

ITEM B.104
FOR ACTION

<i>FOR PRESBYTERIAN MISSION AGENCY EXECUTIVE DIRECTOR'S OFFICE USE ONLY</i>			
	A. Finance	E. Corporate Property, Legal, Finance	J. Board Nominating & Governance Subcommittee
X	B. Justice	F. PC(USA), A Corporation	P. Plenary
	C. Leadership	G. Audit	
	D. Worshiping Communities	H. Executive Committee	

Subject: For-Profit Prisons, Jails, and/or Detention Centers be Added to the List of Companies for Divestment and/or Proscription of Investment Ownership

Recommendation:

The Presbyterian Mission Agency Board recommends to the 221st General Assembly (2014) that the category of publicly traded corporations that directly manage or operate for-profit prisons, jails and/or detention centers be added to the list of companies from which the General Assembly urges divestment and/or proscription of investment ownership.

Background:

2012 Referral: Item 11-06. On Instructing the GAMC, Through MRTI, to Report to GAMC on the Corporate Practices of Publicly Traded Corporations That Operate For-Profit Prisons. Recommendation 1. Instruct the General Assembly Mission Council, through the Committee on Mission Responsibility Through Investment (MRTI), to Report on the Feasibility of Affecting the Corporate Practices of Corrections Corporation of America (CCA), the GEO Group, and Any Other Publicly Traded Corporation That Directly Manages or Operates For-Profit Prisons and/or Detention Centers in Light of the General Assembly's 2003 Resolution Calling for the Abolition of For-Profit Prisons. The Findings of the MRTI Report to the GAMC May Include Recommendations to the 221st General Assembly (2014) Regarding the Potential Placement of Specific Corporations on the List of Proscribed Investments to Be Honored by Presbyterian Agencies. The Proscription List Already Includes Areas of Concern Such as Tobacco, Alcohol, and Gambling—From the Presbytery of Hudson River (Minutes, 2012, Part I, pp. 28, 31, 1044–49 of the CD; pp. 240–41 of the printed copy).

Response: The Committee on Mission Responsibility Through Investment (MRTI) noted that the 215th General Assembly (2003) adopted a comprehensive resolution declaring that “for-profit prisons should be abolished.” (*Minutes*, 2003, Part I, pp. 439-441.) While efforts could be made through shareholder advocacy (where stock is owned in a publicly traded company), such efforts might improve some prison conditions, but would not address the fundamental contradictions identified by the 215th General Assembly (2003):

Since the goal of for-profit private prisons is earning a profit for their shareholders, there is a basic and fundamental conflict with the concept of rehabilitation as the ultimate goal of the prison system. (p. 439.), and

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The question of whether human beings should be incarcerated, of how they should be treated while in prison, of when they will be released, cannot be answered by whether or not these steps will create profit for a corporation.

Thus, MRTI came to the conclusion that ownership in publically-traded companies managing or operating for-profit prisons, jails or detention centers is incompatible with General Assembly policy. It should be noted that the Social Principles of the United Methodist Church speak to the criminal justice system. In recognition of this guidance from the Social Principle, in 2012, the General Board of Pension and Health Benefits of the United Methodist Church also proscribed investments in such companies.

There are two corporations that would be fall into this category should it be adopted by the General Assembly. They are Corrections Corporation of America and the GEO Group, Inc., a private corrections detention and mental health treatment provider.

Financial Implications Cover Sheet for Reports to the General Assembly

Name of Agency Submitting Report: **Compassion, Peace and Justice**

Program: **Mission Responsibility Through Investment**

Date: **12/16/2013** Contact Person: **Bill Somplatsky-Jarman** Telephone#: **502-569-5809**

This RGA Cover sheet must be submitted with each Report to the General Assembly. Even if the report does not contain financial implications, the cover sheet must be attached stating that there are no financial implications. Any report received without the financial implications sheet will be returned. **If you have any questions about the form, please contact the Financial Implications Team: Chris Nicholas at 502-569-5411 for per capita, and Andrea McNicol at 502-569-5555 or Denise Hampton at 502-569-5575 for mission budget related financial implications.**

Name of Report: For-Profit Prisons, Jails, and/or Detention Centers be Added to the List of Companies for Divestment and/or Proscription of Investment Ownership (2012 Referral; Item 11-06/ Recommendation 1)

1. Does this report include recommendations that have financial implications? NO
2. If YES: (Attach extra sheets, if necessary)
 - a. Identify the area of the reports which have financial implications.
 - b. Define the components of the financial implications (basis for computation only).
(For new committees/Taskforces- please limit as far as possible to 2 face to face mtgs, plus 2 virtual mtgs & conference calls – from GA to next GA)
 - c. Identify the proposed source of funding, and the year it will impact (2014/ 2015/2016):
 - (1) Per Capita: OGA____ PMA ____
 - (2) PMA:
 - (a) Unrestricted or Restricted (Circle one)_____
 - (b) Restricted Source_____
3. If there are financial implications, are these being absorbed in the current year budget?
YES or NO If YES, what is the source of funding:_____
4. Have these financial implications received approval from the following sources?
____OGA/PMA (Circle one)
____PMA Ministry Area: (Communications and Funds Development; Compassion, Peace, Justice ; Evangelism & Church Growth; Racial Ethnic & Women’s Ministries; Shared Services; Theology, Worship and Education; World Mission,) (Circle one)
____Other Entities (BOP, Foundation, PILP, PPC) (Circle one)
____Advisory Committees (ACSWP, ACEIR, ACWC, Other - _____)
5. If the action proposed in report involves another Ministry Area to do something, has this been discussed with the areas concerned? YES/NO. (If Yes, give names)