



INTERFAITH CENTER ON CORPORATE RESPONSIBILITY

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FOR IMMEDIATE RELEASE

INVESTORS WELCOME JPMC DECISION TO WITHDRAW FROM PRIVATE PRISONS

After year-long engagement with management highlighting need for enhanced human rights due diligence given the industry's risks, shareholders commend bank for discontinuing lending to prisons.

NEW YORK, NY – TUESDAY, MARCH 5TH – Shareholders in JPMC who have been engaging with the bank for over one year on its potential contributions to human rights impacts via investments in private prisons are gratified by today's public announcement that the bank will no longer underwrite the industry.

Investors began raising concerns about JPMC's financing of private correctional REITs (often referred to as private prison companies) as early as October 2017, citing human rights risks due to the growing numbers of government contracts to detain immigrants amid the current administration's "zero tolerance" immigration policy.

In a [10/17 letter to Jamie Dimon](#) a group of nearly 100 institutions holding \$27 billion shares wrote:

These private prisons are rife with alleged human rights abuses, as noted in recent reports and lawsuits,ⁱ including inmate deaths, poor medical care, allegations of physical and sexual abuse of detainees and violence. Some of these risks are heightened due to the nature of the business model and practices of the private prison companies including crowded conditions, less programming for inmates and detainees than public facilities, low staff salaries, poor staff retention, lack of training on human rights and inadequate staffing. Already this year, there have been seven documented deaths of immigrant detainees in these facilities.

"Providing capital to private prisons enables them to grow and thrive. We recognize that as a main financier of the industry, JPMC was benefiting financially from harm caused to detainees and immigrant communities," said Mary Beth Gallagher of the Tri-State Coalition for Responsible Investment, one of the lead investors engaging the bank. ***"As a result, our ongoing engagement has called for the bank to conduct enhanced human rights due diligence, to assess the human rights risks and use its leverage to influence the companies it is lending to. We look forward to more disclosure on the way JPMC is cutting ties with private prisons to make this important statement have an impact on the underlying companies."***

The same group of investors has been raising concerns about private prison investments with Wells Fargo as part of a multi-year engagement around business standardsⁱⁱ.

Said Sr. Nora Nash of the Sisters of St. Francis of Philadelphia, who led the Wells Fargo engagement on behalf of ICCR and other investors, ***“For several years ICCR members continued to urge Wells Fargo to reevaluate its investments in private prisons and thankfully it has committed to refrain from marketing to or launching any new investments in the industry. There may, however, be other financial relationships between Wells Fargo and the prisons, including lines of credit, bonds or money they manage for clients; the next step for Wells Fargo will be to examine and end all ties to the private prisons because of the risks to their portfolios and communities.”***

A 2019 shareholder resolution was filed by United Church Funds with SunTrust Banks, Inc. requesting a board committee on human rights and citing SunTrust’s funding of MVM, Inc. and Comprehensive Health Services -- companies contracted by the U.S. government to carry out “zero tolerance” immigration policies. The resolution was withdrawn by the proponents when the company agreed to enhanced human rights assessments and other governance changes.

ICCR members SEIU and Mercy Investment Services filed resolutions with private prison companies [CoreCivic](#) and [GEO Group](#) respectively on the risks of adverse human rights impacts related to immigrant detention. These resolutions have been challenged and are awaiting adjudication by the SEC as to whether they will proceed to the company proxies.

Said ICCR’s Sr. Program Director Nadira Narine, who coordinates ICCR’s work on immigration, ***“In the same way responsible investors must consider the environmental and social impacts of their portfolios, so must financial institutions scrutinize their investments to ensure they are not causing or contributing to adverse human rights impacts. If a company cannot execute the enhanced human rights due diligence necessary to vouchsafe that these relationships don’t present risks, then they must extricate themselves from these investments; we are gratified to see JPMC do just that.”***

About the Interfaith Center on Corporate Responsibility (ICCR)

Celebrating its 49th year, ICCR is the pioneer coalition of shareholder advocates who view the management of their investments as a catalyst for social change. Its 300 member organizations comprise faith communities, socially responsible asset managers, unions, pensions, NGOs and other socially responsible investors with combined assets of over \$400 billion. ICCR members engage hundreds of corporations annually in an effort to foster greater corporate accountability. www.iccr.org

ⁱ A number of reports have highlighted the human rights abuses at these facilities, including: HRW: <https://www.hrw.org/news/2016/07/07/us-deaths-immigration-detention>
Huffington Post: http://www.huffingtonpost.com/christina-fialho/geo-group-whistleblower-e_b_7309916.html
ACLU: <https://www.aclu.org/blog/speak-freely/aclu-un-tomorrow-testify-horrific-human-rights-record-us-private-prison-companies>

ⁱⁱ <https://www08.wellsfargomedia.com/assets/pdf/about/corporate/business-standards-report.pdf> (page 43)

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