Studies of custodial power in penal organizations generally acknowledge the inherent weaknesses of exercising something like total power, and this research often hinges upon the use of discretion to understand penal management. This approach lacks a theoretical framework that takes seriously how the structural positions of social actors shape the distribution of power and control between custodial staff and persons in custody. Using ethnographic fieldwork in a California county jail system, I show how a social exchange perspective can be used to systematize empirical generalizations regarding discretion. In so doing, (a) I offer a novel conception of control as a structural phenomenon; and (b) I show how exchange theories work in a natural setting as opposed to the experimental designs and simulations by which social exchange theorizing has been built.