



NEW YORK STATE SENATOR

Brian Benjamin

Senator Benjamin Passes Bill Prohibiting Investments in Private Prisons from State-Chartered Banks

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(New York, NY) Yesterday, State Senator Brian Benjamin passed his bill, S5433A, prohibiting New York State Chartered Banks from financing private prisons.

“By their very nature, private, for-profit prisons drive mass incarceration. Their business model relies on locking up as many Americans and refugees as they can at the lowest cost possible. Private prisons are already illegal in the state of New York, but we haven’t yet made it illegal to profit from them. Today, the state senate passed my bill prohibiting investments

in private prisons from state-chartered banks,” **said State Senator Brian Benjamin.**

This bill will not only apply to the many local banks and credit unions that receive state charters, but the foreign banks that use New York state charters to operate in the U.S., like BNP Paribas and Barclays, which have been known to have significant financial relationships with private, for-profit prisons. Going forward, these banks would be prohibited from entering into such a relationship.

“The goal is to starve private prisons of capital. My constituents and other New Yorkers do not put their hard-earned savings in a bank like those found in my Senate district and throughout the state expecting that those funds will be used to finance mass incarceration,” **said Senator Benjamin.** “Whether through organizing and community pressure, or tools like the bill we passed today, we can and we must bring an end to private prisons.”

That private enterprise should profit from incarcerating people is already an illegal practice in New York state. New York passed this law because it was widely recognized that it was neither a humane practice or in the public interest to financially incentivize the incarceration of people. And yet the indirect profiteering from the same activity is still permitted because banks and other investors can still earn income from that activity. Incarceration is a necessary public function that serves the public, and it be driven by motives of public safety and rehabilitation, not profiteering.

Kesi Foster, lead organizer of Make the Road New York, said, “With today’s vote, the State Senate is sending a strong message that it is moving to turn the screws on the morally bankrupt private prison and immigrant detention industry. As we continue to work to put this industry out of business, it is critical that we cut off all private financing for companies like GEO and CoreCivic, which profit from the pain in our communities. Our community continues to demand we divest private financing to expand the separation and incarceration

of our families and community members we divest public funding for the carceral state and redirect funds to help our communities thrive and stay together."

"Private prisons have built a billion dollar industry off of mass incarceration. In New York City, we showed that cutting ties with private prisons is morally right and financially smart. It's time to do the same across the State," **said New York City Comptroller Scott M. Stringer.** "Senator Benjamin's bill rightfully prohibits State chartered banks from propping up this inhumane system. This is a strong step forward to dismantle the roots of mass incarcerations, and it's something we must do now."

U.S. Jerrold Nadler (NY-10) said "I congratulate Senator Benjamin for passage of his bill prohibiting investments in private prisons from state-chartered banks. We must do all we can to stop the factors, that drive mass incarceration in the United States. And private, for-profit prisons by their very nature, with a financial interest in jailing people are a business model that is not compatible with justice. I have long opposed the use of private prisons on the Federal level, and this bill will insure that any state-chartered bank no matter their location will divest from private, for-profit prisons that are profiting off of the suffering and hardships of our citizens."

U.S. Rep. George Meeks (NY-05) said "It is fundamentally wrong to have a prison system driven by profit motives. Private prisons are incentivized to keep their cells full so as to maximize their profits, which has contributed to a system that disproportionately imprisons minorities and, now, asylum-seekers and their children at our southern border. In Congress, I will continue to lead on the 'Ending Tax Breaks for Private Prisons Act' which prevents any private prison operator or investor from benefiting from Real Estate Investment Trusts (REITs) tax breaks,"

U.S. Rep. Carolyn Maloney (NY-12) said “For decades, America’s practice of detaining people in privately-run prisons has created a system that incentivizes creating unsafe and inhumane conditions. Mass incarceration has disproportionately impacted communities of color, who are most likely to be affected by the deplorable conditions in private prisons. New York State has already discontinued its use of private prisons and has divested state pension funds from private prison corporations. By making it harder for private prisons to obtain funding, New York will be taking yet another important step towards shutting them down. I want to thank Sen. Brian Benjamin for spearheading this important piece of legislation.”

Rep. Nydia M. Velázquez (NY-07) said “We have heard many horrifying accounts of private prisons putting profit before the safety, well-being and basic human rights of detainees. To that end, I’ve long called for financial institutions to divest from companies that operate these facilities. Senator Benjamin’s bill will further advance this cause by precluding New York State-chartered banks from financing private prisons and immigration detention facilities. I congratulate him on the passage of this measure.”

U.S. Rep Adriano Espaillat (NY-13) said “Congratulations to New York State Senator Brian Benjamin on today’s victory and passage of his Divest from Private Prisons bill preventing state chartered banks from investing in for-profit prisons. Under the Trump administration and for far too many years, federal prisons rely heavily on private prisons to target minority and immigrant communities and it remains critical that we hold these entities accountable. Our justice system should not be built off of mass incarceration, and the government should not stand for the profiting from the imprisonment others.”

Manhattan Borough President Gale A. Brewer said “It’s good news that New York State banks will now be barred from investing in for-profit prisons, and kudos must go to Sen. Brian Benjamin for spearheading this legislation in Albany.”

Reverend Reginald Lee Bachus, Associate Pastor of The Abyssinian Baptist Church said “We are in full support of Senator Benjamin on this critical issue and believe divestment from these inhumane profit centers is the appropriate step at this critical hour when the masses are demanding greater corporate responsibility and accountability. We hope to partner with Senator Benjamin to get the bill passed, but we cannot allow the institutions who have profited off our plight to simply divest from private prisons and walk away. These newly liberated dollars need to be diverted from building prisons to building communities through investments and community partnerships. Economic investment is the greatest vehicle of prison reform because it is proactive and builds cradle to career pipelines rather than cradle to prison pipelines. That's what we are working for and we are looking to Senator Benjamin for leadership.”

Rev. Kaji Dousa of Park Avenue Christian Church said “As a Christian, I believe in breaking chains, not profiting from putting people in them. Sen. Benjamin’s bill helps to close an important loophole and I’m grateful for his leadership in this.”



RELATED LEGISLATION

2019-S5433A

- Introduced
- - In Committee Assembly
 - In Committee Senate

- ○ On Floor Calendar Assembly
 - On Floor Calendar Senate

- ○ Passed Assembly
 - Passed Senate

- Delivered to Governor

- Signed By Governor

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Prohibits state chartered banking institutions from investing in and providing financing for private prisons

May 01, 2019

In Assembly Committee

Sponsored by **Brian Benjamin**

Do you support this bill?