

Federal Government purchases 2 CoreCivic facilities in CA: California City DC/Kern County & Otay Mesa DC/San Diego County (7/02/2026)

ASK: We urge Senator Schiff to support a Senate hearing to determine:

- a. That the market value of the 2 properties were properly assessed
- b. Any market gain DJT realized from this deal
- c. If other trades made by any administration or corporate insiders in anticipation of this deal that resulted in a market gain

CC sold their 2 largest facilities in CA to DHS, who paid \$739.2 million for the Otay Mesa DC and \$732.6 million for the newly-opened California City facility. Sale closed on July 2. (\$1.5 billion total)

Per CC's press release:

- Estimated net proceeds: \$1.1 billion
- CC expects to continue running the day-to-day operations of both facilities under existing contracts.

The Grift & the Loss of Oversight

- CC exploring selling more sites to DHS
- DJT owns shares in CC
- CC released from the burdens of property ownership while collecting income from ICE for managing the facilities
- Per SEC filings: \$716 million goes to pay down CC's debt enabling the company to buy back stock thus increasing the value to existing shareholders such as DJT
- CC no longer has to comply with the California law allowing state officials, including health officials, to inspect private prison facilities

https://dougporter.substack.com/p/breaking-corecivics-otay-mesa-detention?r=5bn2t&utm_medium=ios&triedRedirect=true

<https://calmatters.org/justice/2026/07/corecivic-sells-ice-detention-centers/>

The Brennan Center

Another likely reason for the federal government's push to own these warehouses is to potentially try to claim federal immunity from local zoning restrictions and local oversight rules in the event of [legal challenges](#) from communities.

<https://www.brennancenter.org/our-work/research-reports/how-ices-budget-boom-changing-immigration-detention>

LA Times

Ryan Gustin, public affairs director for CoreCivic, said that such sales are not uncommon and that "the process was marked with rigor and integrity." He added that the valuations were established through the federal government's required appraisal process, using independent appraisers who determined objective fair market value.

California tried to kick private detention operators out of the state, but the 2020 law was overturned in the 9th Circuit Court of Appeals. Since then, state leaders have established oversight mechanisms through laws that allow for monitoring and investigation of detention centers by the California Department of Justice and local health authorities.

Asked to comment about the sale, Sen. Alex Padilla (D-Calif.) said his congressional oversight visits to facilities operated by CoreCivic have shown that immigrants who pose no public safety threat are being held in "unacceptable conditions."

<https://www.latimes.com/politics/story/2026-07-07/dhs-buys-two-california-immigrant-detention-centers-for-1-5-billion>