

March 30, 2010

VIA HAND DELIVERY, FACSIMILE & ELECTRONIC MAIL

Mr. Thomas F. Kirwin  
United States Attorney  
111 N. Adams St.  
4<sup>th</sup> Floor  
Tallahassee, FL 32301  
(Fax: 850-942-9577 / E-mail: [thomas.kirwin@usdoj.gov](mailto:thomas.kirwin@usdoj.gov))

Mr. Willie Meggs  
State Attorney  
Second Judicial Circuit  
Leon County Courthouse  
301 South Monroe Street, Suite 475  
Tallahassee, Florida 32399-2550  
(Fax: 850-606-6006 / E-mail: [meggs@leoncountyfl.gov](mailto:meggs@leoncountyfl.gov))

Dear Messrs. Kirwin & Meggs,

It has come to my attention that former Florida House of Representatives Speaker Ray Sansom may have been involved in another illegal, secret series of transactions financing and authorizing the construction of a \$120 million private prison in Santa Rosa County for the benefit of the GEO Group and its affiliates and subsidiaries (“GEO”), privatization of an unidentified 1,350 bed existing state prison for the benefit of Corrections Corporation of America (“CCA”) and privatization of several work camps for the benefit of Xe Services, LLC, d/b/a Blackwater USA, during his chairmanship of the Florida House Appropriations Council from 2006-2008. As first reported just this weekend, former Speaker Sansom apparently slipped the privatization of the Blackwater Correctional Institute into state budget proviso.

The original 2008 House proviso language was introduced by Former Representative Sansom for the first time on the floor of the House when the bill was on second reading. (See HB 5001 – 2008, as introduced, marked as Att. 1). This language was not in the Senate bill. (See SB 2900, First Engrossed – 2008, as introduced, marked as Att. 2). The original Sansom language required the building of a 2,000 bed prison “as a stand-alone annex to the Graceville Correctional Facility” and allocated “\$110,000,000 in non-recurring general revenue for the planning, design, permitting, equipping and construction of a state-owned, privately operated 2,000 bed” prison.<sup>1</sup> The Graceville Correctional Facility was constructed and has been operated by GEO. The original

---

<sup>1</sup> Former Representative Sansom’s then-employer, Alabama Electric Cooperative, provided the power to the Graceville Correctional Facility through its member affiliate, the West Florida Electrical Cooperative and was its primary power consumer. (See Atts. 3, 4, 5 & 6). Any annex of Graceville would have also become a primary power consumer for the Alabama Electric Cooperative.

Sansom language made clear that the \$110 million in state funding for the prison construction was specifically intended for GEO from the beginning.

A floor amendment was filed by then-Representative Curtis Richardson to remove the Sansom language from the House budget. (*See Att. 7*). Sansom filed a substitute amendment to the Richardson amendment, this time removing any Graceville-specific language but continuing to mandate privatization and construction of the 2,000 bed prison. (*See Att. 8*). The substitute Sansom amendment passed, and following tweaking and expansion in the 2008 budget conference process, eventually became law in the form of Pub. Law 2008-152. (*See Att. 9*).

What is curious – and strikingly familiar at this point – is that there was no public discussion by the House or Senate Criminal & Civil Justice Appropriations Committee that year leading up to the introduction of this proviso language in the budget on the floor of the Florida House of Representatives on April 4, 2008. Yet there is substantial evidence that this prison was already in the works, as early as February 2008 and possibly even much earlier. But the intended location of the prison, instead of the Graceville area, was instead Santa Rosa County, partially represented by Rep. Sansom.

An agenda item for “Prison Funding Support” is listed on the Santa Rosa County’s Economic Development Organization, TEAM Santa Rosa, meeting agenda dated February 27, 2008, which was addressed, *inter alia*, to former Rep. Sansom. (*See Att. 10*). These documents – produced in response to various Open Records Act requests – make clear that TEAM Santa Rosa had actual and advance knowledge that this privatization was coming down the pike and had even gone so far as to create a code-word, “Project Justice,” for the privatization project. (*See Att. 11*).

As you might be aware, TEAM Santa Rosa has had a sordid and problematic past with failing to comply with Florida’s Sunshine laws and Open Records Act. (*See Att. 12*). In an email dated April 4, 2006, TEAM Santa Rosa staff requested to “migrate off the county [computer] network...in order to not be part of the sunshine requirements.” (*See Att. 13*). The Santa Rosa county attorney responded to such request that TEAM Santa Rosa, computer network integration notwithstanding, could still “be subject to sunshine anyway.” (*See id.*)<sup>2</sup>

---

<sup>2</sup> In an email dated April 4, 2008, (the same day the text of the House budget containing the proviso language was filed for the first time), an employee of Management & Training Corporation (“MTC”), a correctional privatization company looking to break into the Florida marketplace completely held captive by GEO and CCA, regarding a recent visit the company had made to Santa Rosa County regarding the proposed prison project and MTC’s desire to break into the market. (*See Att. 14*). Such email again raises the question of how out-of-state prison industry privatization special interests knew about a yet-to-be made private prison proposal *before* it became subject to any public review. According to his e-mail, he learned about such proposal from his “lobbyist.” State of Florida lobbyist registration records reflect that MTC was represented at the time of the email and in several years preceding that date by Dale Patchett who withdrew from the representation May 8, 2008, immediately following the 2008 legislative session after

Another email at the time from Allan Bell, a realtor representing with The Shopping Center Group, Inc. out of Alabama who (according to his own internet forum postings, web sites and e-mails) was working on finalizing the prison privatization deal and also working on developing a county-owned strip mall in conjunction with this transaction, to TEAM Santa Rosa and Santa Rosa County stressed that "Project Justice and everything and everybody involved with Project Justice needs to remain confidential." (*See* Att. 15).

Project Justice was revealed to the Santa Rosa County public for the first time at a Monday, August 25, 2008, Santa Rosa County Commission specially-called workshop on the issue. It was unanimously supported by the Board of Commissioners just three days later on August 28, 2008.<sup>3</sup>

Real estate transaction records from the Santa Rosa Clerk of Courts property records reveal that this project involved behind-the-scenes, insider transaction trading that began as early as 2006. In early March 2009, the GEO Group – which had purchased this property in 2008 – sold the property to the Florida Corrections Finance Corporation, a successor by merger to the Prison Privatization Commission (the "FCFC"). According to [www.sunbiz.org](http://www.sunbiz.org), the FCFC has one member, the State of Florida Department of Management Services, and all of its corporate officers and directors are employed by DMS. I am particularly curious as to why the state is paying transfer documentary stamp taxes to transfer title to and from itself. The entire transaction is deeply suspect. (*See* Att. 16).

The relationships and conflicts – both real and perceived in this transaction – are also noteworthy and merit your attention. GEO economist/consultant Donna Arduin was a 2006-08 budget consultant for House Speaker Marco Rubio and is now a budget consultant for The Florida Senate. GEO – in 2008 and now – will be the primary beneficiary, owner and operator of the Blackwater facility. Ms. Arduin, according to SEC filings of GEO, was also a corporate trustee from 2006-2008 of a real estate prison that held title to a number of prisons rented to GEO, CentraCore Property Trustee ("CPT"). (*See* Att. 17). CPT was merged into GEO Group in September 2006. (*See id.*).

The relationship of the current chief of staff to Senate President Jeff Atwater, Mr. Robert C. "Bud" Kneip is also, unfortunately, at issue in these transactions. Mr. Kneip was a

---

the conference report was passed into law so as to protect the existing GEO/CCA monopoly on Florida prison privatization.

<sup>3</sup> In between the August 25, 2008, workshop and the August 28, 2008, meeting, two members of the Board of County Commissioners who had been involved in the project lost their bids for re-election in successful campaign that attacked the incumbent commissioners for secret dealings involving TEAM Santa Rosa. Although two of the five members of the commission had been un-elected, the old Board of Commissioners proceeded with their vote on August 28, 2008, and the new commissioners were not sworn into office until the following Tuesday, September 2, 2008. (*See* Att. 15).

senior executive of the Wackenhut Corporation, the predecessor in interest to the GEO Group, for over two decades and was a beneficiary of a deferred compensation agreement from Wackenhut, according to SEC filings by the GEO Group. (See Att. 18). The GEO Group spun-off from the Wackenhut Corporation in 2002. (See Att. 19). Mr. Kneip, after leaving Wackenhut, became president and a board member of The Oasis Group, LLC, a business outsourcing and privatization company that was the successor-in-interest to an employee leasing company owned by the late Senator Jim King of Jacksonville. (See Att. 20).

The appearance of impropriety in these transactions coupled with their underlying secrecy creates an obvious problem in light of the core involvement of former Rep. Ray Sansom.

I hope you will seriously look into these backroom transactions that are intended to enrich private special interests with hundreds of millions of dollars in taxpayer money while also depriving Florida of at least 2,000 good-paying Florida jobs, with retirement and health benefits, at a time of record unemployment in our state. The proposal is unconscionable, anti-competitive and must be stopped.

Unfortunately, as detailed in the news stories, it has become clear that a legislative solution to these transactions may not be possible. To the contrary, late-filed Senate budget amendments added to the Senate budget for the first time on Thursday of last week have made clear that even in a Florida Legislature without Rep. Sansom, the special corporate interests have well-placed friends and allies. I have attached a summary of the public records of campaign contributions of GEO and CCA. It speaks for itself. (See Att. 21).

On a personal level, I am a nurse at Santa Rosa Correctional Institute, where we have approximately 1,350 prisoners at our main facility, and an approximately equal amount at our annex. We have more than 500 state employees that include prison guards, assistants, nurses, maintenance workers, medical assistants, food service workers and administrative staff. We are all state employees who currently have state medical benefits and state retirement. If it is our institution that is the "consolation prize" for CCA's acquiescing to GEO getting Blackwater, we will all be laid off immediately. The irony of Blackwater being hailed in our community as a mechanism of job creation is not lost on me. Prison privatization is predatory on our economy and, in Florida and across the country, it has not resulted in taxpayer savings. To the contrary, it has resulted in anti-competitive activity by GEO and CCA. And it is reckless to public safety. People's jobs – and our incarceration system – should not be pawns in a political game or rewards for political payback.

I am alarmed as a taxpayer and a citizen that this kind of activity is apparently ongoing in our state. I am hopeful that something will be done to stop this misappropriation of tax revenues and this attack on Florida working families. I have lost my confidence in our state's policy-making process and am turning to the ongoing judicial process and investigations that have been initiated by your office.

Thank you for your consideration of my request and information.

Sincerely,



Elva McCaig

Senior Licensed Practical Nurse

Treasurer, Nurses Behind the Gate

Santa Rosa Correctional Institute

4253 Sablan Lane

Milton FL 32583

(850) 623-1945

[Elvaor1945@ics.com](mailto:Elvaor1945@ics.com)