

April 12, 2021

We, the undersigned activists, business leaders, and investors, vehemently oppose any efforts to develop and build two prisons in Alabama (Elmore and Escambia Counties), being financed with a \$630 million bond deal scheduled to price on April 15, 2021 through the Wisconsin Public Finance Authority. The use of proceeds derived from the taxable municipal offering underwritten by Barclays will be funneled to the Government Real Estate Solutions of Alabama Holdings LLC, a wholly-owned subsidiary of private prison operator CoreCivic who will own and maintain the facilities on behalf of the Alabama Department of Corrections (ADOC).

We strongly urge banks and investors to refuse to purchase securities that will be offered on April 15th whose purpose is to perpetuate mass incarceration.

Financial Risk: The Alabama Department of Corrections has financially mismanaged operations for decades and, as such, has contributed to the on-going violation of prisoners' constitutional rights to be free from cruel and inhumane treatment. The bill for deferred facilities maintenance recently doubled to \$1 billion over just a five-year period. Furthermore, through this financing, ADOC is building just two facilities that have 7,000 beds. There are approximately 22,000 people held in custody in the Alabama prison system. Deferred maintenance on the other 15,000 beds would continue to grow unabated. How does the State intend to finance constitutionally mandated prison maintenance, as well as adequately fund K-12 education, healthcare, and fixing dilapidated roads and bridges?

Reputational Risk: In July 2019, Barclays announced it would stop financing private prison operators. The current Alabama bond deal is in direct conflict with statements made just two years ago. Co-managers Stifel and KeyBanc Capital Markets Inc. should not be lending their name and "reputation" toward building more facilities that emphasize punishment. Investors should be well-aware of what they are funding. By participating in this deal, investors will be giving their imprimatur to harsh, life-threatening incarceration and historically incompetent day-to-day management of prisoners, as well as uplift of a historically horrific actor in CoreCivic and the private prison industry, in general.

Background on the Investment and ADOC: In December 2020, the US Department of Justice (DOJ) under Attorney General William Barr filed suit against ADOC after 18 months of negotiations around terms of a consent decree given the willful mismanagement of corrections statewide. The United States had made every effort to work with Alabama to voluntarily address the unconstitutional physical condition of prisons but Alabama refused to cooperate. Such federal action by DOJ against a State's entire prison system is virtually unprecedented and speaks to the entrenched non-compliance and flouting of prison safety by ADOC itself. Within the complaint, the state is accused of violating "the Eighth and Fourteenth Amendment rights of these prisoners by failing to prevent prisoner-on-prisoner violence and sexual abuse, by failing to protect prisoners from the use of excessive force by security staff, and by failing to provide safe conditions of confinement in violation of the Constitution." Further, "Alabama's prisons for

men are now more overcrowded than in 2016, when the United States initiated its investigation, prisoner-on-prisoner homicides have increased, prisoner- on-prisoner violence including sexual abuse remains unabated, the physical facilities remain inadequate, use of excessive force by security staff is common, and staffing rates remain critically and dangerously low.”

By purchasing bonds, investors will finance the construction of prisons by a private prison operator which will then be managed on a day-to-day basis by ADOC. Over the last several decades, ADOC has resisted constitutional mandates and demonstrated a gratuitous, wanton, and life-threatening disregard for the safety and well-being of prisoners. A federal court found in 2017 that ADOC’s management of mental health services was “horrendously inadequate” and that ADOC officials “have done little to nothing to fix problems on the ground, despite their knowledge that those problems may be putting lives at risk.”

According to Jim Zeigler, the Republican Alabama State Auditor, “State taxpayers will be on the hook for rent payments starting at \$94 million a year and going up to \$106 million a year. The total rents paid over 30 years will be about \$2.6 billion. At the end of that time, **the state will own equity in the prisons of exactly zero. No equity will be built at all.** The state would then have to start over with a new plan to pay for those then 30-year-old prisons. This is a 30-year mistake.”

We strongly urge global investors and banks (like Barclays, Stifel and KeyBanc Capital Markets Inc.) that fund them, not to participate in this financing or any similar financing that enables the carceral state and expands the growth of private actors in the detention of citizens and non-citizens, alike. There should be no tolerance for any company or investor that benefits from a business model dependent on the imprisonment and continued captivity of other men and women.

As stated, we are gravely concerned about the construction of prison facilities in Elmore and Escambia Counties, Alabama, the current and historic treatment of the incarcerated in the State, as well as the financial and reputational risks associated with pursuing a management structure that perpetuates financial mismanagement, cruelty to fellow citizens and residents, and involves private prisons whose work is akin to the continuation of chattel slavery.

To be clear, the need for these prisons are a direct result of the willful and intentional neglect of current facilities by the Alabama Department of Corrections that were mostly constructed during the 1980s and 1990s. We are in a moment of time in which the very notion of prison, rehabilitation and reform is being debated and creatively re-imagined. This public/private partnership forged between Alabama and CoreCivic will further solidify a dangerous and wholly unnecessary response to the problems outlined in the lawsuit filed by William Barr and the US Department of Justice against the Alabama Department of Corrections. As the DOJ stated,

“Short of new facilities or drastic renovations, there are relatively simple physical plant corrections that could increase safety in the facilitiesWhile new facilities might cure some of these physical plant issues, it is important to note that new facilities alone will

not resolve the contributing factors to the overall unconstitutional condition of ADOC prisons, such as understaffing, culture, management deficiencies, corruption, policies, training, non-existent investigations, violence, illicit drugs, and sexual abuse. And new facilities would quickly fall into a state of disrepair if prisoners are unsupervised and largely left to their own devices, as is currently the case.”

In summary, we strongly urge banks and investors to refuse to purchase securities that will be offered on April 15th whose purpose is to perpetuate mass incarceration and continued control over black and brown bodies. We, as investors and activists, encourage expanding support for the wide range of transformative and restorative solutions, along with re-imagining our jails and prisons to emphasize rehabilitation and compassion and ultimately work toward the abolition of the prison-industrial complex.

Signed,

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