To: Honorable Mayor and Members of the City Council  
From: Councilmember Kriss Worthington  
Subject: Calling on the City of Berkeley to Divest from Private Prisons  

RECOMMENDATION:  
Adopt a Resolution calling for the divestment from private prisons from the City of Berkeley. Send a letter to Wells Fargo and any other financial or investment companies with which the City of Berkeley does business and that appear on the “Million Shares Club” list, requesting their immediate divestment from private prison corporations GEO Group, Corrections Corporation of America, and G4S.

BACKGROUND:  
Incarceration rates in the United States have been increasing over the years, tearing families apart and primarily impacting communities of color. The private prison industry reaps large monetary benefits from the imprisonment of these communities. High private prison companies admit that their companies benefit from high incarceration rates. The two largest private prison firms in the United States have avoided paying around over 100 million dollars because of tax code loopholes such as the Real Estate Investment Trust (REIT) that converts private prisons as a special real estate trust that exempt them from the federal corporate income tax.

As incarceration rates skyrocket, the private prison industry expands at exponential rates, holding ever more people in its prisons and jails, and generating massive profits. Recently, there has been a growing movement in divesting from private prisons such as The California Endowment, Columbia University, and even the University of California agreed to sell private prison investment. The City of Berkeley has a history of divesting from institutions and products that conflict with the values of sustainability, equality, and ethics, such as nuclear weapons, gun manufacturers, tobacco companies, and fossil fuel companies.

The City of Berkeley’s Peace and Justice Commission and the Associated Student of the University (ASUC) passed a resolution calling on the City of Berkeley to divest from private prisons. With the increasing economic benefits that come with commodifying human lives, the City of Berkeley should divest from private prisons to make a statement that the industry harms human lives and degrades them as monetary investment.

FINANCIAL IMPLICATIONS:  
Unknown
ENVIRONMENTAL SUSTAINABILITY:
Consistent with Berkeley’s Environmental Sustainability Goals and no negative impact.

CONTACT PERSON:
Councilmember Kriss Worthington  510-981-7170
Bulmaro Vicente  vicentebulmaro@gmail.com

Attachments:
1. Resolution Calling on the City of Berkeley to divest from Private Prisons.
2. Peace and Justice Resolution Calling on the City of Berkeley to divest from Private Prisons
3. ASUC Senate Resolution No. 68 “Calling on the City of Berkeley to divest from Private Prisons: https://docs.google.com/document/d/1c2eRZU7FTbCikPUEmFKCDrC4ieo4UuLDmqVJu4p1HQI/edit
RESOLUTION NO. #,###-N.S.

CALLING ON THE CITY OF BERKELEY TO DIVEST FROM PRIVATE PRISONS

WHEREAS, the Afrikan Black Coalition, a statewide coalition within the UC created by Black students, successfully pressured the University of California System to divest $25 million from private prisons, and will no longer hold any shares in private prisons corporation; and

WHEREAS, the University of California realized that investments in these corporations are financially unsustainable and now stands as the first public education institution to denounce the private prison industry; and

WHEREAS, according to the article “Are Private Prisons to Blame for Mass Incarceration and its Evils? Prison Conditions, Neoliberalism, and public Choice” by Hadar Aviram, private prisons have been linked to numerous cases of violence including sexual abuse, beatings, turning a blind eye to gang violence among inmates, denial of food and medical attention, and atrocious conditions; and also that people of color are greatly over-represented in US prisons, particularly young people of color, and at even higher rates in private prisons; and

WHEREAS, the growing movement against private prisons has led large shareholders to divest from private prisons, including The California Endowment, Columbia University, the Sacramento, South Bay and San Mateo Central Labor Councils, the United Federation of Teachers, the United Methodist General Board of Pension & Health Benefits, the General Assembly of the Presbyterian Church, and, in December, 2015, the University of California agreed to sell private prison investments by January 2016; and

WHEREAS, the City of Berkeley has a history of divesting from institutions and products that conflict with the values of sustainability, equality, and ethics, such as nuclear weapons, gun manufacturers, tobacco companies, and fossil fuel companies; and

WHEREAS, private prisons are supported by so-called “million shares club” investors, those entities which own over one million shares in CCA or GEO Group, through investments, extensions of credit, and sharing lobbyists to promote a shared agenda.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the Council directs the City Manager to consider creating a portfolio screen preventing any future investments in private prison corporations including GEO Group, Corrections Corporation of America, and G4S and their major investors and private contractors in public prisons.

BE IT FURTHER RESOLVED, that the Council directs the City Clerk to send a letter to Wells Fargo and any other financial or investment companies with which the City of Berkeley does business and that appear on the attached “Million Shares Club” list, requesting their immediate divestment from private prison corporations GEO Group, Corrections Corporation of America, and G4S.

BE IT FURTHER RESOLVED that this Resolution shall be binding City policy and shall
be in full force and effect after adoption by City Council.
Peace and Justice Commission Resolution
Resolution calling on the City of Berkeley to divest from Private Prisons

WHEREAS, the Peace and Justice Commission advises the City Council on all matters relating to the City of Berkeley’s role in issues of peace and social justice (Berkeley Municipal Code Chapter 3.68.070); and

WHEREAS, it is the mandate of the Peace and Justice Commission to assist the Director of Finance in the annual evaluation of financial institutions for qualification of City investments; encourage target investments; coordinate with City agencies, appropriate community organizations, public and private investors; and advise the City Council on matters relating to the responsible investment of public funds in accordance with the responsible investment policy established by Resolution No. 55,141A-NS;¹ and

WHEREAS, according to a 2011 ACLU study “Banking on Bondage,” incarceration is at record levels in the United States, draining the resources of governments, communities, and taxpayers; while the private prison industry, which now holds 16% of U.S. prisoners and 6% of prisoners in California, reaps lucrative rewards;² and

WHEREAS, private prisons have been linked to numerous cases of violence including sexual abuse, beatings, turning a blind eye to gang violence among inmates, denial of food and medical attention, and atrocious conditions;³ and

WHEREAS, the two largest for-profit prison companies in the United States, Corrections Corporation of America and GEO Group have lobbied Congress heavily for “Immigrant Detention Quotas” and as a result have seen their revenue and market share soar;⁴ and

WHEREAS, G4S, which runs youth detention facilities across the U.S and transports detainees to Immigration and Customs Enforcement (ICE) detention facilities throughout the country, and has been the target of divestment campaigns because of its inhumane practices;⁵ and

¹ http://www.codepublishing.com/CA/Berkeley/html/Berkeley03/Berkeley0368/Berkeley0368070.html#3.68
⁵ http://investigate.afsc.org/company/g4s-plc
WHEREAS, the Detention Bed Quota established by the Department of Homeland Security Appropriations Act of 2010: requires Immigration and Customs Enforcement (ICE) to detain at least 34,000 people in immigration detention at any given time, and immigration detention is the fastest-growing component of the U.S. system of mass incarceration, costing taxpayers $2.2 billion per year;\(^6\) and

WHEREAS, H.R.2808, “Protecting Taxpayers and Communities from Local Detention Quotas Act,” introduced on 06/17/2015, would prohibit U.S. Immigration and Customs Enforcement from negotiating a contract with a private detention company that contains any provision relating to a guaranteed minimum number of immigration detention beds at any specific facility;\(^7\) and

WHEREAS, H.R.3543 and SB 2054, the Justice Is Not For Sale Act of 2015, introduced in Congress in September 2015 sponsored by Representative Barbara Lee and 30 others, would bar the federal, state, and local governments from contracting with private entities to provide and/or operate private prisons;\(^8\) and

WHEREAS, people of color are greatly over-represented in US prisons, particularly young people of color, and at even higher rates in private prisons;\(^9\) and

WHEREAS, Berkeley Ecology Center Recycling Director Daniel Maher testified about his detention by ICE agents and his incarceration in five privately owned detention centers in California, indicating that the facilities appeared to be fee-driven rather than focused on the well being of the detainees, and that he was denied medical attention, bed linen, and access to a phone to notify his family of his whereabouts;\(^10\) and

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\(^9\) “Why For-Profit Prisons House More Inmates Of Color” : [www.npr.org/...03/...why-for-profit-prisons-house-more-inmates-of-color](http://www.npr.org/...03/...why-for-profit-prisons-house-more-inmates-of-color) and “Why There's an Even Larger Racial Disparity in Private Prisons Than in Public Ones” By [Katie Rose Quandt](http://www.motherjones.com/.../even-larger-racial-disparity-private-prisons-public-prisons) Feb 17, 2014 ... Once sentenced, people of color are more likely than their white counterparts to serve time in private prisons

\(^10\) Article published in BERKELEY TIMES (Vol. 5, No. 20, August 27, 2015),

holding facility in Adelanto, California—after being swept up in a raid of Chinese immigrants, Maher spent weeks awaiting deportation in a private holding facility in Adelanto, California, and found himself among hardened felons and murderers in a dorm-like environment that was often violent. He says his medications were withheld from him for the first month, resulting in some discomfort, and that even phone privileges were denied initially, making communications nearly impossible.
WHEREAS, the growing movement against private prisons has impelled large shareholders to divest from private prisons, including The California Endowment, Columbia University, the Sacramento, South Bay and San Mateo Central Labor Councils, the United Federation of Teachers, the United Methodist General Board of Pension & Health Benefits, the General Assembly of the Presbyterian Church, and, in December, 2015, the University of California agreed to sell private prison investments by January 2016;¹¹ and

WHEREAS, the City of Berkeley has a history of divesting from institutions and products that conflict with the values of sustainability, equality, and ethics, such as nuclear weapons, gun manufacturers, tobacco companies, and fossil fuel companies;¹² and

WHEREAS, private prisons are supported by so-called “million shares club” investors, those entities which own over one million shares in CCA or GEO Group, through investments, extensions of credit, and sharing lobbyists to promote a shared agenda;¹³ and

WHEREAS, Wells Fargo is a major lender to and investor in private prisons, as of the second quarter of 2015 owning nearly 1.5 million shares in CCA and GEO Group;¹⁴ and

WHEREAS, the City of Berkeley contracts with Wells Fargo for its banking services;¹⁵


¹² http://www.ci.berkeley.ca.us/uploadedFiles/Planning_and_Development/Level_3_-_Energy_and_Sustainable_Development/16,109606%20Investment%20(divestment)%20policy.pdf PAGE 2,”Responsible Investing”

¹³ www.enlaceintl.org/#!/million-shares-club/cveb


¹⁵ http://www.ci.berkeley.ca.us/uploadedFiles/Rent_Stabilization_Board/Level_3_-_General/7.a.8._Council%20item_Wells%20Fargo%20Bank%20for%20Banking%20Svcs..pdf
Contract: Wells Fargo Bank for Banking Services Recommendation: Adopt a Resolution authorizing the City Manager to execute a four-year contract with Wells Fargo Bank to provide a comprehensive range of banking services to the City for the period of June 1, 2013 through May 3, 2017, in an amount not to exceed $4,142,000, with an option for two 3-year extensions for a total of ten (10) years contract amount not to exceed $10,356,000.

Daniel Maher, director of recycling at the Ecology Center, was arrested on June 2 and was held under threat of deportation for over two months. And

http://www.dailycal.org/2015/07/05/berkeley-nonprofit-program-director-daniel-maher-faces-deportation/
NOW, THEREFORE, BE IT RESOLVED, that the Council of the City of Berkeley directs the City Manager to create a portfolio screen preventing any future investments in private prison corporations including GEO Group, Corrections Corporation of America, and G4S and their major investors and private contractors in public prisons; and

BE IT FURTHER RESOLVED, that the Council directs the City Clerk to send a letter to Wells Fargo and any other financial or investment companies with which the City of Berkeley does business and that appear on the attached “Million Shares Club” list, requesting their immediate divestment from private prison corporations GEO Group, Corrections Corporation of America, and G4S; and, if this request is not satisfied within six months, Council directs that existing investments be redirected as soon as is feasible to other investment companies; and

BE IT FURTHER RESOLVED, that any and all persons acting on behalf of City of Berkeley investment activity be required to enforce the provisions of this Resolution; and

BE IT FURTHER RESOLVED, that this Resolution shall be binding City policy and shall be in full force and effect after adoption by City Council; and

BE IT FURTHER RESOLVED, that the City Council urges Senators Boxer and Feinstein and all members of the U.S. Senate Appropriations Committee to halt all funding for contracts with private prison companies and to co-sponsor the “Justice Is Not For Sale Act of 2015”; and

BE IT FURTHER RESOLVED, that copies of this resolution be sent to Representative Barbara Lee and Senators Barbara Boxer and Dianne Feinstein.
Senate Resolution No. 2015/2016-068

Calling on the City of Berkeley to divest from Private Prisons

Primary Sponsor
Boomer Vicente (ASUC Senator)

Cosponsors
George Lippman (Chair of the Peace and Justice Commission), Alex Mabanta (Vice Chair of the Peace and Justice Commission), Jerry Javier (Commissioner, Police Review Commissioner), Manuel Amial (Vice Chair of Political Affairs, Raza Cabinet), Alana Banks (Senator, ASUC), Wes Adrianson (ASUC Senator), Rigel Robinson (VP, Cal Berkeley Democrats)

WHEREAS, since 1991, the rate of violent crime in the United States has fallen by about 20 percent, while the number of people in prison in jail has risen by 50 percent; and

WHEREAS, The prison industrial complex has become a $70 billion industry in the last few decades; and

WHEREAS, since 1980, higher education has decreased by 13 percent in inflation adjusted dollars, whereas, the spending on California’s prisons and associated correctional programs has skyrocketed by 436 percent; and

WHEREAS, over the past three decades, the numbers of inmates in California facilities has increased eight times faster than the size of the overall population; and

WHEREAS, nearly 40% of those incarcerate in the United States are Black and nearly 16% of those incarcerated are Latinx/Xicanx; and

WHEREAS, California spend $62,300 a year to keep one inmate in prison, and just $9,100 per year per student in our public schools, according to the California Budget
WHEREAS, California has built 22 prisons but just one University of California campus since the 1980s, and spend $10 billion a year on our prison system; and

WHEREAS, ASUC and the University of California system has previously engaged in divestment from private, for-profit prisons with the passing of ASUC Bill SB 100 in 2013 and the selling of approximately $25 million worth of investments in 2015; and

WHEREAS, the ASUC in the ASUC Bill SB 100 in 2013 amended Title III, Article X: Investments Committee to identity all assets belonging to the ASUC and the UC Berkeley campus at large, currently invested in companies profiting from the prison industrial complex and propose alternative investment strategies for the ASUC and campus; and

WHEREAS, the Afrikan Black Coalition was created in 2003 by Black students within the University of California who found the low admittance and retention rates of Black students intolerable; and

WHEREAS, the Afrikan Black Coalition successfully pressured the University of California System to divest $25 million from private prisons, and will no longer hold any shares in private prisons corporation; and

WHEREAS, the University of California realized that investments in these corporations are financially unsustainable and now stands as the first public education institution to denounce the private prison industry; and

WHEREAS, the Peace and Justice Commission advised the City Council on all matters relating to the City of Berkeley’s role in issues of peace and social justice (Berkeley Municipal Code Chapter 3.68.070); and

WHEREAS, it is the mandate of the Peace and Justice Commission to assist the Director of Finance in the annual evaluation of financial institutions for qualification of City investments; encourage target investments; coordinate with City agencies, appropriate community organizations, public and private investors; and advise the City Council on matters relating to the responsible investment of public funds in accordance with the responsible investment policy established by Resolution No. 55,141A-NS; and

WHEREAS, according to a 2011 ACLU study ‘Banking on Bondage’, incarceration is at record levels in the United States, draining the resources of governments, communities, and taxpayers; while the private prison industry, which now holds 16% of U.S. prisoners

1 http://www.prisonpolicy.org/graphs/statepopulations.html
2 http://www.huffingtonpost.com/2012/09/06/california-prisons-colleges_n_1863101.html
3 http://www.historyisaweapon.com/defcon1/davisprison.html
4 http://tcenews.calendow.org/blog/do-the-math:-schools-vs-prisons
and 6% of prisoners in

http://tcenews.calendow.org/blog/do-the-math:-schools-vs-prisons
http://afrikanblackcoalition.org/about/
http://afrikanblackcoalition.org/2015/12/18/afrikan-black-coalition-accomplishes-uc-prison-divestment/
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California, reaps lucrative rewards¹⁰; and

WHEREAS, private prisons have been linked to numerous cases of violence including sexual abuse, beatings, turning a blind eye to gang violence among inmates, denying of food and medical attention and atrocious conditions¹¹; and

WHEREAS, the two largest for-profit prison companies in the United States, Corrections Corporation of America and GEO Group have lobbied Congress heavily for "Immigrant Detention Quotas" and as a result have seen their revenue and market share soar;¹² and

WHEREAS, G 4S, which runs youth detention facilities across the U.S and transports detainees to Immigration and Customs Enforcement (ICE) detention facilities throughout the country, has been the target of divestment campaigns because of its inhumane practices¹³; and

WHEREAS, the American Friends Service Committee "Investigate names the following companies complicit in on-going human rights violations as part of the U.S. for-profit prison industry: Sodexo SA and Providence Services Corporation¹⁴; and

WHEREAS, private contractors who contract with public prisons and jails are also problematic; for example, nurses who work at the Alameda County Jail for privately contracted medical provider, Corizon Health, say poor conditions endanger inmates' lives¹⁵, and in February, 2016, a Federal lawsuit was filed against Alameda County and Corizon Health Inc. on behalf of the family of an inmate who died in the County Jail, charging that an inmate’s death was caused by medical negligence¹⁶; and

¹⁰Banking on Bondage: Private Prisons and Mass Incarceration □.
https://www.aclu.org/banking-bondage-ps
¹¹² "Are Private Prisons to Blame for Mass Incarceration and Its Evils? Prison Conditions, Neoliberalism, and Public Choice" by
WHEREAS, the Detention Bed Quota established by the Department of Homeland Security Appropriations Act of 2010: requires Immigration and Customs Enforcement (ICE) to detain at least 34,000 people in immigration detention at any given time, and immigration detention is the fastest-growing component of the U.S. system of mass incarceration, costing taxpayers $2.2 billion per year\(^17\); and

WHEREAS, H.R.2808, “Protecting Taxpayers and Communities from Local Detention Quotas Act,” introduced on 06/17/2015, would prohibit U.S. Immigration and Customs Enforcement from negotiating a contract with a private detention company that contains any provision relating to a guaranteed minimum number of immigration detention beds at any specific facility\(^18\); and

WHEREAS, H.R.3543 and SB 2054, the Justice Is Not For Sale Act of 2015, introduced in Congress in September, 2015 sponsored by Representative Barbara Lee and 30 others, would bar the federal, state, and local governments from contracting with private
entities to provide and/or operate private prisons\textsuperscript{19}; and

\textbf{W H E R E A S}, people of color are greatly overrepresented in US prisons, particularly young people of color, and at even higher rates in private prisons\textsuperscript{20}; and

\textbf{WHEREAS}, Berkeley Ecology Center Recycling Director Daniel Maher, provided direct personal testimony at a Berkeley Peace and Justice Commission meeting about his 2015 detention by ICE agents and his incarceration in five privately owned detention centers in California, indicating that the facilities appeared to be fee-driven rather than focused on the well being of the detainees, including and that he was denied medical attention, and bed linen, and access to a phone to notify his family of his whereabouts\textsuperscript{21}; and

\texttt{17 :}
\texttt{http://grassrootsleadership.org/reports/payoff-how-congress-ensures-private-prison-prof
it-immigrant-detention-quot a \textsuperscript{18 }h

\texttt{19 }https://www.congress.gov/bill/114th-congress/house-bill/3543 \texttt{and } S . \texttt{ 2054 - 114th Congress ( 2015-2016): Justice is...
ww.congress.gov/bill/114th-congress/senate-bill/2054

\texttt{20 }" \texttt{Why For-Profit Prisons House More Inmates Of Color" :}
\texttt{www.npr.org/.../03/.../why-for-profit-prisons-house-more-inmates-of-color \texttt{and }" \texttt{Why There's an Even Larger Racial Disparity in Private Prisons Than in Public Ones” By K
../even-larger-racial-disparity-private-prisons-public-prisons Feb 17, 2014 ... Once sentenced, people of color are more likely than their white counterparts to serve time in private prisons

\texttt{21 Article published in BERKELEY TIMES (Vol. 5, No. 20, August 27, 2015),

\texttt{holding facility in Adelanto, California — after being swept up in a raid of Chinese immigrants, Maher spent weeks awaiting deportation in a private holding facility in Adelanto, California— found himself among hardened felons and murderers in a dorm-like environment that was often violent. He says his medications were withheld from him for the first month, resulting in some discomfort. And that even phone privileges were denied initially, making communications nearly impossible.}
WHEREAS, the growing movement against private prisons has impelled large shareholders to divest from private prisons; including The California Endowment, Columbia University, the Sacramento, South Bay and San Mateo Central Labor Councils, the United Federation of Teachers, the United Methodist General Board of Pension & Health Benefits, the General Assembly of the Presbyterian Church; California State University, Los Angeles, in December, 2015, the University of California agreed to sell private prison investments by December 31st, 2015, and on February 23rd, 2016, the City of Portland unanimously voted to divest $40 million in bonds from Wells Fargo for their involvement in private prisons; and

WHEREAS, the City of Berkeley has a history of divesting from institutions and products that conflict with the values of sustainability, equality, and ethics, such as South African apartheid, nuclear weapons, gun manufacturers and tobacco companies, and fossil fuel companies; and

WHEREAS, private prisons are supported by so-called “million shares club” investors, those entities which own over one million shares in CCA and GEO Group, through investments, extensions of credit, and sharing lobbyists to promote a shared agenda; and

WHEREAS, Wells Fargo is a major lender to and investor in private prisons, as of the second quarter of 2015 owning nearly 1.5 million shares in CCA and GEO Group, and Wells Fargo is also a major lender to CCA, the largest private prison company in the country, acting as the syndication agent and issuing lender on CCA’s $900 million line of credit; and

www.bhsjacket.com/story.php?id=2841 Daniel Maher, director of recycling at the Ecology Center, was arrested on June 2 and was held under threat of deportation for over two months. And

www.dailyca.org/2015/07/daniel-maher-faces-deportation


23 http://www.ci.berkeley.ca.us/uploadedFiles/Planning_and_Development/Level_3_-.-pdf PAGE 11,"Responsible Investing"

Senate Resolution 2015/2016-068

WHEREAS, according to the City of Berkeley’s quarterly investment report of March 31, 2014, the City has over $6 million invested in Wells Fargo26; and

THEREFORE BE IT RESOLVED, that ASUC approves of and supports the measure through which the City of Berkeley will demand divestment from investments funding private prison corporations; and

BE IT FURTHER RESOLVED, if the partnerships fail to cooperate with the demands of the Council, the Council will actively direct existing partnerships away from present and future investment in the privatized for-profit prison industrial complex; and

BE IT FURTHER RESOLVED, that the ASUC does not support the City of Berkeley investing in private prisons that further support the prison industrial complex, which harms and affects people of color; and

BE IT FURTHER RESOLVED, that ASUC will provide support with the Council if direct action is necessary.

http://afrikanblackcoalition.org/?attachment_id=2049


May 29, 2012 ... Community Investment and Responsible banking language and selection .... Currently the City has a banking service contract with Wells Fargo ... www.ci.berkeley.ca.us/.../2012-05-29_Item_44b_Banking_Services_Request_for_Proposal.pdf