INCORRECT CARE:
A Prison Profiteer Turns Care into Confinement

FEBRUARY 2016

PART OF THE
Treatment Industrial Complex
SERIES

grassroots leadership
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EXECUTIVE SUMMARY

As criminal justice reform sweeps the nation, an alarming trend has emerged that could mean private prison profiteers control a person’s fate for life, not just the term of a prison sentence. The same private prison profiteers who built billion dollar empires as partners in tough on crime policies are adapting to reforms by rebranding themselves — as humane treatment providers. The criminal justice system has created ample opportunities for their expansion, including mental health hospitals and civil commitment centers, correctional healthcare, and community corrections. This report will look specifically at one segment of their expansion: mental health hospitals and civil commitment centers, facilities that represent the potential for lifetime confinement and long-term guaranteed profit.

In fact, the same for-profit company is making aggressive moves to take over both types of facilities. Correct Care Solutions, formerly known as GEO Care, a spin-off of GEO Group, has deep roots in the private prison industry. Although the company has shifted and changed numerous times over the last few years, CCS currently runs seven “treatment” facilities in Florida, Texas and South Carolina, including five mental health facilities and two civil commitment centers.

This report’s in-depth analysis of GEO Group, GEO Care and now Correct Care Solutions’ involvement in operating mental health hospitals and civil commitment centers exposes serious concerns.

KEY FINDINGS

Profit motive drives private prison company involvement in new markets

The incarceration rate for individuals with mental health concerns has been steadily increasing, while overall incarceration rates are on the downturn. The increase of individuals with mental health needs in the criminal justice system creates an opportunity for profiteering, as seen in the dramatic growth of the correctional healthcare and forensic mental health industry. In fact, the two largest private prison companies, Corrections Corporation of America and GEO Group, planned their calculated move away from operating prisons toward 1) obtaining Real Estate Investment Trust (REIT) status and 2) expanding into community corrections. In order to maintain REIT status, GEO Group created spin-off companies to operate their “treatment” provision initiatives. Still intimately connected, GEO Group created GEO Care, and together with Correct Care, spawned Correct Care Solutions.

Deep pockets and back room deals contribute to Correct Care Solutions’ success

Strong connections to the private prison industry mean that CCS and other TIC corporations employ the same political tactics to secure contracts. Once areas of profit growth and new contracts are identified, the companies hire well-paid lobbyists who work with public officials to seal the deal. These public officials are often under enormous pressure to manage underfunded and outdated facilities, and private for-profit companies take advantage of their position by making false promises of cost savings and improved patient care. Unfortunately, public officials are often all-too-eager to believe them. CCS lobbyists routinely employ inside strategies, making behind-the-scenes deals with public officials, while limiting opportunities for public engagement. In fact, GEO and CCS doubled their investments in Texas lobbyists from 2011 to 2015.

For-profit treatment facilities provide little more than warehousing and incentivize locking people up

Similar to jails and prisons, privately run state hospitals and civil commitment centers often provide little to no treatment or rehabilitation. Patients in CCS facilities complain about ineffective therapy offered by inexperienced staff and amidst high patient-to-therapist ratios. In Florida, patients being restored to competency in CCS facilities often cycle through the state hospitals multiple times because their “treatment” consists of no more than memorization of legal information and medications that may be interrupted once sent back to jail. Furthermore, the civil commitment facilities run by the same for-profit companies that run prisons and jails charge per diem rates for so-called treatment facilities. The state pays less per person as more people fill the facility, incentivizing policies that keep people confined, rather than encouraging rehabilitation and release. In fact, participants complain that program policies are designed to keep people from being released.

The Treatment Industrial Complex failed Florida

Florida has the most concentrated treatment industrial complex in the nation, with disastrous results. CCS runs three of six state hospitals in Florida and the largest civil commitment center in the country. In addition, a private correctional healthcare company with a scandal-ridden track record, Corizon Health, provided the state’s correctional healthcare. As a result, Florida's mental health hospitals are under federal scrutiny for high rates of violence and patient deaths and Corizon Health exited their contract early after a record number of deaths in correctional facilities, leaving the state in the lurch. Despite failures, Texas appears to be following in Florida’s footsteps.

Part I of this report discusses the rising number of individuals with mental health needs in jails and prisons and how that has contributed to Correct Care Solutions’ move into the business of mental health care in Texas. Part II discusses the same company’s role in civil commitment facilities for individuals convicted of a sexual offense who are required to undergo continued surveillance and treatment after serving their sentence.
INTRODUCTION

As sentencing reform has begun to curb the population in jails and prisons, private prison corporations are expanding into new markets. According to the 2014 inaugural report, The Treatment Industrial Complex: How For-Profit Prison Corporations are Undermining Efforts to Treat and Rehabilitate Prisoners for Corporate Gain, private prison companies did not have to look far for their expansion.7

The “Treatment Industrial Complex” (TIC) can be described as

the movement of the for-profit prison industry into correctional medical care, mental health treatment, and ‘community corrections.’ Community corrections include corrections programs outside of jail or prison walls: probation and parole services including halfway houses; day reporting centers; drug and alcohol treatment programs; home confinement; electronic monitoring; and an array of supportive services such as educational classes and job training.8

This report will look specifically at one segment of the Treatment Industrial Complex: for-profit operation of state mental health hospitals and civil commitment centers for individuals convicted of a sexual offense. Although different in many ways, these two forms of residential confinement are grouped together, “because they represent the highest level of custody/supervision in the Treatment Industrial Complex (second only to incarceration in prisons, jails, and detention centers).”9 In both types of institutions, individuals are still held against their will for substantial periods of time in secure facilities and are not serving time for a conviction.

Another similarity is that,

Unlike prisons, from which over 90% of those incarcerated are eventually released, mental health hospitals and civil commitment centers represent the potential for lifetime confinement, which spells long-term, guaranteed profits for private corporations.10

Sadly, there is another similarity. Individuals convicted of a sexual offense and individuals with serious mental health needs who have been charged with a crime are often marginalized, stigmatized and feared by the public. As seen in the Prison Industrial Complex, the private prison industry exploits and profits off members of society who have been systematically disenfranchised, particularly communities of color and migrant communities. The Treatment Industrial Complex perpetuates the trend.11

Furthermore, the same for-profit company is making aggressive moves to take over both types of facilities. Correct Care Solutions, formerly known as GEO Care, a spin-off of GEO Group, has deep roots in the private prison industry. Although the company has shifted and changed numerous times over the last few years, CCS currently runs seven “treatment” facilities in Florida, Texas and South Carolina, including five mental health facilities and two civil commitment centers.12

This segment of the company is called Correct Care Recovery Solutions, but the company also has contracts to provide correctional healthcare in county jails, as well as state and federal correctional facilities. This report will trace the history of Correct Care Solutions, bring to light their behind-the-scenes involvement in the privatization of state hospitals and civil commitment centers in Texas, and expose the countless examples of abuse, neglect, and mismanagement in Correct Care Solutions facilities.

Evolution of a Company

1997 Wackenhut Corp starts Atlantic Shores Healthcare
2002 Group 4 Falck acquires Wackenhut and is renamed G4S
2003 Wackenhut Corrections separates from G4S and becomes GEO Group, Atlantic Shores Healthcare renamed GEO Care
2014 CCS acquires GEO Care

Evolution of a Company
PART I: THE PRIVATIZATION OF FORENSIC MENTAL HEALTH IN TEXAS

Across the United States, the alarmingly high number of individuals with mental health and substance use disorders in jails and prisons has become a major policy concern at the federal, state and local level. The concern is justified - 50 percent of individuals in correctional facilities experience both mental health and substance use disorders, compared to only 1 to 3 percent of the entire U.S. population. For these reasons, the criminal justice system is often called the “de facto mental health system,” providing expensive and inadequate treatment, if any at all.

Another result of high rates of mental health disorders among those who are incarcerated has been an increased demand for forensic psychiatric services across the country. Forensic mental health services refer to services generated through criminal justice involvement. This category includes individuals found incompetent to stand trial (IST) and not guilty by reason of insanity (NGRI). Forensic patients often have a longer length of stay in an inpatient setting and are more costly. The alarming spike in forensic services has created serious capacity issues for state hospitals. For example, in 1993, only 10.3 percent of state psychiatric budgets were spent on forensic commitments; by 2007 that number had gone up to 26 percent.

As the population in need of forensic psychiatric services swells, privatization is an attractive option for states working under rigid budget constraints. With this shift in demand, private companies with deep roots in the prison industry have moved into the business of mental health treatment.

Texas provides a case study in many of the state hospital trends seen nationally. The Texas Department of State Health Services reports that the percentage of forensic commitments to state hospitals rose 43 percent from 2001 to 2013. As state hospitals attempt to accommodate steadily climbing forensic commitments, fewer and fewer beds are available for individuals not involved with the criminal justice system. In fact, 2014 was the first year that state hospitals allocated more beds for forensic commitments than civil. In an attempt to free up bed space, the Texas Legislature authorized funding for four outpatient competency restoration programs and by 2012, twelve programs existed across the state. The alarming increase in forensic commitments comes in the wake of extreme budget cuts to public mental health services in 2011. As advocates warned, lack of community mental health services remains a driving force for the high number of individuals with mental health needs in the jails and prisons.

As the forensic population steadily grew and state hospital beds filled, wait times for individuals who were court-ordered to receive mental health treatment increased to unconstitutional levels. Some individuals found IST waited in jail for months for a treatment bed, all before ever being convicted of a crime. In response to the crisis, Disability Rights Texas brought a lawsuit against the state of Texas in 2007, which resulted in a 2011 ruling that limited the amount of time someone could wait in jail before receiving treatment to 21 days. Despite these efforts to increase community capacity, Texas has been forced to find and create new forensic hospital beds, sometimes even building new facilities.

TO PRIVATIZE OR NOT TO PRIVATIZE

Experts have debated solutions for Texas inpatient mental health facilities for a long time. It is a complex issue; publicly run facilities often provide inadequate and harmful care in an expensive and aging infrastructure. At the same time, the number of forensic psychiatric commitments has increased substantially over the last decade, causing lawmakers and stakeholders to demand more inpatient capacity. In 2011, the libertarian Texas Public Policy Foundation released a report lauding Florida’s state hospital system as the example that Texas should follow, specifically recommending the privatization of Texas’ state hospitals. However, mental health experts warn against privatization of forensic psychiatric treatment, raising concerns surrounding quality of care. Lynn Lasky Clark, President & CEO of Mental Health America of Texas, long-time watchdogs on the privatization of state hospitals, warns, “The most critical components of mental health care are patient
safety and quality of care. Privately run facilities, operating with a profit motive, can put one or both of those in jeopardy." Advocates instead recommend an expansion of community outpatient services that are more effective, less costly, and result in fewer people being involuntarily confined.26, 27

In addition, although research in this area is limited, so-called cost savings offered by private companies are linked to compromised patient care. The 2010 Utah State Legislature Executive Appropriations Committee found that the primary driver for cost savings in privatized forensic psychiatric care appeared to stem from a reduction in overall staff compensation, associated with high turnover rates, which are associated with increased harm to patients.28 In 2012, the North Carolina Psychological Association voiced strong opposition to the privatization of state-operated forensic psychiatric treatment, specifically by GEO Group. Cost savings, especially over the long term, were presented as unlikely and the NC psychologists raised concerns over quality of care.29

Unfortunately, concerns go far beyond cost savings. In August 2012, the Associated Press reported three gruesome deaths, including a patient who died in a scalding bathtub, at the South Florida State Hospital operated by Correct Care Solutions.30 In 2015, Florida's state hospital system was the subject of an investigative report by the Tampa Bay Times and the Sarasota Herald-Tribune, described in greater detail on page 10. Between 2008 and 2015, Florida's state hospitals saw a 45 percent increase in violent and other dangerous incidents yet no action was taken by the state or Correct Care Solutions. Roach infestations, sexual abuse, and 14 patient deaths due to violence and neglect are only some of what was revealed in the three-part series.31

Despite warnings, Texas built its first privately run forensic mental health hospital in 2011.

**Montgomery County Mental Health Treatment Facility**

In 2011, GEO opened the only privately operated, state-funded mental health hospital in Texas in 2011, now run by Correct Care Solutions. Plans to build the facility started much earlier. In 2009, through a secretive, last minute maneuver, the 81st legislature passed a budget rider authorizing $15 million for 100 additional inpatient beds. The Dallas Morning News reported, “The new facility came as a post-session shock to mental health advocates, who acknowledge the need for it. But they say they weren’t informed about it and never would have signed off if they knew Florida-based GEO was operating it.”32

Governor Rick Perry signed the appropriation in June 2009 and Montgomery County signed a contract with the state in May 2010. In 2011, GEO built the Montgomery County Mental Health Treatment Facility (MCMHTF) in Conroe, Texas, a county with a history of working closely with private prison companies. Opening its doors in March 2011, the facility has 100 beds with the potential to double in size. It provides only forensic psychiatric services, serving approximately 1,000 individuals who were found incompetent to stand trial between 2011
and 2013.\textsuperscript{33} GEO operates another facility in Conroe — the Joe Corley Detention Center, built in 2008. Both facilities were part of a federal investigation regarding the procurement process and construction financing because Montgomery County officials financed the $33 million Corley facility in part through federally tax-exempt bonds, but were not detaining county residents there.\textsuperscript{34}

The MCMHTF facility is the only one of its kind in Texas: the state contracted with the county, who then contracted with GEO Care, now Correct Care Solutions. The original contract with the state totaled $15 million, but was increased for the 2014-15 fiscal year to $15,417,450, in order to offer salary raises for certain frontline staff.\textsuperscript{35} Although funded with general revenue, the Department of State Health Services does not consider the facility a state hospital; rather, its capacity is referred to as “community beds.”\textsuperscript{36}

Management issues at MCMHTF arose quickly. Within its first year of operation, GEO Care was fined $53,000, half of the original penalty, after state inspectors found serious violations, including unauthorized restraint and seclusion of patients, incomplete medical records, failure to show patient consent for medications, and failure to report serious injuries to the state.\textsuperscript{37} Financial troubles also plagued the county. In June 2013, the county issued a Request for Proposals (RFP) to sell the facility. GEO Care underbid the county’s RFP, offering only $35 million. In November 2013 the county rejected GEO’s bid.

Similar to trends in the Prison Industrial Complex, communities of color are disproportionately impacted by the Treatment Industrial Complex. There is an over-representation of African Americans receiving treatment inside the MCMHTF, as shown in Figure 1. The disparity is likely due to a combination of racial profiling and discrimination in the criminal justice system paired with the over-diagnosis and confinement of African Americans in the mental health system.\textsuperscript{38} Emerging research reveals that African Americans charged with a crime are less likely to receive a competency evaluation than their white counterparts, but research is limited. However, when evaluated for competency, African Americans are more likely to be found incompetent.\textsuperscript{39}

\textbf{Figure 1: Racial and Ethnic Makeup of Commitments MCMHTF, 2013}\textsuperscript{40}

\begin{figure}[h]
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\includegraphics[width=\textwidth]{figure1.png}
\caption{Racial and Ethnic Makeup of Commitments MCMHTF, 2013}
\end{figure}

* Texas population includes non-white and white Hispanic in total
UNSUCCESSFUL ATTEMPTS TO PRIVATIZE STATE HOSPITALS IN TEXAS

Despite major challenges, privatization did not stop with Montgomery County. Since 2011, GEO has officially attempted to take over two existing state hospitals, while schemes to privatize other hospitals have also been discussed behind closed doors.

Kerrville State Hospital, 2012

In 2011, amidst the forensic bed “crisis” and serious budget cuts, the Texas Legislature authorized the privatization of one state hospital despite limited research, serious concerns from advocates, and instances of abuse at the GEO-run MCMHTF. Through an RFP process, five companies requested information: MHM Services, Inc., El Paso MHMR, and Liberty Healthcare Corporation (Liberty), Vodastra Solutions and GEO Care, Inc. Ultimately, only GEO Care submitted a proposal to take over Kerrville State Hospital.

GEO’s bid for Kerrville was fraught with controversy. Grassroots Leadership’s investigative research found that a former Chief Operating Officer at Kerrville State Hospital, Stephen Anfinson, was employed by GEO Care as the Facility Administrator and CEO at MCMHTF at the time that the company submitted its bid for Kerrville. Anfinson was not the only public servant to leave his post to serve the interests of GEO. At least four other GEO lobbyists in Texas came directly from government posts and have made upwards of $1.1 million lobbying in the company’s interest.41

Grassroots Leadership, along with a coalition of faith, human and civil rights, and mental health advocates launched a campaign to halt the award of a contract. In addition to exposing the company’s record in Texas and beyond, the coalition mobilized Kerrville community members to register their opposition to the sale of the state hospital with their members in the state legislature and with the Department of State Health Services (DSHS). Two of the most impactful letters to DSHS came from the Kerrville Economic Development Corporation and State Senator Troy Fraser that both cited local economics and job loss as a result of privatization as top concerns.

Community outcry was heard. In a letter to the Governor’s office, then DSHS Commissioner David Lakey rejected GEO’s proposal noting that although the RFP required that bidders cut costs by 10 percent, the company would have cut overall staffing by 21 percent and psychiatric nursing assistant levels by 27 percent. GEO’s proposal, Lakey wrote, would not “ensure a safe environment for patients and staff.” The proposal received a score of only 64 out of 100 during the review process. Lakey has since resigned from DSHS, stepping down in January 2015.42

Terrell State Hospital, 2014-2015

Despite the controversy and the ultimate failure of the proposed outsourcing of the Kerrville State Hospital, there was another attempt to privatize one of Texas’ state hospitals in 2014. This time, it came amidst major changes to the structure of state’s mental and healthcare service delivery. The Texas Sunset Advisory Commission regularly reviews state agencies to assess functionality and efficiency. The Texas Health and Human Services Commission (HHSC) was under review in 2014.

The Sunset Staff Report, which called for immediate action to address the “current crisis in the state mental health hospital system,” did not include recommendations to privatize state hospitals.43 Yet then HHSC Executive Commissioner Kyle Janek touted the release of an RFP to run Terrell State Hospital as a supposed solution to the crisis. Testifying at one of many Sunset Commission hearings, Janek explained, “We are in the business of operating facilities when we could contract with someone to operate those facilities,” he began. “I don’t feel any hesitation if the private sector can run our facilities, I think they could offer something.”44

Weeks before the hearing, in June 2014, with no warning or public input, HHSC issued a surprise RFP for Terrell State Hospital, a 316 bed facility outside of Dallas. This time, four companies expressed interest, of which GEO Care was one. Rather than risk the same fate as Kerrville, this RFP was written differently. Instead of requiring
bidders to reduce costs by 10 percent, HHSC asked bidders to serve more individuals for the same level of spending.45

At the hearing, Commissioner Janek illuminated some of the decisions that led to the way this RFP was drafted in 2014. He referenced the 2012 attempt to privatize Kerrville State Hospital, revealing that he worked with the bidder (GEO) to adjust the RFP this time around. GEO gave Commissioner Janek the idea that rather than ask for a 10 percent cost reduction, HHSC could draft the RFP to ask that the vendor serve more patients at the same level of spending. Advocates remained concerned that the outcome would be the same: reduced levels of spending per patient leading to compromised patient care. Although Commissioner Janek allowed GEO Care to provide input on the RFP, local public officials were not notified and there were no opportunities for mental health experts or the public to submit questions or concerns before the state moved forward with the RFP.

Shortly after the Sunset hearings, a scandalous $110 million dollar contracting debacle between HHSC and Austin technology firm 21CT was exposed, resulting in serious examination of all HHSC contracting practices.46 Even still, HHSC released a tentative award announcement for Terrell State Hospital on October 20 2014; GEO Care, LLC was the winning bidder.47 In response to the contracting scandal, legislators began calling for action and state Senators John Whitmire and Robert Nichols called for an investigation into HHSC’s attempt to privatize Terrell State Hospital. Consequently, in March of 2015, the State Auditor’s Office released a scathing report, concluding that:

the Health and Human Services Commission did not ensure that its decision to tentatively award a contract to GEO Care, LLC to manage selected operations at Terrell State Hospital provided the best value to the State. The Commission and the Department of State Health Services (Department) did not fully comply with the Commission’s contract planning and procurement processes.48

The audit’s list of mishaps included failure to conduct a preliminary needs assessment and a cost-benefit-analysis, tardy purchase requisitions, and failure to adequately verify the background, qualifications, and experiences of vendors. In addition, there were a number of discrepancies in the bid evaluation process including inconsistencies in scoring, lack of a minimum qualifying score, and failure to receive non-disclosure agreements prior to negotiations.49

The next month, the results of an investigation conducted by the Austin American Statesman revealed that there had been on-going communication between Commissioner Janek and Frank Santos, a well-paid GEO lobbyist. Emails between the two revealed an early scheme that created a timeline to privatize the state hospital. This plot was concocted before and without any legislative initiation and included suggestions from GEO Care on the timeline and content for the RFP. While Janek attributed the numerous text and phone contacts between himself and Santos to their personal relationship, many of the calls corresponded with important dates in the RFP process. On June 5, 2015 Governor Greg Abbott announced Janek’s resignation as HHSC Commissioner.50

The Statesman wrote,

The communications and internal memos obtained by the American-Statesman detail the behind-the-scenes campaign of a private company to use its personal connections inside the Health and Human Services Commission to make a profit operating mental health hospitals. It also raises questions about Janek’s role in promoting the deal, which officials later complained was rushed and broke state purchasing rules.51

As a result of the HHSC’s failures to adequately manage their contracts, several pieces of legislation were proposed during Texas’ 84th legislative session. Senate Bill 20 and its attached rider proposed by Senator Nichols had the most impact on Texas’ state hospitals. The rider prohibits any attempts to privatize a state hospital in Texas without Legislative Budget Board approval. The legislative oversight is key according to Sen.
GEO built the current FCCC facility. According to NBC, the uprising in 2005, when it was run by Liberty Healthcare. In 2008, the Florida Civil Commitment Center (FCCC) after an inmate home. GEO took over the multi-million dollar contract to run the Florida Civil Commitment Center in 2005, when it was run by Liberty Healthcare. In 2008, GEO built the current FCCC facility. According to NBC, the construction of the new FCCC in Arcadia increased GEO’s revenue by $22.1 million. Now CCS, the company was awarded Governor Scott’s Savings Award in 2012 for their “commitment to fiscal responsibility by implementing bold and innovative cost-saving business practices while increasing the effectiveness of state government operations.” In 2014, the CEO of GEO, George Zoley, hosted a $10,000-a-plate fundraiser for Gov. Rick Scott.

Not only is Florida GEO’s inpatient “treatment” facility hub, but the company also runs five of the state’s seven private prisons. Clearly a strong supporter of privatization, the Department of Corrections also contracts with a private company to provide its correctional healthcare — Corizon Health, Inc. until 2015. Corizon lost their contract after a Correctional Medical Authority audit revealed “life-threatening conditions” in the Florida Women’s Reception Center, and a Palm Beach Post investigation exposed serious problems with health care offered in Florida’s prisons. Most alarming, deaths increased by 10 percent and hit a ten-year record high within months of Corizon’s takeover in 2012.

Although Corizon continues to be expelled from states across the county (MN, MD, PA, MN, Rikers Island), the company manages to secure new contracts. During Texas’ 84th legislative session, Corizon lobbied to have legislation introduced requiring the Texas Department of Criminal Justice to explore whether a private company could provide cost savings to the state. In Texas and Florida, state leaders allow the same for-profit companies to provide health and mental health care to individuals in state custody, regardless of their poor track records. Despite case after case of abuse, neglect and death, public officials seem to be blinded by short-term cost savings and political contributions.

As some allies and advocates have pointed out, privatization might make sense considering the poor state of mental health systems across the country. Both Texas and Florida have historically provided sorely inadequate funding for mental health and healthcare, creating expensive crisis service systems that are in crisis themselves. Unfortunately, as Florida has painfully illustrated, privatization does not improve care, nor does it provide long-term costs savings. In fact, the private companies are the only ones who benefit from the deal.

Florida has the most concentrated treatment industrial complex in the nation. In 1998, GEO took over the South Florida State Hospital, making it the first privately run psychiatric facility in the U.S. GEO has expanded its operations since then; Correct Care Solutions (CCS) operates three of Florida’s six state hospitals, a total of over 800 beds.

In a recent joint investigation, the Tampa Bay Times and the Sarasota Herald-Tribune shed light on horrific conditions in Florida’s state-funded mental health facilities. Their findings were akin to Albert Q. Maisel’s Life Magazine report, Bedlam 1946: Most U.S. Mental Hospitals are a Shame and a Disgrace, published over 50 years ago. Roach infestations, sexual abuse, and 14 patient deaths due to violence or neglect are only some of what was revealed in this three-part series. Reporters found that in the CCS-run South Florida State Hospital, “patients didn’t have enough food to eat and were picking through trash cans for their meals.” In response to the report, journalist, author and Florida-native, Carl Haissan, has called for the FBI to investigate these “torture chambers.”

Much of the deplorable conditions were attributed to the fact that Florida slashed the state hospital budget — $100 million in budget cuts — while DCF drastically relaxed rules regarding injury and death, resulting in spikes in both. Violent attacks at the state’s hospitals increased by 45 percent between 2008 and 2015, yet staffing was cut by one-third. Staffing shortages contributed to the severe beating of a 37-year-old patient at the CCS-run North Florida Evaluation and Treatment Center, whose skull, face and jaw were broken by another patient, while staff were slow to respond. Furthermore, state regulators have been hiding the full extent of this violence and neglect from the public. In fact, multiple patient homicides were miscategorized as natural deaths.

The first privately run civil commitment center also calls Florida home. GEO took over the multi-million dollar contract to run the Florida Civil Commitment Center (FCCC) after an inmate uprising in 2005, when it was run by Liberty Healthcare. In 2008, GEO built the current FCCC facility. According to NBC, the construction of the new FCCC in Arcadia increased GEO’s revenue by $22.1 million. Now CCS, the company was awarded Governor Scott’s Savings Award in 2012 for their “commitment to fiscal responsibility by implementing bold and innovative cost-saving business practices while increasing the effectiveness of state government operations.” In 2014, the CEO of GEO, George Zoley, hosted a $10,000-a-plate fundraiser for Gov. Rick Scott.

Not only is Florida GEO’s inpatient “treatment” facility hub, but...
Civil commitment facilities also present a significant potential profit stream for private prison companies. In this case, the term civil commitment refers to the process of continued monitoring, surveillance, and “treatment” of individuals convicted of violent sexual offenses after serving their sentence. Correct Care Solutions operates two civil commitment centers: a 720-bed facility in Arcadia, Florida and a 382-bed facility in Littlefield, Texas. Florida’s facility was originally run by Liberty Behavioral Health Corporation, but GEO Care took over the contract in 2006 after horrific conditions led to an inmate uprising. Then, in 2008, GEO Care built a new and larger facility.

Individuals can be mandated for civil commitment when they have been convicted of more than one sexually violent offense and have been deemed as suffering from a behavioral abnormality or personality disorder. Those who are civilly committed have completed their prison sentences but are required to receive continued treatment and active monitoring upon release. Civil commitment has generated controversy since its inception in the 1990s, when states began to implement more severe sexual offense laws. As The Guardian wrote in 2013, “You can be classed as a sexually violent predator based solely on the subjective opinion of a state-employed psychologist or sex expert.”

Many civil commitment programs are being constitutionally challenged across the country due to the fact that very few or, in some states, no program participants are released. In Minnesota, federal district Judge Donovan Frank ruled the program unconstitutional. In his written comments he offered this explanation:

One reason why we must be so careful about civil commitment is that it can be used by the state to segregate undesirables from society by labeling them with a mental abnormality or personality disorder. For example, civil commitment might improperly be used to indefinitely extend the prison terms of individuals who have been criminally convicted of a crime and who have finished serving their defined terms of imprisonment. As the Court has observed previously, the fact that those committed to and confined at the Minnesota Sex Offender Program are sex offenders, who may indeed be subject to society’s opprobrium, does not insulate the criminal and civil justice systems from a fair and probing constitutional inquiry.

THE FIRST 16 YEARS OF CIVIL COMMITMENT IN TEXAS

While at least 20 states have enacted laws that allow civil commitment programs, prior to the opening of the Littlefield facility, Texas was the only state that used an outpatient halfway house model as opposed to a more punitive secure lockup model. Previously, the state housed about 300 individuals in halfway houses. Although no one in the program was ever re-convicted of another sexual offense, in all 15 years of the program’s existence, no one had ever completed treatment and “graduated” from the program either. In fact, civilly committed individuals were being sent back to prison for violating civil commitment rules, even those not criminal in nature. This often resulted in a never-ending revolving door between prison and the civil commitment program.

Although problems with the program had been ongoing, a clear crisis had emerged by 2014. Texas worked with two private companies to provide housing for the outpatient civil commitment program: Avalon Corrections (since purchased by Corrections Corporation of America) and GEO Group. Rather than entering into contracts with these companies, the Office of Violent Sex Offender Management (OVSOM) used memorandums of understanding (MOU) to provide housing services, totaling almost $4 million between 2012 and 2014. Due to the lax requirements associated with an MOU, it is no surprise that problems arose. In the summer of 2014, Avalon threatened to release 67 men under their supervision if the state refused to increase their pay from $44 per day per person to $77 per day and GEO Group indicated they would not renew their
In addition, the OVSOM received numerous community complaints when they relocated a number of their clients to an Acres Homes boarding house, an east Austin neighborhood, and then secretly planned to relocate to a remote location in Liberty County - all without notifying residents and community members. Then, the state released a RFP for “Community Residential Facility(s) to provide housing and related services for violent sex offenders who have been civilly committed.” They were hoping to make a final award in October 2014.

Not only had the program been plagued with housing problems, but there were also a number of problems with the OVSOM’s leadership. According to state Senator John Whitmire, former Executive Director Allison Taylor worked mostly from home and failed to keep the necessary records for the agency. In April 2014, Taylor resigned, replaced by Marsha McLane. In 2014, the agency was investigated by the State Auditor’s Office, the Health and Human Services Commission Office of the Inspector General, the Texas Rangers, and the Texas Public Integrity Unit. The resulting audit revealed numerous problems with the program. Namely, that the office did not have control over its 53 contracts and 12 MOUs, resulting in thousands of dollars of wasted taxpayer money and the ensuing housing crisis.

In addition to the OVSOM’s management failures, the previous system for decision-making regarding sexual offenses in Texas was further complicated by the fact that there was only one judge in the state responsible for civil commitments of people convicted of a sexual offense, Montgomery County District Judge Michael Seiler. Since the early part of 2015, Seiler has been recused from hearing eight civil commitment cases due to allegations of bias. These eight cases accounted for half of the sixteen petitions in total made by defense attorneys to have him removed from proceedings. As a result, Senator Whitmire requested that the Texas Commission on Judicial Conduct investigate Seiler.

Amid such controversy, a national complication emerged. Across the U.S., civil commitment programs came under federal scrutiny. Most notable was Judge Frank’s ruling in Minnesota that declared the civil commitment program unconstitutional because it lacked a clear path to “graduate” from the treatment program and be released. Rather than risk federal involvement, Texas fast-tracked legislation to drastically alter the state’s civil commitment program.

THE CURRENT CIVIL COMMITMENT PROGRAM IN TEXAS

Although Texas had not historically committed individuals convicted of a sexual offense in lockup facilities, rumors that the state was headed in that direction began in June 2014. The beginning of an investigative series, the Houston Chronicle reported that the state was considering using a Texas Juvenile Justice Department facility that closed earlier that year.

Around the same time, negotiations to repurpose the Bill Clayton Detention Center as a new civil commitment center also began. The remote Bill Clayton Detention Center had lain empty for six years. Owing 13% of their budget in bond payments each year, the city of Littlefield has tried to repurpose the empty facility before. The problems in Littlefield have been persistent since building the $11 million jail in 2000. Littlefield has tried to auction off the facility and fill it with prisoners from New Mexico, California, and even immigrant children.

Despite the contracting scandal that thwarted the Terrell State Hospital contract, HHSC issued a request for proposals for operation of a civil commitment center on June 4, 2015, the day before Commissioner Janek resigned. After only one week of deliberation, the state awarded the $23,688,573 contract to Correct Care Solutions on July 24, 2015. HHSC clearly fast-tracked the contracting process, noted by staff at the July 24 Civil Commitment meeting, conveniently setting the award date just before SB 20 went into effect, which would have required a more rigorous and transparent contracting process.

Littlefield is now the home for nearly 200 individuals convicted of a sexual offense who have served their sentences, but who have been indefinitely civilly committed. Although required to be a therapeutic rather
than punitive program, a company with roots in the private prison industry operates the facility. Correct Care Solutions (CCS), a spin-off of the GEO Group, is the same corporation that operated the facility until 2009 and one of the two vendors who exited their housing contract with the Office of Violent Sex Offender Management. This contract seems a consolation prize for CCS, who lost the bid to take over Terrell State Hospital months before securing this contract.\(^8^5\)

Josh Gravens, who was held in the Littlefield facility as a juvenile from 2000 to 2003, has traumatic memories of the place and the so-called treatment he received. Then run by GEO, Gravens comments on the facility: “It was a prison then and it’s a prison now.” Much like the treatment provided for individuals found incompetent to stand trial, he points out, sex offender treatment involves information and memorization, not mental health care. Regarding the new Littlefield facility, he explains, “You can’t have a therapeutic relationship with someone who holds the key to your freedom. If there is an incarceration component, there is no treatment.”

The opening of Littlefield comes alongside numerous changes for the civil commitment program. Attempting to get ahead of the federal government after Judge Frank’s decision in June, Senator Whitmire introduced Senate Bill 746 during the 84th legislative session.\(^8^6\) Signed by Gov. Abbott on June 16, 2015 and effective immediately, the legislation accomplished a number of sorely needed reforms. Unfortunately, the bill also removed the outpatient requirement from statute, allowing the state to confine all program participants in a more restrictive lockdown facility, rather than in halfway or boarding houses in various parts of the state.

According to Senator Whitmire, the new program is designed to allow participants to move through the tiered system, with prison-like confinement only at the front end.\(^8^7\) Unfortunately, the contract reveals no mention of release until completing the fourth and final tier.\(^8^8\) On the one hand, if someone follows the rules and makes
strides in their treatment, in theory, they could move through the tiers and eventually leave the program, which has never happened to date.\textsuperscript{89} On the other hand, treatment components and policies governing length of time spent in each tier remain undefined and anyone who is released will continue to remain under state supervision and ankle monitoring.

Although some program participants are hopeful about the changes, others are skeptical.\textsuperscript{90, 91} The state asked program participants to sign a waiver to voluntarily enter the new program, but 97 refused. The distrust of the new program may stem from the program’s constitutionally dubious history. Although in theory there is now a process for individuals to move through the program and potentially be released, the state’s contract with CCS incentivizes keeping the Littlefield facility full. The state will pay CCS $128.70 per person per day initially, but once the population increases to over 250 individuals, the state gets a break and will pay less than $100 per person per day.\textsuperscript{92} CCS’s contract in Florida works the same way. The bed rate is $102.28 for up to 680 residents, dropping 30 percent after that, to $69.90 per bed.\textsuperscript{93}

Similarly to private prison and immigrant detention contracts, the state is incentivized to keep the number of individuals confined in Littlefield high, rather than encouraging rehabilitation and release. This perverse incentive is especially troublesome because oversight for the program will come only from the agency itself. As evidence of this perverse incentive, a man housed in the Florida Civil Commitment Center revealed that CCS files excessive disciplinary reports, which are then used against program participants. He writes,

\begin{quote}
There is something fundamentally wrong when my for-profit keepers can write as many disciplinary reports against me as they please … and then use those disciplinary reports against me at trial to commit me and during my annual review to keep me committed so my for-profit keepers can make money off me.\textsuperscript{94}
\end{quote}

With such a poor track record on the part of the agency and the private corporation running the facility, participant skepticism seems completely warranted.

Since the opening of the facility, the new law and the program itself have been constitutionality challenged.\textsuperscript{95}

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GEO has doubled their lobbying investments in Texas over the last five years

Not surprisingly, private prison corporation GEO Group has been involved in the privatization of state hospitals in Texas from the beginning. Despite their poor track record of owning and operating private prisons and detention centers in Texas, the company and its successor health care company Correct Care Solutions, remains deeply involved in the industry in large part because of their deep pockets. Although it remains somewhat unclear where lobbying records for GEO Group, GEO Care and Correct Care Solutions separate, each has made sizeable investments in Texas employing the same lobbyists. Lionel Aguirre, Frank Santos, Jennifer Sellers and Gabriel Sepulveda have all been hired by GEO Group, GEO Care and Correct Care Solutions, oftentimes working for all three companies at once.\textsuperscript{96} Most notably, lobbyist Frank Santos, whose relationship with the former Texas Health and Human Services Commissioner, Kyle Janek, was at the center of Janek’s controversial resignation, has been on the payroll since 2011.
CONCLUSION

The creation of Correct Care Solutions illustrates a calculated move by a for-profit prison corporation into mental health and other “treatment” facilities, yet CCS will soon have very little formal connection to the for-profit prison industry. For these reasons, it remains important to call attention to the link between these companies, their history and the Prison Industrial Complex. Therefore, this report uses the Treatment Industrial Complex to retain that link and reference the harm caused by a profit driven criminal justice system. At the same time, private prison companies will continue to find new opportunities for growth and expand into new markets. Mental health and civil commitment facilities are only one component of the Treatment Industrial Complex, but the trend is particularly troubling because of the potential to hold someone indefinitely.

Due to deep pockets and inside information, TIC companies are able to anticipate industry trends, while advocates often only learn of a new contract after it is too late. This report details how this plays out on the ground. The crises and challenges that face public officials and community leaders are only dollar signs to corporations. A dearth of community mental health services and a spike in the forensic mental health population means increased revenue; a civil commitment program in serious trouble is an opportunity for growth and profit. These trends will shift over time and private prison companies will adapt, re-brand and continue to profit off of human confinement and suffering.

However, there are ways to interrupt this cycle.

Hold public officials accountable. Although public information requests are often thwarted, communities have a right to be involved in the government decision making process. Both elected officials and government appointees are obligated to share information with constituents, yet as seen in Texas and across the U.S., private companies seem to be more informed than local stakeholders. The 84th Texas Legislature passed SB 746 with little opposition, a bill now being questioned on the grounds of its constitutionality. In the case of Terrell State Hospital, a contracting scandal discovered through the Texas Sunset Commission and investigative journalism caused enough scrutiny into HHSC contracting practices that Correct Care Solutions lost their tentative contract award. Furthermore, outcomes in Florida offer proof that Correct Care Solutions provides substandard and harmful services. Elected officials cannot look the other way. Presenting this information can help hold decision makers accountable when the pro-privatization lobby is strong.

Track the industry, including shareholder calls, corporate lobbying and campaign contributions. Publicly shared corporations hold public shareholder calls, which offer a glimpse into the plans and intentions of each company. In addition, lobbying trails and campaign contributions expose for-profit companies’ plans, sometimes before contracts are secured. Understanding who they court can help illuminate plans for a new facility and offer advocates an opportunity to sound the alarm. By tracking their investments, advocates can provide opportunities to interrupt their tactics, getting to public officials first or exposing their relationships.

End our dependence on the criminal justice system and the companies that back that system. Private prison companies have shifted and expanded their reach in response to public policy changes aimed at curbing prison populations. Unfortunately, some reforms that attempt to create alternatives to incarceration only re-create new forms of incarceration and new avenues for profiteering. Under auspices of providing treatment or more humane corrections, these reforms often create “net-widening,” allowing the criminal justice system further into people’s lives and increasing opportunities for private companies to further profit. In order to disrupt the Prison Industrial Complex, and therefore the Treatment Industrial Complex, public policies must move away from surveillance and confinement altogether and promote community-based solutions to public safety issues.

This report is part of a series on the Treatment Industrial Complex. Look for an in-depth report on community corrections and the Treatment Industrial Complex in spring 2016.
INCORRECT CARE:
How a Prison Profiteer Disguises Confinement as Care
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(Part of the Treatment Industrial Complex Series)

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