



April 6, 2020

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Dear Sami Mnaymneh and Tony Tamer,

The COVID-19 pandemic has overwhelmed many public systems, and the correctional system is no different. Prisons and jails are breeding grounds for infection as people are crowded into tight quarters and forced to share cells and showers, making social distancing impossible and allowing the disease to spread rapidly.

We are writing to demand that you take action to address the predatory behavior of your portfolio companies: Wellpath and TKC Holdings. Wellpath, TKC Holdings, and their underlying subsidiaries are using the COVID-19 pandemic as an opportunity to further exploit incarcerated people and their families, which will cost people their health and wellbeing, and even their lives.

Wellpath

For years, Wellpath, the nation's largest correctional healthcare provider, and its predecessors have put profit over their patients. Under your firm's ownership, Wellpath has been routinely called out in litigation and media for providing substandard and inadequate healthcare, padding its bottom line by understaffing medical personnel in facilities, and denying patients critical care.¹ In normal circumstances, these practices put lives at risk. But today, they could kill thousands of people.

We know this because these cost-cutting measures led to disastrous consequences during previous outbreaks of infectious diseases. For instance, when Hepatitis C spread through Maine's prisons, Wellpath refused to provide treatment to hundreds of sick people, allowing disease to

¹ Coll, Steve. "The Jail Health-Care Crisis." *The New Yorker*, 25 June 2019, www.newyorker.com/magazine/2019/03/04/the-jail-health-care-crisis.

spread and people to die.² Now, faced with COVID-19, the corporation stands to repeat its mistakes—unless you immediately implement changes.

To make matters worse, many in the prison healthcare industry are using the pandemic to renegotiate contracts to make more money, using incarcerated peoples' lives as bargaining chips. Several weeks ago, Wexford Health Sources threatened to walk away from a contract within months unless the agency increased its pay.³ This predatory behavior is indefensible.

Effective healthcare is the most important need during a pandemic in any context. But the need is particularly great in prisons and jails, where contagious diseases are nearly impossible to contain. And outbreaks in facilities will quickly spread beyond prison and jail walls as correctional officers return to their homes each day, potentially carrying COVID-19 back to the public. To protect the incarcerated population and the broader public, correctional healthcare providers must act immediately.

To protect the lives of the hundreds of thousands of people who depend on Wellpath, you must immediately direct executive management at Wellpath to:

- Release a company-wide comprehensive emergency response plan,
- Fully staff all contracted facilities with medical providers,
- Instruct medical staff to work with correctional administrators to develop facility-specific emergency response plans,
- Waive all medical co-pays,
- Provide testing for COVID-19 at all contracted facilities,
- Prepare quarantine protocols that avoid solitary confinement, provide access to communication, and protect the rest of the population,
- Prepare beds in medical units for COVID-19 patients, and
- Contact local government officials and hospitals to ensure that the incarcerated population is part of their emergency response plan.

TKC Holdings

TKC Holdings is one of the nation's largest prison service providers. TKC Holdings owns Trinity Services Group, Keefe Group, and ICSolutions, which contract with agencies for everything from commissary and food service to laundry and phone service. Each one of these services has a critical role to play in how the current public health crisis impacts correctional facilities.

Trinity Services Group

Trinity Services Group, a major correctional food service provider, has a marred history of cutting costs by providing inedible, inadequate, or unsafe food to incarcerated people. In places

² Abbate, Lauren. "Lawsuit Claims Maine Refused to Provide Hepatitis C Treatment to Hundreds of Inmates." *Bangor Daily News*, 26 June 2019, www.bangordailynews.com/2019/06/26/news/midcoast/lawsuit-claims-maine-refused-to-provide-hepatitis-c-treatment-to-hundreds-of-inmates/.

³ Learn-Andes, Jennifer. "Luzerne County Still Exploring Inmate Health Care Vendor Options." *Times Leader*, 22 Mar. 2020, www.timesleader.com/news/777373/luzerne-county-still-exploring-inmate-health-care-vendor-options.

like Arizona⁴ and Michigan⁵, Trinity's poor standards have put lives at risk—in some cases, even going so far as to serve food labeled “not safe for human consumption.”⁶ Despite this troubling history, Trinity is now responsible for providing the nutrition essential to maintaining healthy immune systems and distributing food in a hygienic way that prevents infection from spreading.

Keefe Group

As the largest commissary provider in the US, Keefe controls the access that many incarcerated people have to essential products like hand soap. But Keefe often charges incarcerated people exorbitant rates for these simple products—prices that are often significantly higher than those in the free world.⁷ Given prison labor wages, incarcerated people can spend a full day's pay on a single bar of soap.⁸

When incarcerated people simply cannot afford necessities, as is often the case, the financial burden falls on their families. And it is not just the cost of the products that extracts precious resources from struggling families, it is also the cost of transferring money onto a loved one's account in the first place. Keefe's financial services subsidiary, Access Corrections, further preys on families by charging egregious payment processing fees, forcing families to pay for the privilege of spending money on its commissary products.⁹

ICSolutions

For years, ICSolutions, the third largest correctional telecom provider, has preyed upon the human need for connection by charging families as much as \$6 for a simple 15-minute phone call.¹⁰ Due to these high rates, families are routinely forced to choose whether they can afford to pay rent or pay for their child to hear the voice of an incarcerated parent. In fact, one-third of families with incarcerated loved ones goes into debt trying to stay connected, and 87% percent of those paying these costs are women—largely women of color.¹¹

As COVID-19 rages and prisons and jails suspend visits to curb the spread of infection, human connection has become even more important. Yet, aside from offering families an insulting one

⁴ Whitman, Elizabeth. “Arizona Prison Food Company Investigates Suppliers Over Reports of 'Unfit' Meat.” *Phoenix New Times*, 1 Oct. 2019, www.phoenixnewtimes.com/news/trinity-investigates-after-claims-of-unfit-az-prison-meat-11366653.

⁵ Bota, Karen. “MDOC, Trinity Services Group 'Mutually Agree' to End Contract.” *Ionia Sentinel-Standard*, 7 Feb. 2018, www.sentinel-standard.com/news/20180207/mdoc-trinity-services-group-mutually-agree-to-end-contract.

⁶ Whitman, Elizabeth. “Arizona Prison Food Company Investigates Suppliers Over Reports of 'Unfit' Meat.” *Phoenix New Times*, 1 Oct. 2019, www.phoenixnewtimes.com/news/trinity-investigates-after-claims-of-unfit-az-prison-meat-11366653.

⁷ Barker, Tim. “Prison Services Are Profitable Niche for Bridgeton Company.” *STLtoday.com*, 15 Feb. 2015, www.stltoday.com/business/local/prison-services-are-profitable-niche-for-bridgeton-company/article_62560bec-4010-5342-9e11-5d647aecba2a.html.

⁸ Rahe, Stephen. “The Company Store: A Deeper Look at Prison Commissaries.” *Prison Policy Initiative*, 24 May 2018, <https://www.prisonpolicy.org/reports/commissary.html>; Sawyer, Wendy. “How Much Do Incarcerated People Earn in Each State?” *Prison Policy Initiative*, 10 April 2017, <https://www.prisonpolicy.org/blog/2017/04/10/wages/>.

⁹ Rahe, Stephen. “You've Got Mail.” *Prison Policy Initiative*, 21 Jan. 2016, <https://www.prisonpolicy.org/messaging/report.html>.

¹⁰ Wagner, Peter & Alexi Jones. “State of Phone Justice.” *Prison Policy Initiative*, 11 Feb. 2019, https://www.prisonpolicy.org/phones/state_of_phone_justice.html.

¹¹ Saneta de Vuono-Powell et al., *Who Pays? The True Cost of Incarceration on Families*, Sept. 2015, <http://ellabakercenter.org/sites/default/files/downloads/who-pays.pdf>.

or two free phone calls each week, ICSolutions has done little to help families connect at this important time. Instead, it has continued charging exorbitant rates, further separating families. The resulting isolation carries significant health public consequences, leading to feelings of stress and anxiety that has been shown to weaken immune systems and increase susceptibility to infection.

Even under normal circumstances, families struggle to connect their incarcerated loved ones. But, during this pandemic, these costs are particularly hard to bear as people contend with reduced pay, job loss, or unplanned eldercare and childcare. ICSolutions' predatory pricing practices force families to decide whether to pay their gas bill so they can stay warm or pay for a call with their loved one. These are impossible decisions that you can solve.

To protect the lives of the hundreds of thousands of people who depend on these services, you must immediately direct executive management at TKC Holdings and its subsidiaries to:

- Ensure that incarcerated people receive nutritionally adequate food prepared safely and served hygienically,
- Provide incarcerated people with free soap, hand sanitizer, and cleaning products,
- Reduce the cost of all other commissary items to prices comparable with the market in the free world,
- Provide unlimited free phone calls, video calls, and emails to all people in contracted facilities,
- Work with correctional agencies to expand telecom infrastructure and calling hours,
- Waive all deposit and money transfer fees,
- Eliminate account deposit and money transfer limits,
- Expedite money order deposits, and
- Increase laundry services for facilities to sanitize linens and clothing.

HIG's portfolio has more companies than any other private equity firm that exclusively target incarcerated people and their families—disproportionately people of color and in poverty—to generate revenue and build wealth. You now have a responsibility to protect the population you have been profiting off of. You must take immediate steps to prevent and address their exploitation during COVID-19.

We are open to dialogue on the above matters, and in the meantime, we will be sharing this letter with HIG's investors and other private equity firms that own prison service corporations. We are also contacting the following bodies with similar demands: Federal Communications Commission, Federal Bureau of Prisons, National Governors' Association, United States Conference of Mayors, and National Sheriffs' Association. In addition, we have submitted an emergency request to the Federal Communications Commission asking it to encourage telecom corporations like ICSolutions to provide free calls during the pandemic, or for the Commission to exercise its authority to make calls free if corporations will not do so voluntarily.

In closing, we urge you to use this moment to reevaluate your investment portfolio and the role HIG Capital plays in upholding the nation's long-lasting carceral crisis that has decimated community of color and poverty. Until you exit this industry entirely, you will have a hand in exploiting vulnerable people, exacerbating racial disparities, separating loved ones, and driving families into poverty. You have a choice. This will be your legacy.

Sincerely,

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