



DEPARTMENT OF CORRECTIONS

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November 7, 2011

Crossroads Correctional Facility
Martin Fink, Warden
50 Crossroads Drive
Shelby, MT 59474

Subject: Inmate Welfare Account

Dear Warden Frink,

This is the department's written review of the inmate welfare fund at Crossroads Correctional Center (CCC) for the time period of July 1, 2011-October 15, 2011. The report contains five recommendations related to the financial activity in the inmate welfare fund.

We appreciate the staff for their assistance and cooperation throughout this assessment.

Introduction and Scope

We performed a review of the inmate welfare fund (IWF) and the programs associated with that fund. Those areas include hobby, release assistance, recreation, education, religion and the incentive program. We reviewed the financial activity for each of these areas from staff and inmate records and also completed an analysis of the balance sheet activity for this fund.

Findings and recommendations

Process for inmate welfare fund meetings

Management structure needs to be an essential part of the inmate welfare fund meetings to ensure the expenditures benefit the inmates, are practical for facility and are within the projected revenues and budget set and approved at the beginning of the fiscal year.

The Crossroads Correctional Facility inmate welfare committee consists of an inmate chairman, inmate secretary and pod representatives who meet weekly to discuss what expenditures may be approved. The secretary forwards the completed requests to the secretary of Chief of Unit Management, who makes sure that the forms are signed by the appropriate staff. The only expenditure approval signature is by the Chief of Unit Management. Expenditure requests from CCC staff are also forwarded to the inmate chairman for review and approval by the welfare committee and processed in the same manner as above.

Review of the IWF forms indicated that the expenditures usually took place and then the inmate chairman and representatives would fill out the paperwork to approve the invoice. Numerous staff members indicated that they did not know what the size of the budget for the inmate welfare fund and they also indicated that some of the expenditures seemed "excessive." Upon review of the records

maintained by staff and inmates, the only log sheet of expenditures for this fund belonged to the inmate chairman. In addition to the log sheet, there was excessive paper information kept by the inmate chairman and this made it hard to determine what expenditures had been approved or denied.

Documentation provided from all inmate pod representatives appeared to be in excess of what was actually needed for representation on the inmate welfare committee.

RECOMMENDATION #1

We recommend CCC:

- A. Conduct inmate welfare meetings monthly instead of weekly.
- B. Designate management and facility business staff to be present at each meeting.
- C. Complete meeting minutes that document approved expenditures.
- D. Require final review and approval of proposed expenditures by warden or associate warden.
- E. Review all IWF-related material confiscated from the pod representatives to determine significance and value, and define what materials may be kept by the chairman and secretary of the inmate welfare committee.
- F. Review MSP Procedure 1.2.12 for inmate welfare account and use as a template for local procedure.
- G. Review MSP Procedure 5.5.104 regarding inmate housing unit representatives and use as a template for local procedures.

Policy and procedure guidelines related to the inmate welfare account and associated programs

Define policy and procedures for the inmate welfare account.

In reviewing staff and inmate records, DOC staff found it difficult to determine what policies and procedures are being used in the consideration of approved expenditures. The hobby, education, photography, religious, food sales, dog program, release assistance and the incentive programs had expenditures with inconsistent approval methodologies.

It is unclear why the hobby program orders items from the inmate welfare fund since the general understanding was that hobby items are to be purchased by inmates.

Legal library books and manuals should be the only education items allowed to be purchased as routine items from the IWF.

A review of the photo program indicated that a need for clear accounting of the costs related to supplies and the photos purchased. Revenues need to be tracked to the individual inmate requesting the photos. This program should be self-supporting.

Religious program expenditures need to stay within the allocated amounts requested in the annual budget and should be fairly distributed across the various religions based on the number of inmates participating in each religion.

The inmate incentive program is currently over budget and the operational aspect is very labor intensive to facilitate. The interviewed facility staff was not always sure how the program incentives were allocated and the equipment or property that was ordered was not clearly distinguished from facility property. In many cases the facility staff was unsure of what programs should be accessing the inmate welfare fund, but kept doing it the way that it had always been done.

Upon review of approved expenditure request forms, DOC staff could not determine the criteria behind expenditures for hobby supplies and the educational department, or what religious denomination materials were allowed.

Statute 53-1-109 indicates that the money in this account may be used for the needs of the inmates and their families. DOC policy 1.2.12 also provides an outline of the basic services that may be provided through this fund. This money is a state special revenue fund and the items purchased from it need to be documented with property items clearly marked and inventoried.

RECOMMENDATION #2

We recommend CCC:

- A. Define policy and procedures for accessing the inmate welfare fund, and review and consider using as templates MSP procedures 5.5.2 Inmate Organizations, 5.5.4 Hobby Crafts Programs, 5.5.100 Food Sales and Inmate Food Handouts, 5.5.101 Special Activities and 5.5.102 Family Day Activities.
- B. Educate staff on those policies and procedures.
- C. Discontinue the incentive program and use other tools to provide motivation for positive behavior.
- D. Clearly define what can be purchased from the inmate welfare fund as it relates to the religious, hobby, photo, education, food sales and dog programs and ensure money be allocated in an equitable manner that is consistent with MDOC facilities.
- E. Document all purchases and mark/tag all purchased property items and maintain inventories of all property.
- F. Update the inmate handbook regarding the access to IWF and associated programs.

Budgeted revenues and expenditures

Provide management oversight of actual revenues, expenditures and projections for each approved budgeted line item.

Revenues

A review of the revenues indicates a decline due to a renegotiated telephone contract which resulted in a reduced per-call charge. This revenue decline will have a direct effect on the budget that was approved for fiscal year 2012, and significant expenditure adjustments will need to be made to ensure expenditures do not exceed revenue received. The review also determined that the telephone revenue from the federal inmate pod was being co-mingled with revenue from the state-inmate portion of the facility.

Expenditures

A review of the expenditure approval forms in the prison staff and the inmate-maintained ledger did not clearly show who was keeping track of the total expenditures. The staff indicated they did not have a starting dollar amount and did not know whether the money was available for approved purchases.

Upon review of the purchasing process for approved orders, DOC staff discovered that numerous CCC staff members may be in charge of completing the transaction. Wal-Mart and VISA gift cards were purchased in large denominations to obtain items online or for use when a staff member traveled to Great Falls. The gift card did not have a check-out or transaction log to determine if the starting balance on the card, expenditures and ending balance were accurate. The cards' ending balances were verified

online, showing more than \$3,144 in unused gift card funds. These cards were kept by the recreation department in a green hanging file folder with pockets to indicate the program for which they originally had been purchased.

RECOMMENDATION #3

We recommend CCA:

- A. Establish a procedure to determine the percentage of telephone and canteen revenue contribution by the federal inmates and use this percentage as the allowable amount for access to the inmate welfare funds. This will ensure that the federal inmates receive no more than what they contribute. B. Discontinue the use of gift cards and transfer all revenue and expenditure activity to the facility business manager. In addition, the prison should provide the business office with additional personnel in order to complete the tracking of revenue, expenditures and purchases received at the facility for the inmate welfare fund. Currently the secretary for the Unit Manager Chief is keeping some of the expenditures and she may be able to continue working under the business manager to provide clear oversight of the process.
- C. Identify a business process so all staff and inmates understand how revenue and expenditures are processed.
- D. If telephone rates or services are renegotiated in future contracts, CCC needs to confer with MDOC to ensure the revenues meet or exceed the current estimated telephone revenues in contract language and that the IWF budgets are adjusted accordingly.

Release assistance

Develop policy and procedures for access to release assistance funding through the inmate welfare fund.

Reviewed guidelines governing release assistance appear to correspond with those at other secure care facilities, but it is unclear who actually verifies that the information is accurate. The IPPO at CCC indicated that he would review OMIS and enter information, but not all the forms we reviewed had his signature to validate that information. In addition, the offender account balance information did not appear to be entered by the business office. Some of the release assistance request forms found in the inmate chairman's files were very dated and DOC staff could not determine why they had not been forwarded appropriately or if any requests had been manipulated by inmates.

RECOMMENDATION #4

We recommend CCA:

- A. Develop a process to route all release assistance requests to the appropriate staff for presentation at the proposed monthly inmate welfare meeting. These requests should not be returned to any member of the inmate committee, but should stay with the CCC management staff member representative. All finalized requests should be processed by the business office.
- B. Provide information on release assistance in the inmate handbook.
- C. Work with MDOC to develop a release assistance policy and procedure.

Incentive Program

Discontinue the current incentive program.

A review of the current incentive program indicates it is a distraction for the staff and is confusing to the inmate population. The current incentive program is already over budget, very expensive to operate and is a burden on staff time. It started out as a very simple and restricted program, but over time has been manipulated by inmate interjection and has become more of an entitlement than an incentive for behavior change.

RECOMMENDATION #5

We recommend CCC:

- A. Build incentives into the custody levels and/or pods to encourage inmate movement to the least restrictive levels. These incentives can be implemented with very little or no costs. Areas such as increased day room time as custody decreases, and more recreation time, canteen, video games and hobbies for lower custody levels can be great incentives for behavior modifications.
- B. Incentives and privileges that have a current fiscal cost will have to cease quickly; others can be changed very carefully and judiciously to prevent adjustment issues.

In order to provide resolution to the five recommendations listed above, please forward the facility's corrective action plan, within 30 day of the date of this letter, to Pat Smith, chief of the Contract Beds Placement Bureau.

Once again thank you for your cooperation during this review and if you have any questions please don't hesitate to give me a call.

Sincerely,



Rhonda Schaffer, Administrator
Administrative and Financial Services Division

CC: Mike Ferriter, Director
Pat Smith, Chief Contract Bed Placement Bureau
Mike Mahoney, Associate Warden CCC