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The Role of the Prison-Industrial Complex in Demilitarization, Corporate Outsourcing, & Immigration Policy

By Shellie Anna Shimmel

Abstract: The traditional system of justice in the United States, based on the goals of retribution, incapacitation, rehabilitation, deterrence, and restitution, has been replaced with a corporate model of mass punishment based on profits, expediency, and the exploitation of free labor. This corporation is known as the “Prison-Industrial Complex” (“PIC”), and is made up of an enormous, interweaving system of correctional institutions, profit-driven corporations, and politicians. Some question whether the builders of the Prison-Industrial Complex could have predicted the outcome of their actions, but in fact their actions were orchestrated to produce certain results. Corporate executives and politicians are well educated and intelligent people. The Prison-Industrial Complex did not just happen by chance, but was planned out. The goal of the PIC is not the social good of imprisoning the minimum number of inmates possible for the least amount of time necessary to maintain public safety, deter crime, and rehabilitate offenders. Rather, the PIC profits from having as many prisoners as possible, incarcerating them long-term, providing little-to-no rehabilitation services, and caring for them as cheaply as possible. Our criminal justice system has been hijacked to increase the wealth and power of politicians and corporations, as well as to replace low-to mid-range jobs lost to military downsizing and corporate outsourcing.

The Current Crisis

The United States currently has the largest prison system in the world, and incarcerates more of its own people than China, and even Russia.1 Roughly 1,000 new jails and prisons have been built across the U.S. over the past few decades, including almost two dozen in California, but the U.S. correctional system is more overcrowded today than it was when the building spree first began.2 The prison system in California has been kept packed to the rafters with inmates since the 1990s, incarcerating

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1 See Figure 1.
The Role of the Prison Industrial Complex

almost 175,000 inmates at its peak in 2006, and is the most overcrowded prison system in the U.S.\(^3\)

In studying overcrowding in California’s prison system, the Criminal Justice Center at Stanford Law School found that “California’s prison population has grown from 20,028 in 1975 to 167,264 in 2010 (an increase of approximately 735%). During that same time period, California’s overall population grew from 21,537,000 to 36,961,664 (an increase of roughly 72%).”\(^4\) As a result, the California Department of Corrections is now one of the state’s largest employers with 33 state prisons, and 33,000 employees.\(^5\) Likewise, the California Correctional Peace Officers Association is now the largest and most powerful labor union not only in California, but also in the entire United States.\(^6\)

The cost of supporting the massive growth in California’s prison system is at the expense of higher education. It costs California taxpayers approximately $10 billion dollars annually to support the Prison-Industrial Complex, and since funding for both the state prison system and the state university system comes from the same General Fund, funding for higher education has been cut to help pay for more prisons.\(^7\) According to former California Governor Arnold Schwarzenegger, prison spending has increased over the past 30 years from 3% of the General Fund to 11%. During the same time period, spending for higher education was reduced from 10% to 7.5% with students having to make up the difference in the form of record tuition increases. In a speech made in January 2010, the former governor also said, “Spending 45% more on prisons than universities is no way to proceed into the future.”\(^8\)

With regard to the effects of prison overcrowding, several lawsuits for civil rights violations have been brought by California inmates in recent years citing cruel and unusual punishment due to the

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7 National Public Radio.
severe overcrowding. One of these cases, *Brown, et al. v. Plata, et al.* (2011) was appealed all the way to the U.S. Supreme Court by the PIC, which refused to comply with orders from the lower courts. It required a ten-year legal battle, and repeated intervention by the U.S. Supreme Court, to force the PIC to start the process of releasing inmates to ease the inhumane overcrowding. After sending investigators, the Court was shocked to discover, among other things, that prisoners were being held in cages the size of telephone booths, the state was routinely failing to provide at least minimal health care to inmates, and that 15-20 inmates were forced to share a single toilet. In order to restore the prison system to compliance with the Eighth Amendment, the Court ordered that the prison population, which was at over 200% of design capacity, be reduced to 137.5% of design capacity within 2 years.9

In response to the U.S. Supreme Court’s order, California Governor Jerry Brown signed AB 109 and AB 117 in early 2012. These bills ordered that low-level, non-violent inmates be transferred from the state prison system to county jails. Being that California’s jails were also suffering the plight of severe overcrowding, the state soon began releasing inmates from custody altogether, and putting them on probation instead.

Why did the PIC fight so hard for so long to hold onto the people in its custody? The reason is because not only does the PIC provide desperately needed jobs for correctional officers and prison staff, as well as economic support to their local communities, but it also provides prison labor to dozens of large U.S. corporations. Labor formerly performed by unionized U.S. citizens is now performed by convicts in U.S. prisons instead.10

Slavery was officially abolished in the U.S. with the passage of the 13th Amendment in 1865. California’s State Constitution, Article 1, § 6,11 like all other U.S. states, has an exception to abolition in the form of penal servitude, however. Every state in the U.S. currently takes advantage of this exception by owning and operating prison industries.12 Eve Goldberg and Linda Evans, prisoners at the Federal Correctional Institution in Dublin, California wrote:

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12 Chang & Thompkins, 45-69.
For private business, prison labor is like a pot of gold. No strikes. No union organizing. No health benefits, unemployment insurance, or worker’s compensation to pay. No language barriers, as in foreign countries. New leviathan prisons are being built on thousands of eerie acres with factories inside the walls. Prisoners do data entry for Chevron, make telephone reservations for TWA, raise hogs, shovel manure, make circuit boards, limousines, water beds, and lingerie for Victoria’s Secret—all at a fraction of the cost of ‘free labor.’

Other U.S. corporations, such as: Microsoft, Motorola, Texas Instruments, Honeywell, Boeing, IBM, and Revlon, also take advantage of prison labor. Many of the empty factories and office buildings now common on the U.S. landscape are a result of the shift to prison industries.

Background

How did all this happen? Let us take a look at some recent history. Former U.S. President Dwight D. Eisenhower warned us in his famous 1961 speech, *Farewell Address to the Nation*, against creating a “Military-Industrial Complex.” He feared the growing fusion between corporations and the armed forces posed a serious threat to democracy. President Eisenhower explained that the rivalry between the U.S. and the former Soviet Union during the years following World War II (the “Cold War” era) “compelled the United States to create a permanent armaments industry of vast proportions.” As a result, he said, “We annually spend on military security alone more than the net income of all United States corporations combined.” He further warned, “The potential for the disastrous rise of misplaced power exists and will persist. We must never let the weight of this combination endanger our liberties or democratic processes.” The U.S. government, however, paid no heed to these warnings and built an enormous war industry anyway. C. Wright Mills described it as being “a coalition of generals in the roles of corporation

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14 Chang & Thompkins, 45-69.
executives, of politicians masquerading as admirals, of corporation executives acting like politicians.”

After the end of the Cold War in the late 1980s, continued financial support for the Military-Industrial Complex became difficult to justify politically. At this point, the government began downsizing the Armed Forces by closing several military bases. California was hit hardest, shouldering the loss of almost 100,000 military and civilian jobs within the Department of Defense, and suffering 53.8% of the military cuts for the entire country.

The Prison-Industrial Complex soon replaced the Military-Industrial Complex, and several events were coordinated to facilitate this transition. The drug laws signed in 1973 by former New York State Governor Nelson Rockefeller are the starting point of the PIC. They established strict mandatory prison terms for the possession or sale of illegal narcotics based on the drug’s weight. The U.S. prison population quickly began to skyrocket as a result.

Former U.S. President Ronald Reagan continued the movement by declaring a “War on Drugs” and appointing a “Drug Czar” to oversee the battle. The passage of President Reagan’s Anti-Drug Abuse Acts of 1986 and 1988 established much tougher mandatory prison sentencing for crack cocaine versus powdered cocaine. Crack cocaine is used primarily in lower class African American and Latino communities, while powdered cocaine is more prevalent among middle to upper class Whites. Therefore, these biased laws worked to ensure an overrepresentation of lower class African Americans and Latinos in the prison population, and helped drive the most massive wave of imprisonment in United States history.

Largely as a result of these racially biased laws, African Americans comprised 46% of the prison population at the national level in 2001 while only comprising 12% of the total U.S. population. In 2008, California’s prison population was 29% African American even

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18 Davis.
19 See Figure 2.
20 Chang & Thompkins, 45-69.
21 Ibid.
22 California Department of Corrections & Rehabilitation, “California Prisoners and Parolees 2009; Summary Statistics on Adult Felon Prisoners and Parolees,
though African Americans comprised only 6.6% of the total population in California.\textsuperscript{23} Nationally, African Americans were incarcerated at five times the rate of Whites, and Latinos were incarcerated at three times the rate of Whites.\textsuperscript{24}

Additionally, an estimated 60-80\% of prison inmates in the U.S. have substance abuse problems. Since the PIC profits from recidivism, however, drug treatment programs have been cut by more than half since 1993. This has turned California’s prison system into a revolving door for “poor, highly dysfunctional, and often illiterate drug abusers.”\textsuperscript{25}

While the U.S. government was downsizing the Military-Industrial Complex in the late 1980s to mid-1990s,\textsuperscript{26} the U.S. corporations had already begun downsizing by outsourcing manufacturing jobs to Third World countries. Nationally, 5.3 million manufacturing jobs were lost from 1979 through 2007. U.S. corporations have created windfall profits for themselves by exploiting cheap labor, including child and prison labor, in foreign countries such as China, Mexico, and India.\textsuperscript{27}

Manufacturing was the mainstay industry for blue collar workers in the U.S., a disproportionate number of whom were African American. Many workers who were laid off due to corporate outsourcing resorted to selling drugs, particularly crack cocaine, because it was inexpensive to make, in order to provide for their families. This led to the now-infamous “Crack Wars” of the 1980s.\textsuperscript{28}

African Americans and Latinos, the segments of the U.S. population hit hardest by manufacturing outsourcing,\textsuperscript{29} were then used for political and corporate profit by the PIC. These people were the intended targets of President Reagan’s anti-drug legislation which was created by politicians in cooperation with corporate executives to further

\textsuperscript{24} Chang & Thompkins, 45-69.
\textsuperscript{25} Schlosser.
\textsuperscript{26} Freedman & Ransdell.
\textsuperscript{29} Johnson, Jr. et al., 883-899.
the expansion of the PIC.\textsuperscript{30} This racist repression and exploitation eroded the legitimacy of the U.S. criminal justice system.\textsuperscript{31}

In order to continue the expansion of its prison-for-profit empire, the PIC launched the “Tough on Crime” movement in the early 1990s. They utilized a media campaign of scare tactics to frighten voters into passing harsh new state legislation. Their use of inaccurate inmate stereotypes in disturbing political ads, as well as the politicizing of the disturbing Polly Klaas child abduction and murder case in Sonoma County, California in 1993, caused Californians to believe that harsher prison sentences were needed in order to keep the public safe from predatory career criminals.\textsuperscript{32}

By this time, the PIC was showing significant profits, and small companies such as Wackenhut and the Correctional Corporation of America (CCA) were turned into mega-corporations.\textsuperscript{33} With money comes power, and the PIC obtained enough to send lobbyists to Washington, D.C. to lobby for stricter laws to keep those already behind bars in prison for longer periods of time, and to increase the penalties for recidivism.\textsuperscript{34} These new laws condemned millions of Americans, mostly poor African Americans and Latinos,\textsuperscript{35} to longer prison terms with the passage of the “Truth in Sentencing” and “Three Strikes” laws in 1994.\textsuperscript{36}

The “Truth in Sentencing” Law requires that prison inmates serve a minimum of 85\% of their sentence before becoming eligible for parole. Time off for good behavior (“good time credits”), work furloughs, halfway houses, and even the model of rehabilitation itself became a thing of the past. The “Three Strikes” Law, before it was later modified by the U.S. Supreme Court, mandated a 25-years-to-life prison sentence for any third offense, even something as minor as stealing food, which resulted in “third strikers” receiving life sentences for petty theft or drug abuse.\textsuperscript{37} The debate continues over Three Strikes being an

\begin{itemize}
\item \textsuperscript{30} Chang & Thompkins, 45-69.
\item \textsuperscript{31} Reinarman & Levine, 182-199.
\item \textsuperscript{33} Chang & Thompkins, 45-69.
\item \textsuperscript{34} Tanya Golash-Boza, “The Immigration Industrial Complex: Why We Enforce Immigration Policies Destined to Fail,” \textit{Sociology Compass} 3, no. 2 (2009): 295-309.
\item \textsuperscript{35} Chang & Thompkins, 45-69.
\item \textsuperscript{36} National Public Radio.
\item \textsuperscript{37} Schlosser.
\end{itemize}
effective crime deterrent, and whether it was responsible for the subsequent drop in crime rates in the late 1990s.\textsuperscript{38}

Additionally, former President Bill Clinton did his part to keep the PIC’s empire growing by advocating for, and signing, the Violent Crime Control and Law Enforcement Act of 1994. This act created new federal crimes, and mandated even more severe prison sentencing. It also budgeted $30 billion dollars to hire more police officers, and to build more prisons.\textsuperscript{39}

### The Major Player

The PIC’s largest corporation, the Correctional Corporation of America (CCA), is headquartered in Nashville, Tennessee. It was co-founded by Thomas W. Beasley, the former chairman of the Tennessee State Republican Party. Mr. Beasley’s political connections gave CCA the positioning it needed to aggressively lobby for lucrative government contracts. Several high-ranking state government officials own stock in CCA, giving state government leaders a financial incentive to imprison their own citizens.\textsuperscript{40}

As of 2012, CCA had custody of approximately 80,000 prisoners in 64 facilities across the United States, and has profited so greatly from political cronyism, the “War on Drugs,” and massive new legislation they have expanded globally. CCA now provides full management services for prisons in countries such as Puerto Rico, Venezuela, the U.K., France, Australia, and South Africa. They openly market prison building as a way to replace lost manufacturing jobs, and to create economic development in impoverished rural areas. Additionally, there are more than 1,000 private vendors profiting from the PIC, providing everything from food to toilet paper.\textsuperscript{41}

### Immigration Profits the PIC

Stricter laws created and support the Prison-Industrial Complex, and today immigration does as well. With the build-up of the Military-Industrial Complex during the Cold War, the enemies were the


\textsuperscript{39} Chang & Thompkins, 45-69.

\textsuperscript{40} Ibid., 50.

Communists. During the expansion of the Prison-Industrial Complex in the 1990s, the enemies were criminals; mostly lower class African American and Latino males with substance abuse problems. Today, with the construction of the Immigration-Industrial Complex, the enemies are undocumented immigrants who are criminalized by being labeled “illegal aliens,” and have been described in the media as freeloaders, predatory villains, drug traffickers, and even terrorists. For all three of these industries, the creation of an enemy of the state, or as sociologists call it, “other-ization,” was necessary to garner popular support for massive government spending of taxpayer dollars under the guise of safeguarding the nation. This tactic provides huge money-making opportunities for politicians and the corporations they do business with, such as MCI, Lockheed Martin, Unisys, and not surprisingly, Halliburton.

Shortly after the attacks of September 11, 2001, the Immigration and Naturalization Service (INS) was renamed Immigration & Customs Enforcement (ICE), and was placed under the newly-created Department of Homeland Security (DHS). It was at this point the U.S. government made immigration an issue of national security and began criminalizing undocumented immigrants. Soon media commentators such as Lou Dobbs, Glenn Beck, and Bill O’Reilly were sounding the alarm that our country was being “over-run” by “hordes of invaders” carrying out the “reconquista” of the American Southwest. Also, during this time, many Americans found undocumented immigrants to be appropriate scapegoats for our current economic troubles, blamed them for taking jobs from Americans, and causing wage deflation.

In order to fight off the invasion by these newly-defined enemies of the state, the budget for U.S. Customs and Border Patrol was nearly doubled from $5.8 billion in 2003 to $10.1 billion in 2008. Similarly, the budget for ICE was increased from $3.2 billion in 2003 to $5 billion in 2008. The budget for ICE alone in 2008 was double what the entire INS budget was in 1996. These massive budget increases, however, have not

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42 Schlosser.
46 Ibid., 289.
resulted in a decrease in the population of undocumented immigrants in the U.S. 47

As of 2009, the number of undocumented immigrants in this country totaled over 12 million (that we know of), and Congress has failed to pass effective immigration reform to deal with them because of the profits being made from detaining them. 48 Almost 300,000 people are currently being held in immigrant detention centers in the U.S., 49 and the California state prison at Lompoc is now entirely devoted to the detention of undocumented immigrants.

In addition to immigrant detention centers run by the states, some are run by ICE and others by private corporations such as CCA, which won its first government contract to build an immigrant detention center in Houston in 1984. CCA later saw its annual revenue increase from $50 million in the early 1990s to $462 million in 1997. It was at this point CCA began building speculative prisons – excess prison space for inmates who did not yet exist. Their expectation was that the harsh new crime laws, such as “Three Strikes,” would provide a steady stream of warm bodies in the years to come.50

Prison incarceration rates, however, began to level off a few years later. By 2000, CCA was left with 8,500 empty prison beds, and over $1 billion dollars of debt. Teetering on bankruptcy, their saving grace was the U.S. government’s criminalization of immigration after 9/11. CCA was able to use federal lobbying to gain more government contracts, and soon their empty prisons were filled with thousands of newly apprehended undocumented immigrants.51

To be specific, CCA’s lobbying expenses skyrocketed from $410,000 in 2000 to $3 million in 2004, and this spending in Washington was effective for not only filling their empty beds, but also for gaining new contracts to build even more prisons. In 2007, CCA spent $2.5 million lobbying on legislation and regulations related to the private prison industry, and in 2008 they built a new 3000-bed detention facility in San Diego, California. CCA and their prison-for-profit competitor Wackenhut are paid about $100 per day by the DHS for each detainee in their custody, and now continue to show annual revenue increases. Not

48 Chang & Thompkins, 45-69.
51 Ibid., 290.
only has lobbying Washington greatly benefitted CCA, but their political connections have as well. The former head of the Federal Bureau of Prisons, J. Michael Quinlan, is one of CCA’s top executives.52

In a related study conducted by UC Berkeley Law School in 2011, it was found the U.S. immigration system processes people into detention facilities very quickly without giving them the opportunity to legally challenge their detention and/or deportation. It was also discovered a large number of the people in immigration detention should never have been taken into custody. For example, approximately 3,600 U.S. citizens have been held in ICE detention for undocumented periods of time, and in secretive conditions, from the inception of the agency through 2010.53

Further, profiling is suggested by the over-representation of young Latino males in immigration detention. Latinos comprise 93% of the individuals arrested for undocumented status although they comprise only 77% of the undocumented population in the United States.54 Also, little is known about what happens to people once they are booked into ICE detention centers, or privately-run immigrant detention facilities, as authorities do very little record keeping regarding the duration of immigrant detentions, what is done with immigrants while in detention, or even why immigrants are in detention in the first place.55

Unlike criminal defendants, immigration detainees are not afforded the basic procedural protections and transparency that comes with U.S. criminal proceedings. They are denied access to attorneys, many are denied bail due to harsh mandatory detention laws, and they do not have the right to trial in the venue where they were arrested, but rather are routinely transferred thousands of miles away to remote detention facilities in far off jurisdictions. Many detainees have been transferred numerous times among various facilities, and this has had devastating effects on their families.56 In addition, ICE fails to follow its own risk-based policies and guidelines when determining whether or not someone should be detained; instead choosing to arbitrarily detain people for unspecified periods of time.57 This constitutes a total lack of due process, and provides unlimited fodder for the Immigration-Industrial Complex.

52 Ibid., 290-91.
53 Kohli, et al.
54 Ibid., 2.
55 Ibid., 4-6.
56 Ibid., 7.
57 Ibid., 9.
Conclusion

In understanding the creation and interconnectedness of these three huge industries, it becomes clear there must have been some grand design for the predicament the U.S. criminal justice system finds itself in today. Motivated by desire for financial and political gain, powerful U.S. politicians have created structural inequalities in our social and justice systems to marginalize the poor, the non-white, and the non-citizen.58 These politicians, along with corporate executives, have built fiefdoms for themselves off the profits of processing these marginalized people through the Prison-Industrial Complex59 and the Immigration-Industrial Complex.60 They have also been willing to routinely violate the civil and constitutional rights of American citizens by subjecting our prison inmates to torturous living conditions on a daily basis to maximize their profits.61

Additionally, it required repeated intervention by the U.S. Supreme Court over a period of ten years to force the PIC to begin the process of bringing our state prison system back into U.S. Constitutional compliance.62 Hopefully, the action taken by the Court, combined with California’s current economic struggles (of which the PIC is largely responsible), will force the PIC to restore our prison system to its proper and intended purpose, rather than continuing to use it as a means to exploit the poor and enrich themselves.

59 Schlosser.
61 Brown, Governor of California, et al. vs. Plata, et al.
62 Ibid., 1.
Bibliography


The Role of the Prison Industrial Complex


The Role of the Prison Industrial Complex

Figure 1: “Prison Populations by Country.” International Centre for Prison Studies. 2006.

Figure 2: “Sentenced Male Offenders: 1920-2012”
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Author Bio

Shellie Shimmel earned her bachelor’s degree in Criminal Justice from California State University, San Bernardino in 2012, and will graduate from CSUSB in 2014 with a second bachelor’s degree in Psychology. Ms. Shimmel is currently serving an internship through the CSUSB Psychology Department where she works with inner-city at-risk youth in an afterschool theatre arts and music program, and is enjoying learning more about the African American community. She plans to enter graduate school at CSUSB in Fall 2014 to earn a Master of Science in Clinical Counseling Psychology. Her long-term goal is to become a licensed Marriage & Family Therapist, and to work with crime victims, veterans with post-traumatic stress disorder, and their families. Ms. Shimmel lives in San Bernardino, California with her Chihuahua Lupe Lou, and hopes this article will help bring about much-needed reform in our criminal justice system.