



INTERFAITH CENTER ON CORPORATE RESPONSIBILITY
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August 12, 2019

Mr. Kessel D. Stelling Jr. Chairman, Pres & CEO
Synovus Financial Corporation
1111 Bay Avenue
Suite 500
Columbus, GA 31901

Dear Mr. Stelling:

The undersigned investors, clients and asset managers, many of whom are members of the Interfaith Center on Corporate Responsibility (ICCR), a coalition of more than 300 faith and values-driven institutional investors collectively representing over \$400 billion in invested capital write to express our concern over the company's financial relationships with private correctional REITs (often referred to as private prison companies) which are receiving growing numbers of contracts to detain immigrants amid the current administration's immigration policy.

As current and potential shareholders, we are concerned that Synovus Financial's financial relationships with CoreCivic, a relationship that is gaining increasing public attention, may expose the bank to serious business risks. These risks include opposition from employees or loss of clients who are opposed to the current immigrant policy and/or have concerns with the business model of private prisons and the human rights risks at these facilities more generally.

For example, as we have seen in recent months, a prominent national campaign has targeted the banking sector on precisely this issue, with direct actions generating national media attention and tens of thousands of letters from people across the country. Nine major banks have already made the decision to no longer bank the sector – JP Morgan Chase, Wells Fargo, Bank of America, SunTrust, BNP Paribas, US Bancorp, Barclay's, Fifth Third Bank and PNC Bank. Bank of America stated "The private sector is attempting to respond to public policy and government needs and demands in the absence of long standing and widely recognized reforms needed in criminal justice and immigration...Lacking further legal and policy clarity, and in recognition of the concerns of our employees and stakeholders in the communities we serve, it is our intention to exit these relationships."

New York City's pension funds divested \$48 million in stocks and bonds invested in private prison companies on June 8, 2017 because of human rights abuses and associated lawsuits. More recently, the Fund is working to avoid investing in other companies that profit from mass incarceration, including some health care and telecommunications providers that primarily serve prisons.¹ In making the decision to divest, New York City's comptroller, Scott Stringer said, "these failings can lead to reputational, legal, and regulatory risks, which could seriously harm investors."²

¹ <https://www.bloomberg.com/news/articles/2019-06-18/nyc-pensions-to-expand-prison-investment-ban-with-platinum>

² <https://comptroller.nyc.gov/newsroom/comptroller-stringer-and-trustees-new-york-city-pension-funds-complete-first-in-the-nation-divestment-from-private-prison-companies/>

On July 23, Fitch Ratings downgraded CoreCivic. The rating agency said its negative outlook for CoreCivic “is related to uncertainty over the possibility that additional banks could sever ties with the sector.” Fitch noted that “environmental, social and governance concerns regarding private prison operators have recently grown beyond the largest U.S. money centers to include regional and European banks.”³

The immigrant detention centers run by CoreCivic and GEO Group have faced public scrutiny for numerous human rights abuses, including medical neglect, sexual and physical assault against detainees, understaffing, and overcrowding.⁴ According to research done by Investigate⁵, a project of the American Friends Service Committee, in February 2017, detainees at an ICE facility managed by CoreCivic went on a hunger strike⁶ to protest their detention and CoreCivic retaliated by locking them in solitary confinement. In that year, a federal audit revealed⁷ that a CoreCivic immigrant detention center in Kansas lacked adequate oversight and was severely understaffed. The audit concluded that this was also a problem at other CoreCivic detention facilities. In September 2018, over one hundred detainees went on hunger strike⁸ in the company’s La Palma Correctional Facility in Eloy, AZ, demanding access to bathrooms, three meals a day, and an end to brutality and violence by CoreCivic employees. In March 2019, ICE was granted⁹ a court order to physically restrain and force-feed a detainee on hunger strike in the same CoreCivic facility. Forced feeding is considered¹⁰ a form of torture under the UN Convention Against Torture. In March 2019, Physicians for Human Rights reported that infants as young as 27 days old have been detained at CoreCivic facilities.

These examples highlight that the private prison Synovus Financial finances are rife with alleged human rights abuses prompting concerns among investors about the implementation of Synovus Financial’s human rights due diligence process when assessing financial relationships. 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; many of these issues, according to the OIG report¹¹ from the Department of Justice, are more serious in private prisons than in public facilities.

Given the human rights abuses highlighted in recent reports and lawsuits, we would like to understand how the company is assessing its current relationship with CoreCivic¹². As the demand for immigrant detention increases, we are concerned that CoreCivic, given its record, will struggle to meet robust standards related to respect for human rights and the health and safety of detainees. Further, by providing financing to CoreCivic, Synovus Financial may be exposed to the reputational risk that

³ <https://www.spglobal.com/marketintelligence/en/news-insights/trending/Gip-kVwrCnZWebSuOtxJUw2>

⁴ 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>

⁵ <http://investigate.afsc.org/>

⁶ <https://www.theverge.com/2017/2/27/14728978/immigrant-deportation-hunger-strike-solitary-confinement-ice-trump>

⁷ <https://www.motherjones.com/politics/2017/04/justice-department-audit-corecivic-marshall-service-leavenworth/>

⁸ <https://kjzz.org/content/700858/immigrant-rights-organization-puente-says-migrants-hunger-strike-correctional>

⁹ <https://www.phoenixnewtimes.com/news/court-allows-ice-force-feed-detainee-on-hunger-strike-in-elyo-11255866>

¹⁰ <https://www.apnews.com/e0941d7d1b0d413b9d9a0b792c34dd26>

¹¹ <https://oig.justice.gov/reports/2016/e1606.pdf>

¹² <https://populardemocracy.org/sites/default/files/2019%20Impact%20Brief%20-%20Wall%20Street%20Banks%20Sever%20Ties%20with%20Private%20Prisons%20ITPI%20PAI%20CPD%20July%202019%20FINAL.pdf>

accompanies the private prison industry given public concerns about mass incarceration, the criminalization of immigrants, and poor treatment of individuals in these facilities.

Given the conditions and known abuses and neglect present in private prisons, as compared with similar public facilities, we believe financial institutions like Synovus Financial should exercise caution regarding involvement in the industry and should terminate any existing relationships and refuse any future financing. We request that you provide us a written description of your existing financial relationships with any companies in the private prison and immigrant detention industry and your assessment of the human rights risks within these facilities. We would appreciate the opportunity to have a call with relevant members of your team to discuss this issue and the company's approach to assessing and addressing human rights risks associated with your financing relationships.

We look forward to receiving your response by **August 23, 2019**. Nadira Narine (nnarine@iccr.org) will be the point of contact on behalf of the undersigned investors.

Signed,



Nadira Narine
Senior Program Director, Interfaith Center on Corporate Responsibility

Representing:

Andrew Friedman	AJF Financial Services, Inc.
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Lauren Compere	Boston Common Asset Management
Rob Fohr	Committee on Mission Responsibility Through Investment of the Presbyterian Church U.S.A.
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Barbara Kane	Dominican Sisters of Peace
Sister Eileen Gannon	Dominican Sisters of Sparkill
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