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FCC Mail Room

March 27, 2012

Marlene H. Dortch, Office of the Secretary  
Federal Communications Commission (FCC)  
445 12 Street, SW  
Washington, DC 20554

RE: Prison Telephone Rates, WC-Docket No. 09-144

Dear Secretary Dortch:

Please find herein enclosed a copy of ~~3~~ two (2) separate newspaper articles from the Publication, "Prison Legal News," which indicates the same monopolistic scam which is being perpetuated by the Dept. of Public Safety and Correctional Services (DPSCS), here in Maryland, and T-Netix/Securus against prisoners and their families/loved ones is being perpetuated against prisoners and their loved ones by the "Louisiana Dept. of Public Safety and Corrections" and "their" phone service provider "Global Tel\*Link." However, in Louisiana, the Public Service Commission is investigating the matter. Maryland's Public Service Commission has refused to investigate this matter.

Maryland's DPSCS has chosen to profit off of

prisoners and their loved ones, via a monopolistic partnership-scheme with T-Netix/Securus. This is an instance of profiting off of prisoners (and their families), instead of rehabilitation. (Is it a wonder why the rehabilitation rates are so low and recidivism is so high? Economic enslavement of prisoners and our families/loved ones is the "order of the day" via a monopolistic-scheme of exorbitant phone rates, by true exploiters of humanity. A criminal is one who engages in activities such as this.)

Please help us. This is a follow-up letter to the letter I sent to your office, dated: March 1, 2012.

Sincerely,  
Michael Jeffreys-Bey  
*Michael Jeffreys-Bey*  
#197457  
JCI  
P.O. Box 534  
Jessup, Maryland 20794

## Prison Phone Rates Under Scrutiny by Louisiana Regulatory Agency

The Louisiana Public Service Commission (PSC) is examining the rates for phone calls made by prisoners. To help it in that determination, the PSC has hired outside counsel to analyze rates, review regulations and compare them with other states to decide if they are "just, fair and reasonable."

PLN previously reported that states receive an average of 41.9% of the gross revenue from prisoner calls in kickbacks from phone service providers. The only thing that controls the high rates for prison phone calls is "pure, unabated greed by both the phone companies" and state prison systems. [See: *PLN*, April 2011, p.1].

In Louisiana the kickback is 55% of gross prison phone revenue. "A lot of people think this is grossly unfair," said PSC Commissioner Foster Campbell, a former state senator. "This affects a lot of families in Louisiana."

Prisoners at the East Baton Rouge Parish Prison pay \$1.31 for the first five minutes of a local call and \$.50 for each five-minute period thereafter, or \$2.31 for a 15-minute call. According to Pam Laborde, spokeswoman for the Louisiana Department of Public Safety and Corrections, the cost for collect intrastate calls averages \$5.55.

Laborde touted that as a good deal when compared to the prison phone rates in Texas and Mississippi. She noted that for 15-minute calls in Mississippi, the charge is \$2.85 for a local call and \$14.55 for long distance. A call of the same length in Texas costs \$3.90 if local and \$6.45 for long distance.

Louisiana's contract with Global Tel\*Link generated \$3.3 million for the state in prison phone kickbacks in FY 2010. Over the last three years the state has reaped \$10.2 million in kickbacks.

Local sheriffs are also profiting from phone calls made by prisoners. For example, the East Baton Rouge Parish Sheriff's Office has a contract with American Phone Service that pays the sheriff 48% of gross revenue, amounting to \$620,000 in the last fiscal year.

Former state senator Cleo Fields had attempted to pass legislation to end the state's profiteering from prison phone services. "Obviously, the Louisiana Sheriff's Association opposed the bill vigorously,"

he said. "They felt it would be an infringement on their revenues. My argument is they shouldn't use those types of revenues to balance their budget."

Louisiana's Corrections Secretary, Jimmy LeBlanc, admitted that prison phone revenue was integral to the department's operation. "It would be a major impact if we had to cut \$3.3 million from our budget," he observed.

One phone company executive said prison and jail officials encourage higher rates. "There is some pressure from individual counties, states and parishes to get the commissions as high as possible, and who can blame them? They are trying to run a jail and revenues are down,"

said Curt Selman, CEO of Payphones of Arkansas, LLC.

Campbell implied that it's immoral to fund prisons and jails through phone revenue that is largely paid by prisoners' family members. "You should do the human thing and let the man talk to his wife and children. It shouldn't cost him an arm and a leg," he said.

Meanwhile, Fields saw a problem with private companies profiting from prisoners. "We've got to take the profit out of prisons, period," he stated. "At this point, it's profitable to incarcerate people. It should not be a way to make money." ■

Source: *The Advocate*

## Private Equity Firms Profit Handsomely from Prison Phone Services

The October 2011 sale of Global Tel\*Link Corp. (GTL), the nation's largest prison and jail phone company, demonstrates what a goldmine prison phone services are for the provider side of the market. The sale, reportedly valued at \$1 billion, was highly unusual because it was a leveraged deal at a time when the nearly frozen financial sector is running from most leveraged deals.

GTL and its subsidiaries provide phone services for the prison systems of over half the states plus various county jails. In February 2009, the private equity firm Veritas Capital and Goldman Sachs purchased GTL from Gores Equity LLC for \$345 million. The deal to sell GTL to Alabama-based American Securities Capital, another private equity firm, will about triple their investment.

The high value of GTL derives from the fact that it operates a pure monopoly once it obtains a prison phone contract. The company then price-gouges its captive customers, who have few other means of calling their family members and friends.

GTL charges up to \$3.95 plus \$.89 per minute for long distance calls, or \$17.30 for a 15-minute conversation. The company's call rates vary from state to state; GTL also charges service fees, such as for credit card payments by family members,

which pad its profit margin. [See: *PLN*, April 2011, p.1].

While companies like GTL profit handsomely from their prison phone service monopolies, prisoners and the recipients of their phone calls are the ones who have to pay.

Another prison phone service provider, Securus Technologies, Inc., was acquired on May 31, 2011 by Castle Harlan, Inc., a New York-based private equity corporation. That sale was valued at an estimated \$450 million. ■

Sources: *New York Post*, [www.thedeal.com](http://www.thedeal.com), [www.prnewswire.com](http://www.prnewswire.com)