

PRIVATE POLICE OWNERSHIP

CAN IT POSSIBLY HAPPEN?

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The Command College Futures Study Project is a FUTURES study of a particular emerging issue of relevance to law enforcement. Its purpose is NOT to predict the future; rather, to project a variety of possible scenarios useful for strategic planning in anticipation of the emerging landscape facing policing organizations.

This journal article was created using the futures forecasting process of Command College and its outcomes. Defining the future differs from analyzing the past, because it has not yet happened. In this article, methodologies have been used to discern useful alternatives to enhance the success of planners and leaders in their response to a range of possible future environments.

Managing the future means influencing it—creating, constraining and adapting to emerging trends and events in a way that optimizes the opportunities and minimizes the threats of relevance to the profession.

The views and conclusions expressed in the Command College Futures Project and journal article are those of the author, and are not necessarily those of the CA Commission on Peace Officer Standards and Training (POST).

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Currently, police chiefs and executive staff members are constantly looking for ways to improve the level of quality service while striving to be financially prudent. It seems that today's mantra of doing more with less is becoming more of a demand. Executive staff members are also looking for innovative and progressive ways to better serve their communities. Regionalization and privatization are routinely considered by managers when considering budget and looking to improve services. Perhaps the next level of privatization should be of an entire police organization.

Remember the movie RoboCop? This crime fighting, unstoppable machine was created and purchased by the owners of the Detroit Police Department, Omni Consumer Products (OSP). The benefits of having a progressive corporate business similar to OSP, managing and overseeing a law enforcement agency could have tremendous impacts on modern day policing. Imagine having state of the art technology readily available, full financial autonomy, and a competitive marketplace for police services. In short, imagine the police agency of the future as a private corporation.

Privatization Created Professional Policing

The roots of enforcing law and order actually originated in the private sector. For instance, in the 1500's, England's police functions were performed by private watchmen and so called thief-takers (Benson, 2008). The former were funded by private individuals and organizations; the latter by privately-funded rewards for catching criminals, who

would then be compelled to return stolen property or pay restitution. In the early 18th Century, though, things began to change.

In 1737, Great Britain's George II began paying some London and Middlesex watchmen with tax moneys, beginning the shift to government control. In 1750, Henry Fielding began organizing a force of quasi-professional constables. The McDaniel Affair added further impetus for a publicly-salaried police force that did not depend on rewards. The McDaniel scandal revealed widespread corruption by private police, who had routinely convicted innocent men to long jail sentences and death solely for reward money (Delmas-Marty, 2002). The McDaniel Affair scandal caused grave concerns towards private policing from its London citizens. In 1828, though, there were still privately financed police units in no fewer than 45 parishes within a 10-mile radius of London. That was all about to change.

In 1829, Sir Robert Peel recognized that the private police were not being effective in deterring and preventing crime. Moreover, with property crimes on the rise, coupled with their limited authority, Peel introduced the Metropolitan Police Act. Peel created the first public metropolitan police agency and set in motion a change to more effective public policing (Dempsey, 2010). Peel's model of policing, and "Peels' Principles" have largely been adopted by, and have informed, generations of police agencies in America to the present day (Vila, 1999).

Attempts at Privatization

Historically, city governments routinely contract with the private sector work in their general services, public works, and community services departments. Currently, municipal police departments do not compete with private police services; however, private police ownership can be a legitimate viable option. Private police ownership has, though, made several attempts to enter the public police industry. Elliott (2009) writes that the city of Oro Valley, Arizona entered into a private police contract for a two year period between 1975 and 1977. The full service police contract was very successful as burglary rates fell dramatically and public confidence grew. The demise of the department came as the Arizona Law Enforcement Officers Association Council stepped in and refused the new department statewide training and accreditation in 1977 (Elliott, 2009).

Washington Post Journalist Amy Goldstein writes, “private firms with outright police powers have been proliferating in some places and trying to expand their terrain” (Goldstein, 2007). One of these firms is the Capitol Special Police in North Carolina, which is currently lobbying the state legislature to broaden their jurisdiction, currently limited to only the private properties of those who hire them, to adjacent public streets.

In South Carolina, all security officers have the same authority and powers to make an arrest as Sheriff’s Deputies. Spring Valley HOA in Columbia, SC is a good example. Private Officers respond to calls for service, make arrests, use blue lights, and traffic radar. They are law enforcement under state law, case law, and Attorney General’s opinion, and are authorized by the state to issue uniform traffic tickets to

violators (SCAG's Opinion, 1978). Even though many in policing might see these functions as inappropriate for a private police officer, public agencies have already outsourced a number of other traditional functions to private companies for years.

Law enforcement managers have long recognized the value and cost savings of civilianizing or privatizing portions of their departments both administratively and operationally (Preserving Police Services, 2002). In most instances, high priced sworn officers were replaced with lower cost civilian employees. If privatizing portions of the department has been successful, perhaps it is time to move towards complete police privatization.

Privatization – Pros, Cons and Issues

A private police owner would present a more competitive environment for public police departments. Private owners can also cause other agencies to increase their service level because capitalism has entered into its sphere of influence. The general public typically views government workers as complacent and lack a desire to help. Government workers enjoy a layer of protection in their job due to tenure and lack of market competition. This negative perception of government workers would likely not exist in the workplace of private policing. Customer service and performance would be a factor in determining whether an employee keeps their job. High performance and production standards would likely be set for each employee to achieve to ensure the departments success.

An Experts View

In November, 2009 an expert panel of former and current law enforcement leaders, successful businessmen, and scholars convened to explore and discuss the topic of private police ownership. One expert, Matt Carroll, owns a successful private security business in Sacramento, CA. Carroll said he is waiting for the opportunity to break into the police industry. His company spends significant funds on training and technology, and places significant emphasis on customer service, state of the art equipment, and quality performance. Carroll is willing, and able to compete for law enforcement contracts when the opportunity presents itself.

Other experts on the panel suggest it would difficult for private ownership of policing to become reality anytime soon due to the political culture and legal issues. Several related issues came to light during the panel discussion. The panel pondered whether privately trained officers would be required to meet the State's training accreditation for its public safety officers. The panel stated that accreditation is vital to ensure statewide standardized training. Another concern expressed was the manner in which information sharing might occur between private and public police agencies. Would security measures be intact to allow agencies to share information? Would agencies be forced to share? The panel also questioned what contingency plans would be in place should a private police owner declare bankruptcy or suffer financial problems. Lastly, the panel discussed whether community members would come to trust their officers knowing that the owner is now in business to make money.

Panel member and professor of criminal justice, Al Fox, posed the question regarding liability of an adverse court decision against a private police organization and

how members of the community would react. Moreover, Fox posed the question about discipline and officer conduct and how issues such as use of force and corruption cases against officers would be handled and messaged to the public. The panel concluded by agreeing that significant changes would have to occur in Federal and State law to allow private police officers to apply and enforce the laws. Panelists agreed if change happens, private police could be a viable option for local governments in the future.

Advantages of Privatizing

If government contracts out to a private police company, then different contractors may compete to offer the highest quality or lowest price. There is evidence that private police can provide services more cheaply than public police. For instance, the cost of San Francisco's private patrol specials is \$25-30/hour, compared to \$58/hour for an off-duty police officer (Office of International Criminal Justice, 1995). In Reminderville, Ohio, a Corporate Security firm outbid the Summit County Sheriff Department's offer to charge the community \$180,000 per year for 45-minute response time emergency response service by offering a \$90,000 contract for twice as many patrol cars and a 6-minute response time (Gage,1982). This is exactly the level of service that can be replicated and create buy in from local governments and the community.

Private ownership of police might also better prevent poor service and other abuses, as citizens could unilaterally “fire” their police company, rather than having to lobby the government to enact structural change. Homeowners associations and landlords would have a stronger incentive to monitor the activity of private police they hire for

their neighborhood, as nearby neighborhoods with better or cheaper police services could gain a competitive advantage in attracting residents and remaining profitable. Reputation could be an additional safeguard, as companies that gain a poor reputation would likely have more difficulty attracting new customers.

The ability of people to sue private police could be another safeguard. Companies would have an incentive to carefully screen applicants and fire abusive employees to avoid costly lawsuits that could cause their liability insurance premiums to rise. Public police, by contrast, are covered by sovereign immunity in many situations, and in any case, the public police lack an owner whose potential to suffer financially from lawsuits would provide a strong incentive to take action. Theoretically, the citizens as a whole might be considered the "owner" of government; but the difference is that these owners lack a means of selling their investment if their fellow owners refuse to cooperate in taking action to avoid losses; and there is less potential for hostile takeover bankruptcy to affect a change in control, as the government can simply raise taxes (or print money, in some cases) to compensate for financial losses.

There are the usual public choice issues involved that can thwart public sector reform, such as the fact that citizens realize their individual votes have little chance of affecting the outcome. As Bruce L. Benson notes, "Many people are very concerned about what the government is doing for (or to) them, but they rationally choose not to invest in information about candidates or to vote because they recognize that the costs of doing so exceed the benefits (Benson, 1998)." Another advantage cited by Benson is that private police would have a contractual responsibility to protect their customers. In

Warren V. District of Columbia, the court found that public police have no such responsibility. For instance, they cannot be sued if they fail to respond to calls for help.

James F. Pastor addresses such disadvantages by analyzing a number of substantive legal and public policy issues which directly or indirectly relate to the provision of security services (Pastor, 2003). These can be demonstrated by the logic of alternative or supplemental service providers. This is illustrated by the concept of "para-police." Para-police is another name for private police officers. Many public safety agencies use auxiliary police officers, who are part-time sworn police officers. Some also use reserve police officers, who are hired on an "as needed" basis, with limited police powers. These officers are typically called to duty for special details or events. In contrast to auxiliary and reserve officers, private policing is a relatively new and growing phenomenon. The use of private police, however, has particular appeal because property or business owners can directly contract for public safety services, thereby providing welcome relief for municipal budgets. Finally, private police functions can be flexible, depending upon the financial, organizational, political, and situational circumstances of the client.

The Business Perspective

Corporate managers typically have a different approach to leading employees in the private sector versus the public. Privately run businesses set goals and objectives for employees to accomplish. When goals are not met, employees may be out of a job. In the public sector, managers often shy away from taking punitive action against employees when under performing. A private police owner could have authority to retain/terminate

employees at will because the officers work for the owner and not the city. Corporate managers also tend to be more business savvy, understand financials, and look for future trends to protect their business interests.

A secondary and important fundamental business aspect that corporate leaders recognize and prioritize is customer service. Because citizens within the community would be the customer, police owners would center their business model on a high level of customer service, placing emphasis responsiveness, and quality of work. Customer service within the public sector seems to miss the boat, again primarily because jobs are secure. In the private sector, jobs are more at risk and employees are more passionate about providing better service for fear of losing their job.

Conclusion

The Merriam-Webster's Dictionary (2004) defines capitalism as an economic system characterized by private or corporate ownership of capital goods any by prices, production, and distribution of goods that are determined mainly by competition in a free market. Perhaps public police departments have long enjoyed the safety and comfort by not being a part of the capitalist system. Competition is an incredible driving force for constant improvement. Maybe the time is soon coming for this change.

Are we ready? Privatized police ownership can become a reality. Economically, private policing makes sense and could be a financial victory for local governments. As with most budgets, personnel costs generally consume more than half of the entire general fund. Private ownership allows for a different retirement system altogether,

thwarting the high cost per employee. The benefits to local government, communities, and to the law enforcement profession can be greatly enhanced by the competition of private police ownership.

Presently, federal and state laws may only legally be enforced by government officials. It is not too distant of an idea to amend these very same laws affording private police officers the same authority as public police officers. Once the way is clear to allow for private police ownership, the door swings wide to a higher level of police services to its community. Brace yourself as the thick shell of protection around public police departments is about to crack.

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