

July 23, 2025

Joint Performance Review Committee Attn: Committee Chairs 1 Capital Mall, 5th Floor Little Rock, AR 72201

Re: Complaints and Investigation Requests in connection with the Proposed Prison in Franklin County

Dear Chairs Rice & Cozart:

The undersigned citizens of Arkansas submit the following Complaints and Investigation Requests in connection with the proposed prison in Franklin County. This letter is intended to serve as the initiation of a citizen complaint and provide you with narrative information in connection with acts of impropriety and malfeasance surrounding the proposed prison in Franklin County. We are happy to provide documentary evidence, clarification, answers to questions, and/or testimony at the Committee's request.

As you are no doubt well aware, this highly secretive project has been met with almost universal opposition from the public at large, threatens to upend the lives of no less that 605 Arkansan families residing within a 5-mile radius of the site, has had zero public outreach or citizen communication, and has resulted in an enormous furthering of the citizens distrust of its government. This project represents government overreach at the highest levels and pays no respect to either local control or the most basic levels of human respect.

After a review of the information herein, we hope the committee will agree with our request that it perform a full investigation into the manner in which the people's business has been conducted in connection with the prison project and whether the State has fulfilled its legal, ethical, and fiscal obligations throughout the process.

## I. COMPLAINTS

- 1) It is improper for Arkansas taxpayers to be burdened with supporting the salary of two leaders of the Department of Corrections.
- 2) It is an improper use of taxpayer funds to pay a consultant for a task while simultaneously having an unqualified state agency perform the same task.

- 3) Expending taxpayer funds on a capital project without funding for such project is irresponsible and improper.
- 4) Failing to conduct proper due diligence on real property prior to its purchase is irresponsible and improper.

## II. SUMMARIES

<u>Complaint 1</u>: It is improper for Arkansas taxpayers to be burdened with supporting the salary of two leaders of the Department of Corrections.

- 1. Despite being *fired for cause* in October 2023 due to serious concerns about his leadership and management of the Department, including allegations of unethical behavior and mismanagement, Mr. Profiri continues to receive compensation from the State of Arkansas. According to public records, he was reassigned to a newly created role within the Executive Office as a Senior Advisor on Corrections—a position with no clear responsibilities, no defined job description, and no apparent oversight.
- 2. Meanwhile, the Governor appointed a new Secretary of the Department of Corrections, meaning Arkansas taxpayers are now funding **two high-level salaries** for the same purpose—one for the current leader and another for a dismissed official who was removed due to performance and conduct concerns. Moreover, Mr. Profiri's elevation to a position in the Governor's office has shielded him from the FOIA process and essentially made Department of Corrections dealings invisible to the public.
- 3. While the Governor is certainly entitled to conduct her office's staffing as she sees fit, Mr. Profiri testified in front of the Joint Budget Committee on behalf of the Department of Corrections in an open hearing after Sec. Wallace was incapable of answering questions. This act points to the simple fact that Sec. Wallace is not competent to fulfill the secretarial role and Mr. Profiri is skirting his firing by the Board of Corrections by continuing at the helm of the DOC. In any scenario, the taxpayers are paying in duplicate for a single role to be performed.
- 4. This situation raises major red flags related to fiscal stewardship, accountability, and transparency. It is not only inefficient and wasteful, but it also sends a troubling message to the public about the consequences of mismanagement in state government. This arrangement violates both the public trust and the intent of responsible government.

<u>Complaint 2</u>: It is an improper use of taxpayer funds to pay a consultant for a task while simultaneously having an unqualified state agency perform the same task.

- 5. In the case of the Franklin County prison project, the State of Arkansas contracted **Vanir Construction Management**—out of Sacramento, California—with prison-specific expertise, to provide **site analysis, cost estimation, and construction oversight** for a new correctional facility. This contract, valued at \$16.5 million, was intended to secure expert guidance on site feasibility and infrastructure planning.
- However, despite paying Vanir for this professional assessment, the Arkansas 6. Division of Correction (DOC)—which does not specialize in site selection, infrastructure engineering, or environmental analysis—relied on information provided by unqualified state employees, who admittedly lacked the knowledge base to make such a decision as demonstrated by internal emails. Beyond broad, cursory information seeking from subject matter experts and obtaining only the easily accessible yet outdated data available, no in-depth analysis was conducted on the property's project feasibility nor constructability. From infrastructure to soil composition to number of bodies versus probability of successful employment and retention, the State failed to conduct a comprehensive analysis of this site nor earnestly explore alternatives within the region. In fact, once reviewed by those with more in depth information about the type of site selection and necessary infrastructure criteria, they still knowingly approved the purchase without the necessary due diligence that would be expected of any other property development. This is most clearly evidenced when Anne Laidlaw stated in an email days prior to approval that the process had granted her with more specialized knowledge and for those reasons the Franklin County site was NOT VIABLE.
- 7. This was not a case of duplication—it was a case of substitution. Instead of relying on the expert analysis from Vanir, which Arkansas taxpayers paid for, or any detailed analysis by experts, the state allowed inexperienced state employees to take the lead on site selection—a task clearly outside their expertise. As a result, critical due diligence was skipped, key infrastructure and environmental concerns were overlooked, and a deeply flawed site was chosen. This decision has already driven up projected infrastructure costs by hundreds of millions of dollars and will continue to burden taxpayers for decades to come.
- 8. We urge the committee to investigate how and why Vanir's role as the owner's representative was undercut or duplicated by DOC staff, whether proper contracting oversight was exercised, and whether taxpayers have received the full value of the services for which they paid.
- <u>Complaint 3</u>: Expending taxpayer funds on a capital project without secured or approved funding is both fiscally irresponsible and a violation of sound budgeting practices. It is also a violation of Arkansas procurement law.
- 9. In the case of the proposed Franklin County prison, state agencies began advancing the project—including contracting with outside firms, conducting preliminary site work, and promoting the plan publicly—before the Arkansas Legislature had appropriated funds

to construct the facility. This approach placed the cart before the horse, committing public resources to a billion-dollar capital project without legislative approval or a dedicated funding stream.

- 10. By moving forward without secured funding, the state not only created false momentum around the project but also exposed taxpayers to unnecessary financial risk. This premature spending creates pressure on lawmakers to approve funding after the fact, not based on merit or readiness, but simply to justify the money already spent. It also bypasses normal processes of public input and legislative scrutiny designed to ensure accountability in large capital investments.
- 11. Not only is the spending premature but the state's obligation of further monies toward the project exceeds the total amount of monies available for the project, with \$75m available and \$76.5m in combined expenditures and obligations. This sort of pitfall is the precise reason Arkansas' procurement law requires adequate funding prior to project advancement and spending.
- 12. We urge the committee to investigate how and why state agencies moved forward with planning and expenditures in the absence of basic due diligence, but also without full legislative authorization.

<u>Complaint 4</u>: Failing to conduct proper due diligence on real property prior to its purchase is irresponsible and improper.

- 13. Failing to conduct proper due diligence on real property prior to its purchase is both irresponsible and improper, especially when taxpayer dollars are involved. The experience and expertise of the decision makers was so lacking, the offer on the property was not even made contingent on a Phase I assessment and basic constructibility review by subject matter experts. With little more than Google, publicly available data, and a topography map, a billion dollar plus decision was made for the Arkansas taxpayer—in a matter of 3 weeks.
- 14. In the case of the Franklin County prison site, the State of Arkansas committed to purchasing a multi-million dollar property prior to conducting comprehensive evaluations that are standard for any major capital investment and economic development—particularly of an industrial scale. There was no formal geotechnical study, no updated environmental impact report, no full traffic or infrastructure feasibility analysis, and no third-party validation of site suitability. In fact, some assessments relied on outdated information originating in the previous decade or informal conversations with experts who never physically visited the site.
- 15. This lack of due diligence has already resulted in the selection of a site that will require extensive and costly infrastructure development—including roads, water, and sewer systems—that will lack the redundancy necessary for safe, responsible development and

operation, which could have been avoided with a more thorough site analysis and comparison. Moreover, the State relied on outdated workforce figures and even then failed to perform a proper analysis of such figures, the only expert relied on provided a formula which scores the available workforce at the site a 1 out of 10. Choosing a site for a project of this magnitude without fully understanding the costs, risks, and development limitations is not only a poor business practice—it's a breach of the State's obligation to be a responsible steward of public funds.

## III. REQUESTS

- 16. In addition to the specific investigatory requests set forth in the sections above, we ask the committee to fully investigate:
  - i) the process by which this property was evaluated and selected;
- ii) whether any procedural standards, agency rules, or best practices were ignored or circumvented in the site selection process;
- iii) whether any legal or ethical guidelines were bypassed throughout the owner's representative, architect/engineer, and/or contractor selection, negotiation, and contracting process;
- iv) whether good cause exists for both Joe Profiri and Lindsay Wallace to be employed by the tax payers to perform the same job; and
- v) whether the state is or has violated state law by expending funds and undertaking a capital project without sufficient funding.

Further, to avoid this situation in the future, we respectfully request that the committee take steps or make recommendations to ensure public input is both heard and taken into account prior to these way-of-life altering capital "improvement" projects being forced onto the citizenry in the future.

17. Due to the serious and egregious nature of the violations contained herein, together with the irreparable harm that would befall the taxpayer by the continuation of the project in its current iteration, we ask the this committee seek to halt all construction, design, investigatory, or other work in connection with the project during the pendency of its investigation. This is the only way to prevent the spending of \$75m that the Arkansas taxpayer will never be able to recoup.

Please do not hesitate to contact either Adam Watson or Natalie Cadena with any questions or requests for further information, documentation, or testimony.

Respectfully submitted,

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