are taking a closer look at what has transpired at the for-profit prison over the past three years—and what will happen if CCA succeeds in making their quiet corner of Ohio the private-prison capital of the world.

NOT SINCE SLAVERY has an entire American industry derived its profits exclusively from depriving human beings of their freedom—not, at least, until a handful of corporations and Wall Street investors realized they could make millions from what some critics call "dungeons for dollars." Since the 1980s, when privatization became the rage for many government services, companies like CCA and its rival, Wackenhut Corporation, have been luring elected officials with a worry-free solution to prison overcrowding. Claiming they can lock people up cheaper than government can, the companies build cells on speculation, then peddle the beds to whatever local or state government needs a quick fix for its growing criminal population. "It's a heady cocktail for politicians who are trying to show they're tough on crime and fiscally conservative at the same time," says Judith Greene, a senior justice fellow at the Open Society Institute, a foundation chaired by philanthropist George Soros.

Over the past decade, private prisons have boomed. Corporations now control 122,900 beds for U.S. inmates, up at least eightfold since 1990. The reason is simple: With anti-drug laws and stiffer mandatory sentences pushing the prison population above two million, and governments strapped for capital to build new cells, for-profit prisons seem to offer plenty of cells at below-market prices. "If it could not be done cheaper than the government does it, then we wouldn't be in business now," says Brian Gardner, warden of the CCA prison in Youngstown. "We believe in giving the taxpayer the best deal."

In fact, research indicates that governments save little or no money by contracting out their prison business. In 1996, the U.S. General Accounting Office reviewed five studies of private prisons and found no "substantial evidence" that for-profit institutions save taxpayer dollars. A more recent report commissioned by the U.S. attorney general notes that private

prisons attempt to save money by cutting back on staffing, security, and medical care.

No company has benefited more from this private-prison boom—or been so plagued by understaffing, high turnover, and lax security—than CCA. The company, which controls half of a billion-dollar industry, now operates the sixth-largest prison system in the country—trailing only California, Texas, the U.S. Bureau of Prisons, New York, and Florida. Founded in 1983, CCA has never wanted for business. It now manages 82 prisons with 73,000 beds in 26 states, Puerto Rico, Great Britain, and Australia—raking in \$365 million during the first three quarters of 1999.

Yet from the very beginning—when inmates from Texas escaped through the air-conditioner slots of a motel the company used as a makeshift penitentiary—CCA has engaged in cost cutting that jeopardizes the safety of prisoners, guards, and communities. In two Georgia prisons, the company's neglect of medical care and security amounted to "borderline deliberate indifference," according to a 1999 state audit. In Colorado last year, a number of female guards left alone with hundreds of male inmates admitted having sex with prisoners in exchange for protection. And at a South Carolina juvenile facility, children were hog-tied and beaten by an overworked, undertrained staff, according to a lawsuit filed in federal court. "They were grabbing the kids and slamming their heads into walls, slamming them into the floors," says Gaston Fairey, an attorney representing one of the children.

What's more, escapes from CCA prisons have been rampant. According to one survey, at least 79 inmates fled CCA facilities nationwide between 1995 and 1998—compared to nine escapes from California prisons, which have more than twice as many inmates. Many of the breakouts could have been prevented, a report prepared for Attorney General Janet Reno concluded, if CCA had simply learned from its previous mistakes and "implemented preventive measures."

In Youngstown, a class-action lawsuit by prisoners has forced the company to improve conditions. But CCA, which declined to speak with Mother Jones, remains unapologetic. When local residents expressed concern after the prison break, the company simply shrugged it off. "It's nice if your community is happy with you—that's an extra," CCA founder Doctor Crants told reporters. "But the business is built around providing a valuable service to our customers."

ON A SNOWY MORNING IN JANUARY, traffic is light enough on Youngstown's Center Street Bridge that it's possible to park a car in the right-hand lane and look out over the industrial waterfront. In either direction, the Mahoning River is crisscrossed with train tracks and dotted with the occasional crane and ore pile. The hulking horizontal carcass of the Youngstown Sheet & Tube Campbell Works, a steel mill that once employed 5,000 people, dominates the far distance. And there are "brownfields" everywhere: weedy, asbestos-poisoned lots where other mills, and other railroad lines, no longer exist. There's a dark silence to the place—a silence Youngstowners recognize as the sound of economic stagnation.

A quarter-century ago, more trains passed under Center Street than under any other bridge in America. Often, in the dead of night, Bob Hagan would sit at the helm of one of those trains, picking up steel destined for Detroit's auto plants. Coming into Youngstown, he'd see slag pits full of molten metal, so hot that they cast a light bright enough to read by. "When it was good, the graphite floated by and the coke dust followed," he says, "and you knew there was employment."

That sooty prosperity ended September 19, 1977, the day Sheet & Tube announced it would shut down the Campbell Works. The closing triggered a domino effect: In the next few years, mill after mill shut down or announced massive layoffs, eliminating an estimated 60,000 jobs in the metropolitan area. Once-stable neighborhoods crumbled as Youngstown's modest clapboard houses fell into disrepair. Thousands of homes were torn down or put up for sale at rock-bottom prices. The taverns where steelworkers once drank and gambled went belly up, transforming Youngstown's main north-south thoroughfare into a sad strip of payday-loan businesses, discount furniture stores, and abandoned buildings.

By the mid-'90s, with unemployment still in the double digits, Youngstown was desperate for any job it could land. So when the world's largest private-prison company offered to employ 350 people, local officials welcomed it with tax breaks and free water and sewer hookups. As the new prison went up on the edge of town, it looked much like an old steel mill, only surrounded by razor wire. And it held the same promise for the men and women who applied for the \$24,600-a-year jobs CCA offered.

But it didn't take long for disillusionment to set in. The day Victoria Wheeler reported for work as a guard, she recalls, the company "explained that these were going to be very, very bad inmates." CCA was negotiating a \$182 million contract with the District of Columbia, which was scrambling to transfer some of its most unmanageable inmates out of a crumbling prison complex in Lorton, Virginia. Margaret Moore, director of the D.C. Department of Corrections, told the local newspaper that Youngstown's newest male residents would be "young, aggressive, and violent."

The first inmates arrived on May 15, 1997—courtesy of a transport company owned by CCA. Many of them were classified as maximum security, in violation of CCA's agreement with the city. Half came without case histories or medical records. And according to the report prepared for the U.S. attorney general's office, they arrived in such large numbers that they completely overwhelmed the prison. Inmates needed bedding and toiletries; they needed health screenings; their property needed to be inventoried and distributed. The prison's skeletal crew couldn't possibly accommodate so many new arrivals—900 in the first 17 days—especially after they discovered that many of the men's possessions hadn't arrived from D.C. "It was chaos," Wheeler says.

Angry and frustrated, some new arrivals refused to return to their cells one day until they received their personal property. When inmates in one unit threatened to "trash the place," prison officials ordered a full-scale tear-gassing of four cell blocks through a hatch on the roof. The gas, intended for outdoor use, blackened the blocks where it was dropped. "The entire pod was smoked out. You couldn't see through the gas," recalls Anthony Beshara, a former guard. Even after the men returned to their bunks and the prison's security chief gave an "all-clear" signal, court records show, the assault continued. "Three for good measure!" an assistant warden announced as the canisters fell.

Then came the murders. In February 1998, 25-year-old inmate Derrick Davis died in a brawl over a Tupac Shakur tape. He was stabbed a dozen times and bled to death while awaiting attention; the prison was so short-staffed that there was no officer on the floor. Less than three weeks later, 23-year-old Bryson Chisley was stabbed repeatedly while one of Davis' assailants—who had not been separated from other inmates—held him down.

According to the report commissioned by the attorney general, CCA responded to the Chisley murder with a "reign of humiliation directed indiscriminately at the entire inmate population." Clad in helmets and riot gear, the company's Special Operations Response Teams (SORT) burst into living units, forced the inmates to strip, and made them lie or kneel naked on the floor with their legs shackled and their hands cuffed behind their backs. They were ordered not to move or speak for an hour while the riot squad searched and often ransacked their rooms. Men's rectums were probed by employees who had no

medical training. When one inmate momentarily looked away from the wall, says an officer's report, "I sprayed pepper spray on my glove and wiped it on his face." Such extreme procedures, the report concluded, "would be uncalled for in any circumstance."

"It seemed like they were trying to take their frustrations out on us," says Tati King, a bearded, broad-shouldered 28-year-old who sports both a tattoo of a pit bull and a knit blue-and-tan Muslim skull cap. "A lot of racial comments were made: niggers this, can't stand you D.C. guys." King later refused to return to his cell to protest not having received a religious meal for four days. "Next thing I know," he says, "maybe 20 or more SORT team members told me to strip down and get naked." After slamming him to the floor, King says, officers took him to a segregation unit in shackles. "They had me walk the distance of a football field and a half, stark naked," he says.

If CCA intended the show of force to make the prison more secure, it didn't work. That summer, six inmates escaped on a bright afternoon and one remained at large for several weeks. According to a report by the D.C. Corrections Trustee responsible for monitoring the private prison, everything that could have gone wrong did. A metal detector broke, a motion detector malfunctioned, and the outside yard went unsupervised for 40 minutes. (One staff member was inside playing Ping-Pong.) At the time of the break, there were 219 prisoners in the yard. "Fortunately," the trustee reported, "large numbers of inmates did not choose to follow the route of these six."

YOUNGSTOWN RESIDENTS WERE ALARMED by the escapes, but even those most experienced in community organizing didn't know how to take on a far-flung corporation like CCA. "Once the private prison opened, there didn't seem to be a heck of a lot that one could do to tear it down," says Staughton Lynd, an educator and labor lawyer with four decades of experience as an activist, dating back to his stint as director of the Mississippi Freedom Schools. Some residents put their energy into developing a visitation program to help prisoners' families make the 600-mile round trip from Washington. Senator Hagan pushed a bill through the legislature putting tighter restrictions on for-profit prisons.

Then came the bombshell that sparked a grassroots movement—not just in Youngstown, but for 50 miles up and down Ohio's eastern border. In May 1999, Rep. James Traficant Jr. signed a "memorandum of understanding" with Doctor Crants, CCA's founder, agreeing to help the company site two more prisons in his district. The new lockups would each house at least 2,500 inmates, more than tripling the number of private-prison beds in the valley. The Democratic congressman also promised to push for a 500-bed expansion in Youngstown, saying the plan would generate 1,400 jobs and \$200 million in taxes.

Officials in five communities expressed interest in the new prisons, and two immediately became front-runners. In the small city of Campbell, where CCA is eyeing the site of the old Sheet & Tube blast furnace, several hundred people turned out for a meeting at a Catholic church to angrily protest the private prison. Many residents voiced their opposition by supporting the insurgent mayoral candidacy of Juanita Rich, an administrator at an assisted-living center. A staunch CCA critic, Rich missed the runoff by six votes.

But it's in Wellsville, an old manufacturing village of 4,500, where the resistance has been most determined. Located across the Ohio River from the northern panhandle of West Virginia, Wellsville and its environs were once dotted with industrial potteries, including one that, at its peak, churned out 10 million plates of Fiesta dinnerware in a single year. But like Youngstown an hour north, Wellsville declined as factories cut back or went out of business. "It's been a tough go," says Mayor Joseph LaScola. "A lot of our people are working in McDonald's, Wendy's, some of the stores in the outlying areas." At one point village officials declared a fiscal emergency, laid off workers, and shut down a fire station. "There wasn't hardly enough money to close down the town," LaScola says.

So when the mayor learned that CCA needed two more host communities, he made sure Traficant knew that Wellsville had the perfect site: some cleared farmland up a twisting cattle road, on a hill overlooking many of the riverfront industries that have closed down. "This would bring close to \$2 million a year to our town," says LaScola. "Most of our residents—a large number—are retirees and low income. Anything that looks like it would be a benefit financially, I have to take a serious look at."

In an area devastated by layoffs, the mere promise of added employment was enough to sway some residents to support the prison. "It's about time for Wellsville to progress," Evelyn Springer, a retired teacher, declared at one public meeting. "You can't stay back in the '50s and '40s."

But others in Wellsville were furious at how quickly their elected officials bought into CCA's lavish promises, despite the company's dismal track record in Youngstown. The lure of jobs and taxes, they felt, was offset by the hidden costs of prison privatization.

Janice Gartland, a 37-year-old office worker at a medical services company, had never been involved in politics before a neighbor told her about Traficant's proposal. But the idea of a for-profit prison didn't sit well with her. "I have a pretty big problem with using inmates as a commodity," Gartland says. "When you say a person's worth x dollars, and you have to make sure they're fed and medically provided for within that x-dollar range, then something's going to suffer. You're looking at that person as, 'How can I make a profit from them?'"

Gartland and other residents attended a city council meeting to hear Traficant speak—and they didn't like what they heard. The plainspoken congressman defended his alliance with CCA in a long, defensive speech that had council members nodding in agreement. "I would love to bring you Saks Fifth Avenue. I would love to bring you United States Steel," Traficant said. "And this is certainly controversial indeed. But who employs our people? Who pays for our schools? So I'll take your political shots, but I'll bring the opportunity."

Looking for a voice in the decision, Gartland and her neighbors decided to take the fight to the ballot box. Those who opposed the prison campaigned for a referendum prohibiting the village from extending sewer lines to any correctional facility that housed out-of-state inmates. Through last summer and fall, they canvassed door-to-door, warning neighbors about CCA's track record. They met with union leaders, who object to low-paying jobs at for-profit prisons. And they hooked up with Staughton Lynd, who was bringing together CCA opponents from around the region through an organization called the Prison Forum. Meeting in Youngstown, Forum members shared information about privatization, listened to experts from around the country, and offered one another support.

Fired up by the gatherings, Wellsville activists tried to meet with their elected officials, but were repeatedly rebuffed by the mayor and his allies on the council. LaScola acted as if residents weren't in the council chambers, often ignoring their questions. He refused to recognize Bob Hagan during one meeting, ordering the senator bodily ejected for speaking at the

microphone during a recess. He told prison opponents that his line of reasoning was "above you, and you would never understand it." At one meeting, when a woman introduced herself as a resident of a neighboring township, the mayor said, "I'm happy for you. I hope you stay there."

The small town never recaptured its civility after that. "HEY ESCAPEES," said a hand-lettered sign posted immediately after one meeting. "TURN RIGHT, 2ND HOUSE DOWN ON LEFT, MAYOR'S HOUSE. GO STEAL HIS CAR, HOLD HIM HOSTAGE—AS HE IS US." Wellsville's police chief responded by telling federal authorities that prison opponents had threatened to kill LaScola—a charge that leaders of the anti-prison referendum call ludicrous. "They were making us into this radical, dangerous group," says Diane Dinch, who manages a local video store.

As the election approached, opponents picked up the pace, sponsoring two public forums and continuing their door-to-door campaign. Through Traficant, CCA responded by offering more and more money to Wellsville: a nightly "bed tax" for each inmate, scholarships for local college students, an upgraded sewer system. The company even promised to allow correctional officers to unionize, something it had firmly resisted in Youngstown.

On Election Day, the initiative to block the prison lost by 35 votes. Some opponents blamed the confusing wording on the ballot: Voting "yes" meant opposing the prison. But Janice Gartland also believes that CCA capitalized successfully on the village's desperate financial straits. "We lost support the minute they started throwing dollar figures around," she says.

AS RESIDENTS CAMPAIGNED to stop CCA, prisoners were also fighting back. In May 1999, inmates at the Youngstown prison won \$1.65 million in a class-action lawsuit settlement with the company. Under the terms of the agreement, CCA agreed to pay damages to prisoners, improve security and medical care without cutting back other programs, and pay for an independent monitor to check company abuses. The settlement solves "the worst of the abuse," says Alphonse Gerhardtstein, the inmates' attorney. The maximum-security prisoners have been shipped out. Sworn enemies are kept apart. The company has built three new guard towers and put up additional fences. And the prison sponsored more than 50,000 hours of staff training last year, in areas such as conflict resolution and escape prevention.

The Youngstown facility currently appears to enjoy the institutional calm of a well-behaved high school, with murals on the cinderblock walls, monitors in every hallway, and well-stocked classrooms where inmates learn wiring, masonry, and commercial cleaning. And the prison's current leadership tries to distance itself from the earlier debacles. "The past is the past," says assistant chief Jason Medlin. "That was a different administration, a different system altogether."

But Gerhardtstein warns that the improved conditions shouldn't be taken as proof that the company—much less the industry—has reformed. After all, he says, it took a lawsuit, new legislation, a renegotiated contract with the city, a monitoring program, and a whole lot of bad publicity just to get CCA to improve conditions at one facility.

For now, negotiations over the proposed expansion have been stalled by CCA's current financial upheaval. Last year, the company merged with a real-estate trust it set up called Prison Realty that was exempt from \$50 million in federal income taxes. But the scheme to boost profits even higher wound up backfiring: Prison Realty missed its year-end dividend payment to shareholders last winter, and its stock price has plummeted from \$20 to \$4 a share.

The cut-rate prices have some heavy hitters on Wall Street hoping to cash in on private prisons. In December, Bank of America teamed up with two high-powered investment firms to offer Prison Realty and CCA an infusion of \$350 million—in exchange for as much as 25 percent of the action and four seats on a new 10-member board of directors. The investors are led by the Blackstone Group, a leverage buyout firm with plenty of political connections and annual revenues of \$15 billion. Its chairman, former Nixon commerce secretary Peter Peterson, is best known for his recent crusade to privatize Social Security.

Some CCA shareholders have balked at approving the Blackstone deal, which they fear would dilute the value of their shares. But there's no question that some of Wall Street's most respected firms see an opportunity to profit from punishment. "CCA is the market leader in a growing industry," says Thomas Saylak, senior managing director of Blackstone. The infusion of capital, he adds, will enable CCA "to maximize growth prospects."

Investors aren't the only ones who consider the company's current woes a temporary setback in an otherwise lucrative industry. Paul Marcone, chief of staff to Rep. Traficant, insists that negotiations for the proposed expansion in Youngstown will reopen soon. "CCA has had some organizational shake-ups," he says, "but now the company is focused more on expanding."

That expansion, many residents fear, would make Youngstown as synonymous with prisons as it was with steel a quarter-century ago. "We may have concentrated the sun's rays somewhat, but it's not clear if we've started a fire," says Lynd, whose Prison Forum is launching a campaign called Schools, Not Jails. Lynd and other opponents want to keep the debate above the level of "not in my backyard"—to convince the public and policymakers that it's both unethical and counterproductive to turn incarceration over to the private sector.

"We can't put somebody in the Black Hole of Calcutta, or the Gulag Archipelago, just because they've done something wrong," says Bob Hagan. "When money's your main motivation, you forget one major lesson: that these people are coming out. If you don't create rehabilitated prisoners, but you only create profit for your shareholders, then you have failed at a system that's supposed to protect society."

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