GROUND ZERO

The Laredo Superjail

and the

No Action Alternative

by Nicholas Hudson

July 2006

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GROUND ZERO:
The Laredo Superjail and the No Action Alternative

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Executive Summary

South Texas has become ground zero in the immigrant incarceration boom. There, thousands of nonviolent border crossers are being placed behind bars where they absorb tax dollars and create a perceived need for additional prison space.

The state of Texas is home to at least 9,500 proposed or recently built prison beds – all of which are intended to house federal detainees from the Bureau of Immigration and Customs Enforcement (ICE) and the United States Marshals Service (USMS).

The largest of these expansions is the proposed Laredo facility. In 2004, the USMS issued a “request for proposal” (RFP) for a privately owned and operated detention center. This facility, which has been dubbed the "Laredo superjail" by local media, would eventually hold 2,800 detainees, most of whom would be immigrants.

In July, 2005 the USMS issued a draft Environmental Impact Statement (EIS) authored by the Louis Berger Group for the US Marshals Service. The draft EIS is an incomplete document that ignores both alternatives to detention expansion and the most recent data on the economic impact of prisons and detention centers.

The EIS briefly explains, but does not recommend, a “no action alternative.” The no action alternative, as defined in the draft EIS, is “not to proceed with the proposed action to award a contract to house federal detainees in a Contractor-Owned/Contractor-Operated detention facility.”

This report concludes that USMS prison expansion in or near the Laredo area is unnecessary, and that the best course of action is the no action alternative. The data analyzed in this report indicates immigration-related detention is disproportionately represented compared to every other type of offense in the Texas South USMS district. In 2003, 53% of USMS detainees in Texas South were held on immigration charges. By 2004, almost two-thirds (62%) of the individuals detained in Texas South by the US Marshals were there on immigration-related charges.
The USMS maintains that there were no reasonable alternatives to expansion. This report rejects that argument. The proposed Laredo facility would not be necessary with slight changes in federal prosecution and enforcement patterns in the Southern District of Texas.

This report also addresses specific arguments in the draft EIS, including those regarding the potential economic impacts of the proposed prison. A comprehensive analysis of the draft EIS’s economic assessment reveals many problematic conclusions riddled with economic fallacy, and an overwhelming reliance on unsupported evidence geared toward making the case for the Laredo superjail. This report reaches a conclusion contrary to that of the draft EIS. Relying on the most current and authoritative sources available, this report determines that the Laredo superjail will most likely have no positive economic impacts on any of the proposed sites, and that rural economies may even experience detrimental impacts. The most recent and conclusive data shows that the construction of large prison facilities can actually hinder long-term economic growth in some communities.

Introduction
South Texas has become ground zero in the immigrant incarceration boom. Texas is home to at least 9,500 proposed or recently built prison beds – all of which are intended to house federal detainees from the Bureau of Immigration and Customs Enforcement (ICE, formerly the Immigration and Naturalization Service) and the United States Marshals Service (USMS), “the nation’s oldest and most versatile law enforcement agency.” Many of the existing or proposed facilities are located in the rural towns of south and west Texas, where jail beds sometimes exceed the number of residents.

The largest of these expansions is the USMS proposed Laredo facility. In 2004, the USMS issued a “request for proposal” (RFP) for a privately owned and operated detention center. This facility, which has been dubbed the "Laredo superjail" by local media, would eventually hold 2,800 detainees. According to the RFP issued by the USMS, the “superjail” must be located within 50 miles of the new federal courthouse in Laredo, and will be privately built and operated for profit.

To meet requirements set by the National Environmental Policy Act (NEPA) of 1970, which mandates a comprehensive analysis of federal actions that will significantly affect the environment, the United States Marshals Service, in conjunction with an engineering firm, the Louis Berger Group, issued a draft Environmental Impact Statement (EIS) in July 2005.

Conclusions
This report first attempts to determine what need, if any, exists for the proposed Laredo superjail. This includes an analysis of the no action alternative, the decision “not to proceed with the proposed action to award a contract to house federal detainees in a Contractor-

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1 Draft EIS, pg. II-1
2 According to the U.S. Marshals website, www.usmarshals.gov/history/oldest.htm, the United States Marshals Services was formed as part of the Judiciary Act of 1789, making it the oldest law enforcement agency in the country.
3 EPA Website; NEPA of 1970; Draft EIS pg I-1-I3
Owned/Contractor-Operated detention facility,” and of reasonable actions outside the jurisdiction of the USMS that might address the growing federal detainee population.

The recent drastic growth in nonviolent immigrant detention in Southern Texas has fabricated a perceived need for additional facilities to house immigrant detainees. The USMS maintains that there were no reasonable alternatives to expansion, and this report rejects that argument. The proposed Laredo facility would not be necessary with slight changes in federal prosecution and enforcement patterns in the Southern District of Texas.

This report also addresses specific arguments in the draft EIS, including those regarding the potential economic impacts of the proposed prison. On the economic front, this report reaches a conclusion contrary to that of the draft EIS. A comprehensive analysis of the draft EIS’s economic assessment reveals many problematic conclusions riddled with economic fallacy, and an overwhelming reliance on unsupported evidence geared toward making the case for the Laredo superjail. Relying on the most current and authoritative sources available, this analysis determines that the Laredo superjail would most likely have no positive economic impacts on any of the proposed sites, and that rural economies would likely experience detrimental impacts.

This report concludes that USMS prison expansion in or near the Laredo area is unnecessary and that the best course of action is the no action alternative.

Background
According to the draft Environmental Impact Statement released in July 2005 by the USMS, the federal detainee population under jurisdiction of the USMS rose dramatically from 3,000 in 1981 to more than 50,000 in 2005. Projections in the draft EIS indicate that number will increase to more than 55,000 in Fiscal Year 2005 and over 62,000 in Fiscal Year 2006.

Five private prison corporations representing six proposed sites entered bids to operate the Laredo superjail. They include Emerald Correctional Management (which handles LaSalle County Regional Detention Center in Encinal, Texas), The GEO Group (formerly Wackenhut Corrections) Corrections Corporation of America (CCA), Cornell Corrections and LCS Corrections.

The proposed superjail would be the fourth privately owned detention center within 50 miles of the recently constructed federal courthouse in Laredo. CCA currently operates two facilities in Webb County: the Laredo Processing Center holds 350 people imprisoned through Immigration and Customs Enforcement, and the Webb County Detention Center has 500 beds holding USMS detainees. A third facility, operated by Emerald Correctional Management, was

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4 Draft EIS, pg. II-1
5 The GEO Group has presented two sites for development. Until 2003, The GEO Group was called Wackenhut Corrections Corporation, and was a subsidiary of global security firm Wackenhut Corporation. http://www.wcc-corrections.com/milestones.asp.
6 CCA is the largest private prison corporation in terms of market share
8 http://www.correctionsCorp.com/facilitylist.cfm#
built on speculation in 2003 in neighboring LaSalle County.\(^9\) It currently houses USMS detainees in its 540 beds.

South Texas, in particular, is home to a rapidly expanding detainee population. According to the draft EIS,

> "The USMS considers the need to house the growing number of federal detainees within the Laredo, Texas area an especially important priority... Southwest Texas in general and the Laredo, Texas area in particular represents a (sic) especially challenging environment for the USMS."\(^10\)

The EIS reports the average number of detainees in the District of South Texas grew from 505 in 1986 to 4,300 in 2004. In the federal courthouse city of Laredo, a subset of the District of South Texas, the number similarly rose from 171 in 1992 to an average of 1,676 between October 2003 and April 2004. The USMS estimates the Laredo detainee population might have reached 2,300 by June 2004 and may be more than 3,200 by 2007.\(^11\)

### The Immigrant Incarceration Boom in Context

Immigrants are the fastest growing population behind federal bars today. In 1995 there were 10,147 immigrants in USMS custody, and by 2000 the number increased to 35,270. This drastic increase was primarily a result of the 1996 Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA). It required the U.S. Attorney General to hire at least 6,500 border agents and support personnel between 1997 and 2001, and enhanced criminal penalties for immigration offenses.\(^12\)

Private prison corporations like Corrections Corporation of America (CCA) and The GEO Group have been major benefactors of increases in immigrant detention. The USMS uses private facilities to house a much larger percentage of its population than it did a decade ago. Between 1994 and 2005 the percentage of USMS detainees housed in private prisons grew from 3% to 14%. \((\text{See Appendix: Table 1 and Figure 1})\)

Due to increasing government utilization of private detention facilities over the last ten years, corporations like those mentioned above have made significant financial gains. CCA’s stock price more than doubled between fiscal years 2002 and 2004,\(^13\) and other private prison corporations have seen similar monetary gains.

Immigration enforcement tactics are becoming harsher. With increases in border agents and changes in immigration referral and prosecution tactics in the Southern District of Texas, private detention facilities like the one proposed for Laredo are filling up with nonviolent border crossers. In 2005, the largest private prison in the country to house ICE detainees– a facility with 1,000 beds, a third of the size of the proposed Laredo facility– opened its doors under a

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\(^10\) Draft EIS, pg. I-7

\(^11\) Draft EIS, pg. I-7-I-8

\(^12\) http://www.gao.gov/pas/2001/d01250.pdf

\(^13\) Capitalizing on our Strengths: CCA 2004 Annual Report
$1.9 million, five-year government contract awarded to Correctional Services Corporation.\(^{14}\)
This facility is located only 100 miles from Laredo in Pearsall, Texas.

Although there is no need for an additional detention space in the Laredo area, private contractors are cashing in on prison expansion designed to house nonviolent border crossers. USMS and DHS information show the wild growth of immigrant enforcement in South Texas. The immigration-related incarceration boom is troubling, in part, because it indicates a massive devotion of public resources dedicated to incarceration of nonviolent border-crossers.

**USMS Data for the South Texas District: 2003-2004**

The Composition of Texas South:

Court for the Southern District is held in Houston, Brownsville, Corpus Christi, Galveston, Laredo, McAllen and Victoria.

Immigrant detention made up 90% of USMS detention growth from 2003 to 2004 in Texas South, according to data provided by the U.S. Marshals Service. In 2004, immigrants made up almost two-thirds of the total number of detainees that went USMS custody.

Federal immigrant detainees make up the largest group of accused offenders detained by the USMS in the Southern District of Texas. Over 53% of all detainees in South Texas USMS facilities in 2003 were accused of immigration related offenses. By 2004, immigrants represented 62% of the South Texas USMS detention population. That year, 11,739 of the 18,820 people that went into Southern District of Texas’ United States Marshals Service custody were detained awaiting immigration charges. *(See Appendix: Tables 2 & 3, Figures 5 & 6)*\(^{16}\)

This data indicates that immigrant detainees were disproportionately represented when compared to detainees for every other offense in the Texas South USMS district. **In 2004, almost two-thirds of the individuals detained in South Texas by the USMS were nonviolent offenders held on immigration-related charges.**

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\(^{14}\) [http://www.ice.gov/pi/news/newsreleases/articles/sna051705.htm](http://www.ice.gov/pi/news/newsreleases/articles/sna051705.htm), May 17, 2005; South Texas Detention Facility Opening Today

\(^{15}\) The graphic (left), and information (right), is from the USMS website

\(^{16}\) 2003 and 2004 USMS Data
Immigrants represented an astounding 89.7% of the increase in South Texas’s USMS detention population between 2003 and 2004. There was a 33.5% increase in the total number of South Texas USMS detainments between 2003 and 2004, and immigrant related detention was responsible for nine out of ten new detainments.  

(See Figure 1)

Figure 1:

The breakdown of different immigration related charges is below. The largest group of immigrant detainees were charged with “Illegal Entry,” Title 8 Section 1325 of the U.S. Code. Pertaining to the South Texas district, 78% of immigration detainees in 2003 were under this code. This percentage rose slightly to 83% the following year.  (See Figure 2; See Appendix: Table 4, Figures 7 & 8)

The astonishing one year increase in USMS detainment of immigrants presented Texas South with a unique problem. Instead of thoroughly analyzing alternatives to detention of non-violent immigrant offenders, the draft EIS prematurely concludes that the overflowing immigrant detention problem could only reasonably be solved with further prison construction.

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17 2003 and 2004 USMS Data
18 2003 and 2004 USMS Data
Figure 2:

**Immigrant Detention Breakdown 2003-2004**

<table>
<thead>
<tr>
<th>Offense</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illegal Entry</td>
<td>5786</td>
<td>9658</td>
</tr>
<tr>
<td>False Citizenship</td>
<td>27</td>
<td>5</td>
</tr>
<tr>
<td>Smuggling Aliens</td>
<td>928</td>
<td>1220</td>
</tr>
<tr>
<td>Immigration</td>
<td>760</td>
<td>856</td>
</tr>
</tbody>
</table>

**Increase in Recommendations to Prosecute: TRAC Report**

The Transaction Resources Access Clearinghouse (TRAC), an independent, nonpartisan data gathering, data research and data distribution organization associated with Syracuse University, released a 2005 report on the Department of Homeland Security (DHS). The report found that the DHS recommended prosecution of 65% more immigration cases in 2004 than it had in 2003. This upward trend in immigrant prosecution continued into the first six months of 2005.19

Nationally, most federal judicial districts had increased the number of prosecutions over the past two years, but "the sharpest spike occurred in the Southern District of Texas (Houston) where recommendations for the prosecution of these cases jumped by a startling 345%, increasing from 4,062 to 18,092 in just one year." The Laredo area is in the South Texas District where these massive jumps in illegal immigration and referral rates occurred. (See Figure 8)20

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20 TRAC Report. August 2005
The prosecution of immigrant violators rose 82% nationally between 2003 and 2004, but in Texas South it increased an almost unbelievable 4,000% — forty times the national average and wildly disproportionate to every other USMS district on the Mexican border. Data from the TRAC report shows that the most common single charge in 2004 was section 8 US 1325—Illegal Entry. The report finds:

"Convictions in the district where the section of illegal entry statute law was the lead charge went from 304 in FY 2003 to 13,778 in FY 2004. This jump means that in the most recent complete fiscal year that 8 USC 1325 convictions made up an overwhelming majority of all immigration matters in the district."\(^{22}\)

The reason for increased referrals is not easily discerned. It might appear at first glance that major changes in immigration enforcement and prosecution are a result of the current administration’s “get-tough” policy. However, when comparing the Southern Texas District’s massive increase to the national changes between 2003 and 2004, a somewhat different picture emerges. “Excluding Texas South, referrals for prosecution went up only 8%, prosecutions went up 16%, and convictions actually fell, down by 4%.” Texas South was responsible for 84% of the national increase in immigrant prosecution, and 90% of immigrant referrals for prosecution in the United States between 2003 and 2004. \(^{23}\)

\(^{21}\) TRAC Report. August 2005
\(^{22}\) TRAC Report. August 2005
\(^{23}\) TRAC Report. August 2005
Because the Department of Homeland Security, which absorbed the Immigration and Naturalization Service (INS) in 2003, was created in the wake of September 11, their primary objective was widely viewed by the American people as combating terrorism. However, as data provided by both the USMS and the DHS indicate, terrorism-related cases were responsible for less than one third of one percent of all the incarceration in 2004, and made up only a tiny fraction of DHS prosecution and referrals. Nonviolent immigrants, not terrorists, suffered as a result of DHS policy.

In addition to harsher enforcement inflating the USMS immigrant detainee population, prosecution and referral rates nationally have experienced significant growth. And, like data provided by the USMS, the TRAC report confirms that the situation in Southern Texas is unique. Referral and prosecution rates for immigration offenses, like immigrant detention rates, have risen to amazing levels.

Summary
The USMS detains a disproportionate number of immigrants in Texas South for illegal entry relative to all other crimes, compared to every other part of the country. The primary causes of recent national increases in immigrant detention are public policy measures in the last two decades, but recent legislation cannot explain the unique situation in the Southern district of Texas. In South Texas, thousands of nonviolent border crossers, at a higher rate than any other district in the nation, are being tossed behind bars where they absorb tax dollars and create a heightened perceived need for additional detention beds.

The USMS proposed “solution” to the overflowing immigrant detainee population is, in reality, not a solution at all. It promises that thousands more nonviolent border crossers will be detained at taxpayer expense. If prosecution and referral rates in the Southern District of Texas were closer to those in the rest of the country, the demand for additional prison space there would not be so high.

It is reasonable to believe that Texas South can match the nation’s standard of discretion regarding the use of prosecution and enforcement tactics on nonviolent offenders, thus eliminating misperceived needs for prison space. There need to be reasonable changes in how the Southern District of Texas handles enforcement and prosecution in order to eliminate the perceived need for additional federal prisons in that area. With a common sense approach to the situation that does not pander to the needs of the for-profit private prison corporations, Texas South and the area of Laredo in particular can manage quite well without any more prisons.

The Economy of a Superjail
There is some debate as to whether or how the proposed Laredo superjail would affect local economies if built. Referring to the Laredo superjail’s construction, the draft EIS states, “…the proposed action would have a beneficial impact upon the local and regional economy.”

But the EIS provides minimal evidence for its economic position, and its conjectures regarding economic impacts are difficult to support. Ten short summaries of property value studies are used to justify a large portion of the EIS’s economic argument.
The EIS maintains that property values would experience little impact as a result of the proposed facility. It goes further, though, and states that certain impacts resulting from the nature of the construction and operation of the proposed facility would result in benefits for surrounding economies. The EIS asserts that money will be spent in the host community, and that new jobs will be created at the proposed site.

Many rural towns have been devastated in the last 30 years by a flight of manufacturing jobs to countries with lower labor costs and working standards, and the disappearance of small farms. As a result, fewer public trade schools, universities, and community colleges have been built in rural areas than in booming urban and suburban communities. In an effort to create jobs and save their dwindling communities, many rural leaders have lobbied for the construction of prisons and detention centers in their districts.

**Economics in the draft Environmental Impact Statement**

The EIS argues that the construction and operation of the proposed superjail would benefit the surrounding regions economically. It bases this conclusion on the mere assertion that, due to construction, job availability, and material purchases, the superjail would employ people and utilize resources from the region. During both operational phases, the EIS argues, labor expenditures, and expenditures on utility services, food, and other necessities would benefit the regional economy.

The authors of the draft EIS present ten small summaries of property value studies, conducted between 1978 and 1995 in their economic analysis. These property value study summaries, problematic and slanted, constitute almost all of the draft EIS’s economic research. Paramount to the problems in the summaries, it is important to note that property values alone do not constitute a valid economic assessment.

**Literature and Data on Prison Expansion and Economics**

Data from the most authoritative research on prison expansion and economic growth shows that, contrary to the draft EIS’s claim, prison construction has not brought about promised economic benefits. Contrary to widely publicized opinion, prisons do not help lower unemployment, they do not raise median family income, and they do not help rural economies grow in the long run. In fact, the data shows:

- Construction and operation of large prisons do not contribute to long-term local economic growth.

- Contracts and jobs associated with prison construction generally do not go to local residents. One of the assumptions underlying positive economic impacts is that goods and services will be purchased locally. This is often not the case, with major contracts and their profits, along with profits garnered by public subsidies for the prisons, going to large firms located out-of-state.

- Rural communities without prisons perform as well or better economically than rural communities with prisons on a range of measures including employment, job growth, average household wages, numbers of businesses, retail sales, number of housing units, and median value of housing units.
A bibliography of studies done on prison economic impacts and critical reviews of the existing relevant literature are available in the Appendix. None of these studies or reviews are mentioned in the draft EIS.

**The Hooks Carceral Expansion Report and Encinal, Texas resolutions**


The Hooks study found that prison expansion near rural communities actually harmed their long-term economic growth. According to the study, prisons consume many public resources, but do not create an attractive environment for important public projects such as community colleges and public universities. Prisons have a negative multiplier effect on rural economies, by consuming irretrievable public resources and impeding economic growth in the future. Additionally, urban areas experienced no beneficial long-term economic impacts as a result of prison expansion.

An important aspect of the Hooks report, conducted by four sociologists, is that investigators had no apparent stake in the prison industry. Until the sociological study, there was no rigorous test of the assumption that prisons helped economic growth.

The Hooks report played an important role in two strong resolutions, one from the City of Encinal, Texas and the other from the Encinal Economic Development Corporation (EEDC). These resolutions are noteworthy because they each come from separate groups with an objective motive for performing economic analysis. Both resolutions reject previous economic analyses and opinions indicating that prisons have a beneficial impact on rural economies.

Encinal, a rural city in the southwest corner of La Salle County, borders one of the proposed sites for the USMS superjail. It also currently hosts the 500-bed LaSalle County Regional Detention Center, another facility where USMS detainees are held. In its resolution from August 22, 2005, the EEDC stood firmly against any further prison expansion in or near the city of Encinal.

The EEDC relied on the Hooks report and first-hand experience in drafting its resolution. It examined the existing facility near Encinal, where USMS detainees are held, and discovered that the existing facility had “failed to provide any demonstrative positive economic impact to the City of Encinal.”

The EEDC had concerns about the extremely large size of the proposed federal for-profit facility. Its population, said the resolution, would outnumber the residents of their small rural community, and might “cast the image of Encinal as a prison town.” It appears that the EEDC’s concerns were justified. Using census data from 2000, which the EIS relies on, this report determined that the proposed facility could reasonably be expected to inflate the population of the Encinal area by over 480% with prison-related individuals, most of them being people in prison.

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26 Encinal Economic Development Corporation, August 22, 2005 Resolution 08-22-05
The Encinal Economic Development Corporation ended its resolution by presenting a final statement of vehement opposition to “...any other prison or detention facility in or near Encinal.” The EEDC realized that Encinal’s economy, like economies in other rural areas, would not benefit, and would most likely suffer from the construction and operation of the proposed Laredo superjail.

Property Values
The Property Values appendix of the draft EIS, mentioned previously, contains numerous serious flaws. None of the studies found that prisons help economic development, although two of the ten summaries did indicate that prisons do not depress property values. The studies are at best inconclusive, and in many cases contradict claims made by the authors of the draft EIS. The summaries of each property value study in the draft EIS contain several consistent errors:

- The draft EIS equates “no serious negative effects” to no depression in property values. This equation is problematic because it does not allow impedance or stagnation of property values to be considered a “serious negative effect.” Below is a situation where a future EIS would see “no serious negative effects” using the flawed standards employed by the current EIS.

- Property values were analyzed based on speculation of construction of a prison in some of the studies, and on surveys and questionnaires in others. Speculation and guesswork should not be mistaken for or confused with empirical evidence, where economies are examined before and after prison construction.

- The studies do not reach any consistent conclusion. While some of the studies notice negative economic impacts, others note positive economic impacts, and some find no economic impacts at all.

- Most importantly, an analysis of property values does not provide a valid, comprehensive assessment of economic impacts. As noted above, the most authoritative research on the economic impact of prison expansion demonstrates that prison construction harms long-term economic growth in many communities.

For example, suppose that a couple has owned a home for five years in a rural area on the outskirts of Laredo, and the value of their home has risen steadily at a rate of five percent each year. Then, the proposed superjail is built in Webb County. As a result, the value of the couple’s home and all of the properties surrounding the new jail stagnate. Because of the new prison, the value of their home does not increase for another fifteen years. Although the value of the home and the properties in the surrounding community were seriously and negatively affected by the construction of a multi-million dollar prison, the USMS would examine the area and conclude that there were “no negative effects” on local property values in its final environmental impact statement. The USMS would assume no responsibility for impeding or depressing the growth.

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27 Draft EIS Appendix C Annotated Bibliography; pg. C-1: Hewes, 1985; pg. C-3, Smykla, 1984
28 Draft EIS Appendix C Annotated Bibliography; pg. C-3: Resource Assessment, 1986; Grasskamp, 1983,
29 Draft EIS Appendix C Annotated Bibliography; pg. C-2: Maxim, 1983
30 Draft EIS Appendix C Annotated Bibliography; pg. C-3: Smykla, 1984
31 Draft EIS Appendix C Annotated Bibliography; pg. C-6 & C-7: Roger & Haimes, 1987; Pg. C-1 Stanley, 1978
32 Draft EIS Appendix C Annotated Bibliography; pg. C-1: Hewes, 1985
rate of property values in the area because the value of the couple’s home did not actually decline.

This inadequate “no serious negative effects” standard is employed by ten of the twelve summaries of property value analyses in the EIS. Only two of the ten studies are summarized without with this problematic method of equation.

At best, the summaries of studies included in the property values appendix are inconclusive, and it is unfair to Laredo and disingenuous to the public to present the data in any other manner. Because of the muddied waters surrounding the property values section of the EIS, it is important to ask tough questions about how the Laredo superjail will impact its host community. It is in part because of the comprehensive Hooks study, other recent economic studies, the local Encinal resolutions, and the lack of adequate information presented in the EIS that this report recommends the No Action Alternative.

“Communities Will See the Money”

The draft Environmental Impact Statement argues that “Beneficial impacts on the region’s economy would... be realized by virtue of the facility’s construction and operating budget.” However, spending money on a large private project does not automatically benefit the economy of the surrounding area.

The idea that money spent on a private project will positively affect the economy of the surrounding region is a prevalent one. For-profit prison advocates and rural leaders are eager to claim private superjails, like the one in consideration in Webb and LaSalle counties, will spend a considerable amount of money on goods and services in the community surrounding the operational site.

Private prison contracts are awarded to corporations though, not to cities or counties. Accordingly, local elected officials and community leaders have little say as to how the money will be spent. In addition, local utility companies are required to bear the cost of expanding utility systems such as water, wastewater and electricity to accommodate private prisons. These costly expansions obligate the use of many local resources that are not paid for by private prison facilities.33

Communities often have little input on the management and construction expenditures of private prisons. One aspect of this lack of control arises from the specialized needs of detention facilities. Prisons, especially large prisons, require highly specialized orders for items such as prefabricated cells to fill the needs of maintaining significant detainee populations. These special orders are often made through preexisting relationships with large-scale manufacturers based outside of the region under construction. Small, local manufacturers have a difficult time meeting the demands of large prison construction projects.34

Summary
Research literature on prison expansion and economic growth shows that prison construction does not bring about positive economic benefits. Prisons do not help lower unemployment, they do not raise median family income, and they do not help rural economies grow in the long run.

After a review of the literature on the subject, a critical assessment of the property value studies sited in the draft EIS, and a close look at the two resolutions from the city of Encinal, this report concludes that the regional economy of each proposed rural site will most likely be adversely affected if the proposed facility is constructed, and that urban sites would most likely experience no beneficial economic impacts.

Objectivity and the EIS: Parting Ways
Obvious failures in the economic portion of the draft EIS raise serious doubts about the objectivity of the remaining portion of the statement, and the public must be accordingly scrupulous in its reading of the report. The draft EIS appears to be more of a persuasive document than a valid assessment of environmental impacts. The USMS can and must do better. The trust of the public, consisting of our faith and reliance on the government’s purported attempt to objectively inform the public, is continually undermined by disingenuous framings of policies and issues.

One is forced to ask why the EIS, a document issued by our federal government, contains so many obvious problems. What is clear is that the USMS has a vested interest in resolving what it sees as a “prison expansion problem” as fast as possible, regardless of the means. There is little incentive for the agency to help bring detention rates under control. In addition, if the USMS acknowledges there are problems in the current criminal justice system, it must assume at least partial responsibility for helping solve them. It is easier for the USMS to ignore the problem, though, and simply build more prisons: to treat the symptoms of the criminal justice system’s failures, with the construction of new prisons, is easier than addressing the failures themselves.

South Texans need to ask obvious questions when considering whether they will tolerate prison expansion in their backyards. Are there reasonable alternatives to construction of a superjail? To what extent is political pressure influencing prison expansion? Who benefits politically and financially from building new facilities in South Texas? And which groups benefit from putting so many resources into immigrant prosecution and detention?

Conclusion
Prison expansion is only one quick-fix to a systemic problem of over-incarceration, and the Southern District of Texas will not see any resolution to its problem of a perpetually expanding federal prison population until there is a change in the system’s approach to detention and prosecution. Texas South is only the most extreme example of a national problem concerning immigrant incarceration, prosecution, and detention. While the USMS may not be able to change national public policy, its individual districts have substantial control over how they deal with immigration problems. It can encourage decreases in the incarceration, detention and prosecution of immigrant detainees.
Rural economies, where financial security is needed most of all, will continue to be undermined by prison construction, and nonviolent immigrant detainees will continue to inflate the federal prison population unless some reasonable changes take place. The draft Environmental Impact Statement fails to make an adequate analysis of the regional economic impacts the proposed facility would likely have. Evidence suggests the Laredo superjail would most likely have long-term, adverse effects on rural economies, and it would provide no economic benefits to urban economies. If the proposed facility is built, any short-term gains in jobs and materials purchases will likely be countered by a decline in property-growth rates, the consumption of public resources, and an unattractive environment for valuable community projects.

It is reasonable to expect that the South Texas USMS district can fall in line with the rest of the nation in its rate of detention and incarceration of immigrants. The need for another detainment facility has not simply been inflated -- it has been fabricated. Increased border enforcement efforts and public policy maneuvers have led to the systematic detainment, prosecution and incarceration of nonviolent immigrants entering the United States. The need for another federal prison in the Southern District of Texas is at best an illusion.

**Based on the evidence, this report strongly endorses the no action alternative.**
Appendix

Bibliography of Prison Economic Impact Studies


Mattera, Phil, & Khan, Mafruza. 2001. “Jail Breaks: Economic Development Subsidies Given to Private Prisons”.


Table 1: Increased reliance by the USMS on Private Detention 1994-2005

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total</th>
<th>Federal</th>
<th>%</th>
<th>State &amp; Local</th>
<th>%</th>
<th>Private</th>
<th>%</th>
<th>Other</th>
<th>%</th>
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<td>1994</td>
<td>18,231</td>
<td>6,219</td>
<td>34.11%</td>
<td>11,416</td>
<td>62.62%</td>
<td>512</td>
<td>2.81%</td>
<td>63</td>
<td>0.35%</td>
</tr>
<tr>
<td>1995</td>
<td>22,193</td>
<td>7,542</td>
<td>33.98%</td>
<td>13,454</td>
<td>60.62%</td>
<td>1,115</td>
<td>5.02%</td>
<td>77</td>
<td>0.35%</td>
</tr>
<tr>
<td>1996</td>
<td>23,964</td>
<td>7,701</td>
<td>32.14%</td>
<td>14,922</td>
<td>62.27%</td>
<td>1,324</td>
<td>5.52%</td>
<td>103</td>
<td>0.43%</td>
</tr>
<tr>
<td>1997</td>
<td>27,017</td>
<td>8,179</td>
<td>30.27%</td>
<td>17,029</td>
<td>63.03%</td>
<td>1,696</td>
<td>6.28%</td>
<td>101</td>
<td>0.37%</td>
</tr>
<tr>
<td>1998</td>
<td>31,470</td>
<td>8,914</td>
<td>28.33%</td>
<td>20,307</td>
<td>64.53%</td>
<td>2,128</td>
<td>6.76%</td>
<td>107</td>
<td>0.34%</td>
</tr>
<tr>
<td>1999</td>
<td>33,649</td>
<td>9,451</td>
<td>28.09%</td>
<td>21,010</td>
<td>62.44%</td>
<td>3,034</td>
<td>9.02%</td>
<td>110</td>
<td>0.33%</td>
</tr>
<tr>
<td>2000</td>
<td>35,720</td>
<td>10,454</td>
<td>29.27%</td>
<td>21,402</td>
<td>59.92%</td>
<td>3,719</td>
<td>10.41%</td>
<td>121</td>
<td>0.34%</td>
</tr>
<tr>
<td>2001</td>
<td>38,950</td>
<td>10,819</td>
<td>27.78%</td>
<td>23,734</td>
<td>60.93%</td>
<td>4,429</td>
<td>11.37%</td>
<td>126</td>
<td>0.32%</td>
</tr>
<tr>
<td>2002</td>
<td>43,408</td>
<td>10,020</td>
<td>23.08%</td>
<td>26,831</td>
<td>61.81%</td>
<td>5,696</td>
<td>13.12%</td>
<td>431</td>
<td>0.99%</td>
</tr>
<tr>
<td>2003</td>
<td>47,151</td>
<td>10,474</td>
<td>22.21%</td>
<td>29,617</td>
<td>62.81%</td>
<td>6,526</td>
<td>13.84%</td>
<td>536</td>
<td>1.14%</td>
</tr>
<tr>
<td>2004</td>
<td>52,820</td>
<td>10,720</td>
<td>20.30%</td>
<td>33,300</td>
<td>63.04%</td>
<td>8,244</td>
<td>15.61%</td>
<td>556</td>
<td>1.05%</td>
</tr>
<tr>
<td>2005</td>
<td>54,766</td>
<td>12,086</td>
<td>22.07%</td>
<td>34,357</td>
<td>62.73%</td>
<td>7,758</td>
<td>14.17%</td>
<td>565</td>
<td>1.03%</td>
</tr>
</tbody>
</table>

Figure 4: Increased reliance by the USMS on Private Detention 1994-2005

### Table 2: Classification of Each Charge for USMS Data:

<table>
<thead>
<tr>
<th>Category</th>
<th>Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Immigration Related Offenses:</strong></td>
<td>Illegal Entry, False Citizenship, Smuggling Aliens, Immigration</td>
</tr>
<tr>
<td><strong>Violent Offenses:</strong></td>
<td>Homicide, Kidnapping a Minor, Kidnapping an Adult for Ransom, Kidnapping, Sexual Assault, Robbery, Aggravated Assault</td>
</tr>
<tr>
<td></td>
<td>of a Police Officer with a Weapon, Assault, Threatening Federal Protectees, Terrorist Threats, Crimes Against Person</td>
</tr>
<tr>
<td><strong>Material Witnesses:</strong></td>
<td>Material Witness</td>
</tr>
<tr>
<td><strong>Fraud and Property Related Offenses:</strong></td>
<td>Extortion- Threat to Injure a Person, Burglary of a Banking Institution, Larceny from Mail, Larceny</td>
</tr>
<tr>
<td></td>
<td>from Interest Shipment, Theft of Government Property, Postal Larceny, Larceny, Stolen Vehicle, Forgery, Counterfeiting, Mail</td>
</tr>
<tr>
<td></td>
<td>Fraud, Credit Card Fraud, False Statement- Fraud, Fraud by Wire, Fraud, Postal Embezzlement, Embezzlement, Banking</td>
</tr>
<tr>
<td></td>
<td>Institution, Transportation of Stolen Property, Possession of Stolen Property, Property Damage, Concealment of Stolen Property</td>
</tr>
<tr>
<td><strong>Drug Related Offenses:</strong></td>
<td>Distribution of a Hallucinogen, Hallucinogen, Selling Heroin, Smuggling Heroin, Possession of Heroin, Heroin, Selling Cocaine, Smuggling Cocaine, Cocaine</td>
</tr>
<tr>
<td></td>
<td>Possession, Cocaine, Synthetic Narcotic, Selling Marijuana, Smuggling Marijuana, Possession of Marijuana, Producing Marijuana, Marijuana, Manufacture of Amphetamine, Selling Amphetamine, Possessing Amphetamine, Amphetamine, Possession of a Barbituate, Dangerous Drugs</td>
</tr>
<tr>
<td><strong>Court, Proc. and Probation Violations:</strong></td>
<td>Bail, Contempt of Court, Obstruction of Justice, Probation Violation, Conditional Related Violation, Failure to Appear, Obstruction, Receiving a Bribe, Offering a Bribe, Bribery</td>
</tr>
<tr>
<td><strong>Threats, Public Safety &amp; Weapons Offenses:</strong></td>
<td>Carrying Prohibited Weapon, Possession of Weapon, Threat to Bomb, Weapon Offense, Harassing Communication, Driving Under the Influence Liquor, Traffic Offense, Health</td>
</tr>
<tr>
<td><strong>Other and Unknown Offenses:</strong></td>
<td>Unknown, Conservation of Animals, Making a False Report, Failure to Report a Crime, Obstructing Police, Refusing to Aid and Officer, Dissuading a Witness, Sabotage, Cruelty Toward a Child, Neglect of a Child, Nonsupport of Parent, Transportation of a Female for an Immoral Purpose, Smuggle Contraband, Smuggle to Avoid Paying Duty, Smuggling, Tax Revenue, Money Laundering, Property Crimes, Escape, Flight to Avoid Prosecution, Harboring a Fugitive</td>
</tr>
</tbody>
</table>

### Table 3: USMS Incarceration by Similar Offenses

<table>
<thead>
<tr>
<th>Detainee Population by Similar Offenses- TX South</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Immigration Related Offenses</td>
<td>7501</td>
<td>11739</td>
</tr>
<tr>
<td>Violent Offenses</td>
<td>55</td>
<td>51</td>
</tr>
<tr>
<td>Material Witnesses</td>
<td>1294</td>
<td>1516</td>
</tr>
<tr>
<td>Fraud and Property Related Offenses</td>
<td>363</td>
<td>375</td>
</tr>
<tr>
<td>Drug Related Offenses</td>
<td>2224</td>
<td>2173</td>
</tr>
<tr>
<td>Court, Procedural and Probation Violations</td>
<td>2228</td>
<td>2512</td>
</tr>
<tr>
<td>Threats, Public Safety and Weapons Offenses</td>
<td>199</td>
<td>247</td>
</tr>
<tr>
<td>Other and Unknown Offenses</td>
<td>229</td>
<td>207</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>14093</td>
<td>18820</td>
</tr>
</tbody>
</table>
Figure 5: USMS Incarceration by Similar Offenses 2003

<table>
<thead>
<tr>
<th>Offense</th>
<th>Detainees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Immigration Related Offenses</td>
<td>7501</td>
</tr>
<tr>
<td>Drug Related Offenses</td>
<td>2224</td>
</tr>
<tr>
<td>Fraud and Property Related Offenses</td>
<td>363</td>
</tr>
<tr>
<td>Material Witnesses</td>
<td>1294</td>
</tr>
<tr>
<td>Violent Offenses</td>
<td>55</td>
</tr>
<tr>
<td>Court, Procedural and Probation Violations</td>
<td>2228</td>
</tr>
<tr>
<td>Other and Unknown Offenses</td>
<td>229</td>
</tr>
</tbody>
</table>

2003 Southern District
USMS Detainees by Offense

Figure 6: USMS Incarceration by Similar Offenses 2004

<table>
<thead>
<tr>
<th>Offense</th>
<th>Detainees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Immigration Related Offenses</td>
<td>11739</td>
</tr>
<tr>
<td>Drug Related Offenses</td>
<td>2173</td>
</tr>
<tr>
<td>Fraud and Property Related Offenses</td>
<td>375</td>
</tr>
<tr>
<td>Material Witnesses</td>
<td>1516</td>
</tr>
<tr>
<td>Violent Offenses</td>
<td>51</td>
</tr>
<tr>
<td>Court, Procedural and Probation Violations</td>
<td>2512</td>
</tr>
<tr>
<td>Other and Unknown Offenses</td>
<td>207</td>
</tr>
</tbody>
</table>

2004 Southern District
USMS Detainees by Offense

36 2003 and 2004 USMS Data
Table 4: USMS Immigration Breakdown by Offense: 2003 & 2004

<table>
<thead>
<tr>
<th>Immigration-Related Violations by Offense</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illegal Entry</td>
<td>5786</td>
<td>9658</td>
</tr>
<tr>
<td>False Citizenship</td>
<td>27</td>
<td>5</td>
</tr>
<tr>
<td>Smuggling Aliens</td>
<td>928</td>
<td>1220</td>
</tr>
<tr>
<td>Immigration</td>
<td>760</td>
<td>856</td>
</tr>
<tr>
<td>Total</td>
<td>7501</td>
<td>11739</td>
</tr>
</tbody>
</table>

Figure 7: Immigration Breakdown by Offense: 2003
- Illegal Entry: 78%
- Smuggling Aliens: 12%
- False Citizenship: 0.36%
- Immigration: 10%

Figure 8: Immigration Breakdown by Offense: 2004
- Illegal Entry: 83%
- Smuggling Aliens: 10%
- False Citizenship: 0.04%
- Immigration: 7%

37 2003 and 2004 USMS Data
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A Resolution Opposing the Expansion of the La Salle County Regional Detention Facility or the Creation of any other Prison or Detention Facility in or near Encinal, Encinal Economic Development Corporation Resolution. 08-22-05. August 22, 2005


