



**QUAKERS**  
Canadian Friends  
Service Committee

Incarceration costs much more than effective alternatives. It also fails to reduce recidivism. Why does the carceral system persist? **Who benefits?**



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# Executive Summary

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Correctional Service Canada had a budget of **\$3.17 billion** for the 2024–2025 fiscal year.

**94.1%**

went to custody operations and staffing.



**5.9%**

went to community supervision and supports.

### CORPORATE PROFIT OVER PUBLIC WELFARE

From January 2022 through November 2024, Correctional Service Canada granted over **13 thousand** private contracts totaling over **\$3.6 billion**.



McKesson Canada Corporation received **\$215 million** for pharmaceutical and other medicinal products.



Paladin Technologies received **\$18.3 million** for surveillance services.

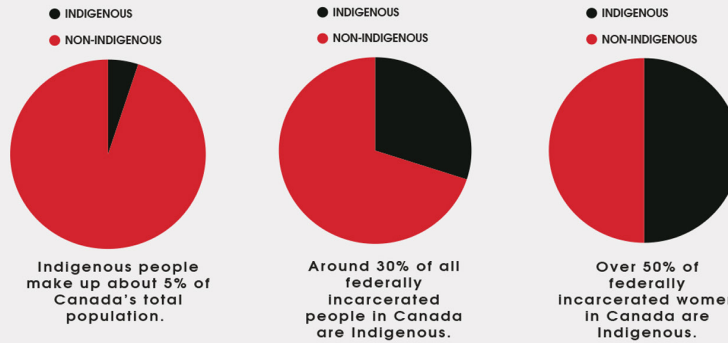
### THE COST OF INCARCERATION

The average cost of incarcerating one person in **2021** was **\$150,505** per year (**\$259,654** for women).

**74.5%**  
difference  
in annual  
cost

The average cost of supporting an individual in the community in **2021** was **\$38,418** per year.

### SYSTEMIC INEQUALITY



Indigenous community-run **Healing Lodges** deliver better results than Correctional Service Canada facilities while **costing about 40% less**. Despite this, they continue to receive less funding and resources, which raises concerns about whose interests the current system is really serving.

### DECREASE IN CRIME, NOT IN INCARCERATION

Despite stable or declining crime rates, incarceration in Canada remains high—linked to supervision policies, mental health gaps, and reintegration challenges.



In 2020, 73% of federally incarcerated men and 79% of federally incarcerated women **met the criteria** for one or more current **mental disorders**.



According to a 2025 report, around 30% of people released from custody experience **homelessness within 2 years**, increasing the likelihood of recidivism.



In 2022–23, approximately 85% of returns to custody were for breaches of conditions, **not new offences**.

### EXPLOITED LABOUR MARKETED AS REHABILITATION

CORCAN is a prison labour program run by Correctional Service Canada. It's marketed as rehabilitation but is often tied to parole and criticized as exploitative.

#### What Incarcerated Workers Do:

- Manufacture office furniture & textiles
- Provide construction services
- Produce goods/services sold to government & private clients

**Workers make a maximum of \$6.90 per day.**

#### Key Concerns:

- Limited job prospects upon release
- Lack of participation can impact parole decisions
- Incarcerated workers are not legally recognized as employees and are not protected by labour laws

Is this rehabilitation, or a system that **benefits from underpaid labour**?



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“Punishment itself  
has been turned  
into a site of  
profit.”



**Following the Money: Cui Bono Report** uses the guiding question “cui bono” (“who benefits?”) to investigate Canada’s carceral system and the economic interests that surround it. With a focus on Correctional Service Canada (CSC), the report argues that mass imprisonment is not necessarily a response to crime but rather a publicly funded structure that produces substantial profits for a network of external contractors, suppliers, and institutional stakeholders. The report’s central premise is that incarceration persists in part because it creates stable revenue streams and organizational incentives tied to custody, surveillance, construction, and service provision. The authors contend that asking who benefits financially from incarceration helps explain why prison expansion and heavy reliance on custody continue even when evidence does not support imprisonment as an effective or humane approach to public safety.

The *Cui Bono Report* challenges conventional assumptions about prison effectiveness by drawing attention to research indicating that custodial sanctions often do not reduce reoffending and may sometimes increase recidivism. This places prison policy in a paradox: if incarceration does not reliably achieve its supposed goals of deterrence and rehabilitation, it becomes necessary to understand what other forces sustain it.

The report draws on the concept of “crime control as industry” to frame incarceration as a system with economic momentum. In this framework, prisons generate their own institutional demand through operational needs, staffing models, security requirements, and contracted services, creating an environment where financial and political incentives can align with punitive expansion rather than harm reduction.

# More expensive but not safer

## No rationale for the status quo

Federal corrections spending reflects and reinforces the “crime control as industry” structure. CSC’s planned spending for 2024–2025 was approximately \$3.17 billion, with the majority directed to “Care and Custody,” while a much smaller portion supports community reintegration. The authors argue that this spending profile reveals a correctional approach dominated by institutional maintenance rather than investment in supports that prevent incarceration or promote successful reintegration. In addition, the report highlights the significant cost difference between incarceration and community alternatives. Data from Public Safety Canada indicates that in 2021, the average annual cost per incarcerated person was \$150,505, compared to \$38,418 for community supervision and support. The report presents this cost gap as evidence that a shift away from imprisonment is not only socially beneficial but also fiscally rational.

A major focus of the report is the scale and character of CSC contracting. From January 2022 through November 2024, CSC issued over 13,000 contracts worth more than \$3.6 billion. However, the report stresses that this figure likely underrepresents true outsourcing because only contracts over \$10,000 are required to be disclosed. The authors argue that contracting operates as a key pathway through which public money is redirected into private and organizational profit. They highlight that contracting extends across nearly every domain of prison life, including health services, infrastructure, food provision, security equipment, surveillance technologies, and administrative support. Through these arrangements, incarceration becomes a public spending mechanism that continuously generates business opportunities tied directly to the existence and expansion of prisons.

Crucially, the report identifies serious transparency problems in the government data used to track correctional contracting. The authors document inconsistency in contract reporting on the Open Government Portal: entries are frequently unclear or incomplete or difficult to interpret. Contract descriptions are often vague, which obscures what is actually being purchased, while contract totals and vendor information appears inconsistent across



datasets. The report argues that these data quality problems create a major barrier to accountability and democratic oversight. If procurement data cannot be reliably interpreted, it becomes difficult for the public to assess the true financial scale of prison privatization or to evaluate whether spending decisions align with rehabilitative goals.

Within the contracts the report was able to analyze, major beneficiaries were identified. McKesson Canada Corporation is a subsidiary of the U.S.-based multinational pharmaceutical company McKesson Corporation, and is one of the largest recipients of CSC contracts, having received over \$215 million between January 2022 and November 2024. Both McKesson Corporation and its Canadian subsidiary have been involved in lawsuits in recent years related to the opioid epidemic in the U.S. and Canada.

The report links this to broader concerns about healthcare delivery within prisons, including the use of medication as a management tool and the over-prescription of psychotropic drugs in certain institutional contexts. Paladin Technologies is presented as another significant beneficiary, receiving approximately \$18 million (Paladin was later acquired by Germany-based Bosch Building Technologies). Such security and surveillance contracting creates incentives to expand monitoring infrastructures. These can intensify institutional control and negatively affect mental health and dignity inside prisons.

Sysco (a US multinational) is also discussed in relation

to prison food procurement, with the report suggesting that centralized purchasing and cost-cutting pressures contribute to declining food quality and reduced autonomy for persons who are incarcerated.

Beyond these corporations, the report also identifies the Canadian Corps of Commissionaires as a substantial contract recipient, receiving approximately \$78.7 million. While structured as a nonprofit organization, the report situates it within the same broader economic pattern of security expansion, arguing that resources are frequently directed toward custody-based models rather than trauma-informed support, rehabilitation, or community reintegration. The report also expands its lens beyond CSC in parts of its analysis to highlight provincial-level contracting and privatization dynamics, including corporate involvement in prison construction, and the growth of paid telecommunications and digital access services inside institutions.

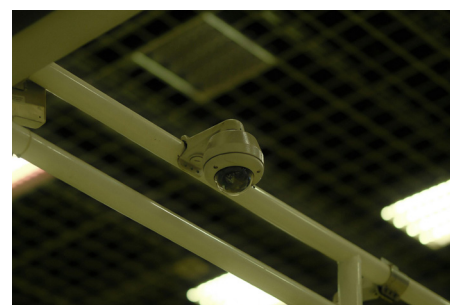
The report connects these financial flows to lived impacts inside prisons. It argues that privatization and austerity measures have degraded conditions and shifted costs onto persons who are incarcerated and their families. Where institutional provisions become insufficient, families often absorb the financial burden through commissary spending and communication costs. The report also critiques prison labour under CORCAN, arguing that while it is framed as rehabilitative job training, it often functions as a low-wage labour regime with limited skill transferability, thereby blending narratives of rehabilitation with extractive economic practices.

In conclusion, *Following the Money: Cui Bono Report* argues that Canada's correctional system is sustained by an economic infrastructure that benefits external contractors and institutional stakeholders, while persons who are incarcerated, their families, communities, and taxpayers bear the harms. It calls for a reallocation of public resources away from punishment and toward prevention, including housing supports, mental health and addictions treatment, restorative justice, and Indigenous-led justice initiatives grounded in self-determination. The report presents transparency, contracting accountability, and a shift away from reliance on incarceration as essential steps toward a safer and more just society.

See the full report for all citations of figures and quotations given above.

# \$259,654

**Cost to incarcerate a woman in  
Canada for one year**



Read the full report:

[QuakerService.ca/  
CuiBonoReport](http://QuakerService.ca/CuiBonoReport)



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