

PRESS RELEASE

Human Rights Defense Center
For Immediate Release



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SEC Rejects Corrections Corporation of America's Objection to Shareholder Effort to Reduce Prisoner Sexual Abuse

Criminal justice, sexual abuse prevention and women's right organizations support shareholder resolution to hold CCA accountable for reducing rape and sexual abuse of prisoners at the company's for-profit detention facilities.

Nashville, TN – Last week, the Securities and Exchange Commission (SEC) rejected efforts by Corrections Corporation of America (NYSE: CXW), the nation's largest private prison company, to exclude a shareholder resolution that seeks to hold CCA accountable for reducing incidents of rape and sexual abuse at the company's for-profit detention facilities.

The [resolution](#), introduced by Alex Friedmann, a former prisoner who was incarcerated at a CCA-operated facility in the 1990s, seeks bi-annual reports describing the Board of Directors' oversight of the company's efforts to reduce incidents of rape and sexual abuse of inmates housed at each of CCA's prisons. Friedmann is employed as the associate editor of *Prison Legal News*, a publication of the non-profit Human Rights Defense Center.

"The purpose of the resolution is twofold," said Friedmann. "First, to ensure that shareholders know the scope of the problem of sexual abuse at CCA's facilities, the risk that problem poses, and what the company is doing to mitigate that risk. Also, if CCA knows it will be accountable to shareholders, then the company will have an incentive to take actions to reduce sexual abuse of prisoners, particularly by CCA employees – which is a significant problem."

CCA had [formally objected](#) to the shareholder resolution, saying the company would voluntarily provide reports related to prisoner rape and sexual abuse. However, the reports would be produced just once a year and would only include data from a "sample" of CCA facilities. Friedmann argued in his response to CCA's objection that this would fail to substantially implement the resolution.

"If CCA is serious about reducing rape and sexual abuse of prisoners then they wouldn't offer to provide incomplete, untimely and less frequent reports," Friedmann stated. "If Walmart or McDonald's employees were raping or sexually abusing customers on a consistent basis, there would be a public outcry. Equally, there should be outrage when CCA's private prison employees rape or sexually abuse prisoners."

The resolution's supporting statement notes that the U.S. Department of Justice found in a 2008 report that a CCA-operated facility had the highest rate of sexual victimization among all the jails surveyed. Two states, Kentucky and Hawaii, removed their female prisoners from CCA's Otter Creek facility in Kentucky following a sex scandal involving at least six CCA employees. Further, in October 2011 the ACLU of Texas filed a class-action lawsuit alleging that immigrant detainees were sexually assaulted by a CCA employee at the company's T. Don. Hutto facility.

In [his response](#) to CCA's objection, Friedmann noted that he had "specifically raised concerns about rape and sexual abuse in the company's facilities at two previous shareholder meetings, and discussed this issue with one of the company's Board members. It is a direct result of the insufficient efforts of the company and its Board to reduce incidents of rape and sexual abuse at CCA facilities" that led him to introduce the shareholder resolution.

CCA also argued in its objection filed with the SEC that the resolution is a "personal claim or grievance," remarking that Friedmann is an activist who opposes prison privatization.

"It's true that I oppose incarcerating people for corporate profit," Friedmann said. "Regardless, so long as we have private prisons, they need to be run in a manner that minimizes incidents of rape and sexual abuse of prisoners, particularly by private prison employees. I have no 'personal claim' or 'grievance' in wanting to reduce rape and sexual abuse at CCA facilities, other than the concern that all people should share in wanting to reduce such incidents – a concern that apparently is not shared by CCA, as the company objected to my resolution."

Lastly, CCA objected to Friedmann's shareholder resolution by arguing it involved "ordinary business operations" that were not appropriate for shareholders. "Certainly, the company cannot contend with a straight face that the rape and sexual abuse of prisoners is an 'ordinary business matter' rather than a significant social and public policy issue," Friedmann countered in his response submitted to the SEC.

A number of national organizations have expressed support for the shareholder resolution that would require CCA to report on its efforts to reduce rape and sexual abuse of prisoners, including the National Center on Domestic and Sexual Violence; the National Organization of Women; National Center for Transgender Equality; Citizens United for the Rehabilitation of Errants (CURE); Justice Fellowship, the public policy arm of Prison Fellowship; the National Lawyers Guild; the National Council of Women's Organizations; Detention Watch Network, a coalition involved in immigration detention issues; the Partnership for Public Safety and Justice; Justice Policy Institute; and Enlace, an alliance of worker centers, unions and community organizations that works against corporate abuses.

On February 10, 2012 the [SEC rejected](#) CCA's arguments in opposition to the resolution, meaning the resolution will be included in CCA's proxy materials submitted to shareholders in advance of the company's next annual meeting, to be held later this year.

The Human Rights Defense Center, founded in 1990 with offices in Brattleboro, Vermont, is a non-profit organization dedicated to protecting human rights in U.S. detention facilities. HRDC publishes Prison Legal News, a monthly magazine that includes reports, reviews and analysis of court rulings and news related to prisoners' rights and criminal justice issues. PLN has approximately 7,000 subscribers nationwide and operates a website (www.prisonlegalnews.org) that includes a comprehensive database of prison and jail-related articles, news reports, court rulings, verdicts, settlements and related documents.

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