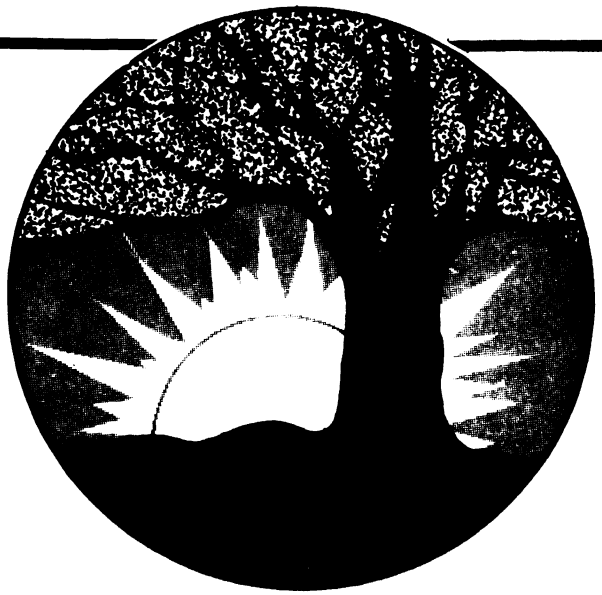
PERFORMANCE AUDIT

Department of Correction
September 2012



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September 18, 2012

The Honorable Ron Ramsey
Speaker of the Senate
The Honorable Beth Harwell
Speaker of the House of Representatives
The Honorable Mike Bell, Chair
Senate Committee on Government Operations
The Honorable Jim Cobb, Chair
House Committee on Government Operations
and
Members of the General Assembly
State Capitol
Nashville, Tennessee 37243

Ladies and Gentlemen:

Transmitted herewith is the performance audit of the Department of Correction. This audit was conducted pursuant to the requirements of Section 4-29-111, *Tennessee Code Annotated*, the Tennessee Governmental Entity Review Law.

This report is intended to aid the Joint Government Operations Committee in its review to determine whether the Department of Correction should be continued, restructured, or terminated.

Sincerely,

Arthur A. Hayes, Jr., CPA
Director

AAH/dlj
12-025

State of Tennessee

Audit Highlights

Comptroller of the Treasury Division of State Audit

Performance Audit
Department of Correction
September 2012

AUDIT OBJECTIVES

The objectives of the audit were to review inmate trust fund account documentation and reconciliation; to review the reentry program; to review the department's recovery procedures for employee state-issued property; to review the department's monitoring of employees' use of the Family Medical Leave Act and/or Military Leave; to review employee-related security procedures for the Tennessee Offender Management Information System; to review departmental policies and procedures related to violent incidents; to review payments to local jails and related changes in statute; to determine how the department monitors contract performance; to determine the status of actions and related legislation to transfer to the department certain offender supervision responsibilities assigned to the Board of Probation and Parole; to review the department's policies and procedures regarding contraband; to determine how the department measures and tracks recidivism; and to gather and report Title VI information, staff demographic information, and performance measures data.

FINDINGS

Numerous Weaknesses Were Identified in the Department's Mental Health Contract Monitoring Process, Increasing the Risk That Inmates May Not Receive Adequate Mental Health Services and That the State Vendor May Not Provide All of the Services It Is Obligated to Perform

Auditors' review of the mental health services contract monitoring process and related documentation at the Department of Correction (TDOC) found weaknesses related to assessment of liquidated damages for contract noncompliance and the timeliness of monitoring. The Office of Mental Health Services sets policy standards for the delivery of mental health treatment to inmates and evaluates the care provided throughout the department system. The department contracted with MHM Correctional Services, Inc., from July 1, 2006, through June 30, 2012, for a maximum liability of $28,858,200. As of July 9, 2012, there were approximately 3,760 inmates with a mental illness diagnosis within the system (page 16).

Because Department of Correction Facilities and the Tennessee Correction Academy Fail to Properly Document the Return of State-issued Property, Including Uniforms, Badges, IDs, and Keys, When Employees Leave Department Employment, Neither the Facilities Nor the Academy Could Provide Adequate Proof That Exiting Employees Returned State-Issued Property, Increasing the Security Risk of Abuse of the Items

Four of the 11 department facilities and the Tennessee Correction Academy do not document whether exiting employees return state-issued property when leaving department employment. In addition, there is a lack of consistency and uniformity in carrying out the requirements of the related policies. Serious security risks could potentially occur when state-issued property items such as correctional officer uniforms, picture IDs, and TDOC badges are not returned by exiting employees (page 26).

Management Has Again Not Mitigated the Risks Associated With Information Systems Security, Which Increases the Risk of Fraudulent Activity

Our testwork revealed that the department's staff did not always follow the *Management Information Services Procedures Manual*, resulting in an increased risk of fraudulent activity. The department's various information systems contain extensive inmate and employee data. This is a repeat finding from the Division of State Audit's Financial and Compliance Audit released in 2009 (page 30).

The Department and Its Contractors Do Not Always Follow Inmate Trust Fund Account Policies, Increasing the Risk That These Trust Funds Will Be Subject to Fraud, Waste, and Abuse

The purpose of the Inmate Trust Fund Accounts is to establish a cashless inmate economy through the use of an inmate trust fund. Auditors' review of Inmate Trust Fund Account documentation found several instances of noncompliance with the policy, as well as additional areas of concern. Taken individually, these noncompliances and areas of concern appear relatively minor; however, these are trust funds with fiduciary obligations. Taken as a whole, they raise questions about the internal controls over these accounts and the potential for problems (page 31).

The Department Needs to Clarify Its Policy on How It Reports Incidents Occurring in the State's Prisons, and Should Ensure That Incident Statistics Provided to the Public and Policy Makers Are Sufficiently Explained

Incident reports are used by the department to record certain incidents (e.g., confiscation of contraband, violent activities) that occur in Department of Correction (TDOC) facilities. Incident numbers are reported in statistical and performance measures reports that are used to inform the public and the legislature about the conditions present in Tennessee prisons and are used to aid department management and policy makers in making decisions. Auditors reviewed Policy 103.02, which provides guidance on incident reporting; tested a sample of incident reports; interviewed department staff regarding incident reporting; and reviewed statistical and performance measures reports containing incident statistics. Our review raised concerns that (1) the language in the policy is not clear, which could lead to misunderstandings and

inconsistencies in how and when incidents are reported and (2) that members of the public and policy makers reviewing incident statistics may need additional explanation to understand what these statistics mean and how they were calculated (page 35).

OBSERVATIONS AND COMMENTS

The audit also discusses the following issues: the department conducts extensive monitoring of Corrections Corporation of America's compliance with its contracts to manage the three facilities, but could improve monitoring procedures, including documenting management review and formatting reports to permit better analysis of noncompliance issues; review of contract monitoring processes for medical, rehabilitation, and nursing contracts; the department has instituted new procedures to address increasing rates of violence; contraband in department facilities; the department has incorporated evidence-based programming into the reentry process; the department has made significant improvements in defining and tracking recidivism since the April 2009 performance audit, but still does not track recidivism based on programs; continued lack of compliance with FMLA rules and procedures; and discontinuance of the requirement for counties to submit final cost settlements (page 37).

Performance Audit
Department of Correction

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Performance Audit
Department of Correction

INTRODUCTION

PURPOSE AND AUTHORITY FOR THE AUDIT

This performance audit of the Department of Correction (TDOC) was conducted pursuant to the Tennessee Governmental Entity Review Law, *Tennessee Code Annotated*, Title 4, Chapter 29. Under Section 4-29-234, the Department of Correction is scheduled to terminate June 30, 2013. The Comptroller of the Treasury is authorized under Section 4-29-111 to conduct a limited program review audit of the agency and to report to the Joint Government Operations Committee of the General Assembly. The audit is intended to aid the committee in determining whether the Department of Correction should be continued, restructured, or terminated.

OBJECTIVES OF THE AUDIT

The objectives of the audit were

1. to review inmate trust fund account documentation and reconciliation;
2. to review the reentry program;
3. to review the department's recovery procedures for employee state-issued property;
4. to review the department's monitoring of employees' use of the Family Medical Leave Act and/or Military Leave;
5. to review employee-related security procedures for the Tennessee Offender Management Information System;
6. to review departmental policies and procedures related to violent incidents;
7. to review payments to local jails and related changes in statute;
8. to determine how the department monitors contract performance;
9. to determine the status of actions and related legislation to transfer to the department certain offender supervision responsibilities assigned to the Board of Probation and Parole;
10. to review the department's policies and procedures regarding contraband;
11. to determine how the department measures and tracks recidivism; and
12. to gather and report Title VI information, staff demographic information, and performance measures data.

SCOPE AND METHODOLOGY OF THE AUDIT

The audit focused on the Department of Correction's activities for fiscal years 2010 through 2012. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Methods used included

1. review of applicable legislation and policies and procedures;
2. examination of the entity's records, reports, and information summaries; and
3. interviews with department staff and staff of other state agencies that interact with the agency.

STATUTORY RESPONSIBILITIES AND ORGANIZATION

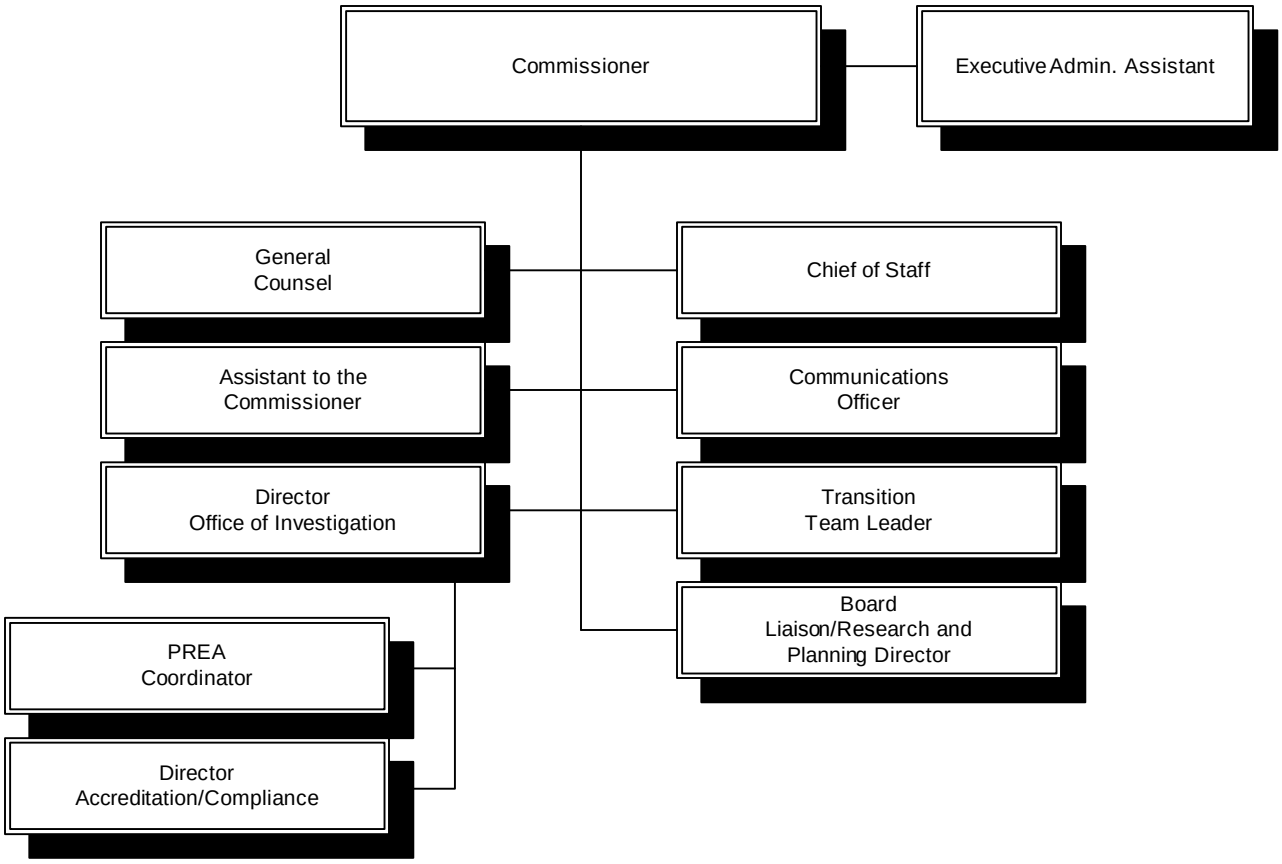
The Department of Correction was established in 1923 under the provisions of Title 4, Chapter 3, Part 6, *Tennessee Code Annotated.* The department was created to manage and govern the state's penitentiaries. According to the department, its mission is to enhance public safety in Tennessee through the incarceration and rehabilitation of felony offenders and to operate safe and secure prisons.

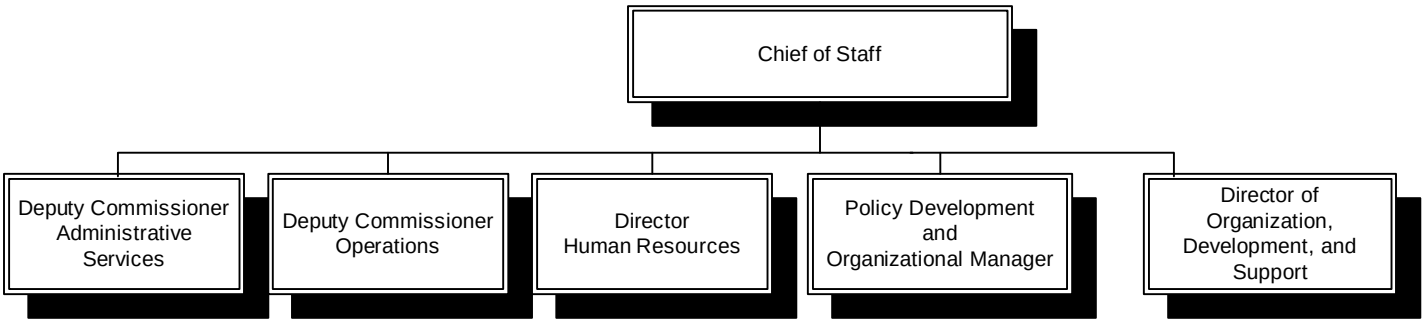
The Department of Correction is supervised by a commissioner, chief of staff, and two deputy commissioners (see the department's organization chart on pages 3 and 4). The department consists of 14 state prisons located across the state. Eleven facilities are operated by the department; three are managed privately by Corrections Corporation of America.

On July 12, 2012, there were 18,622 males and 1,207 females assigned to the department, for a total of 19,829 inmates incarcerated in Tennessee's adult institutions. Female inmates are housed in two prisons: one in Nashville and the other in Memphis. Male inmates are housed in the 12 other prisons located across the state. Inmates in need of acute or continuing medical care are housed at the Lois M. DeBerry Special Needs Facility in Nashville. The department is fully accredited by the American Correctional Association.

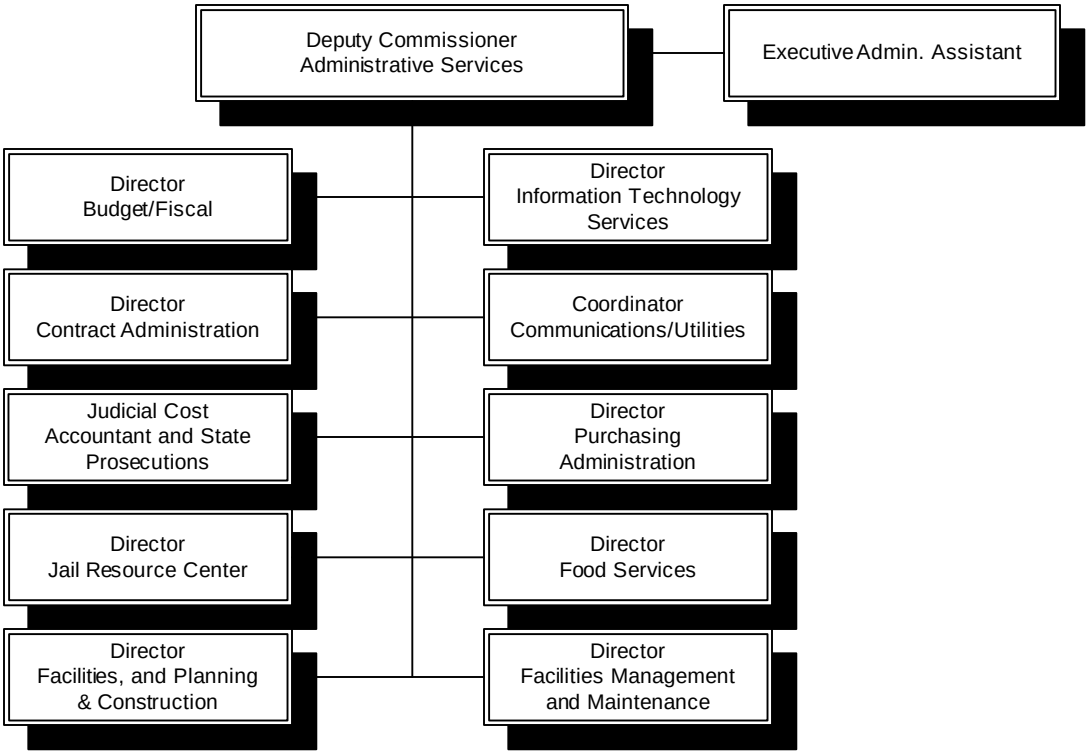
The department also operates the Tennessee Correction Academy, which trains corrections professionals and criminal justice professionals from other government agencies.

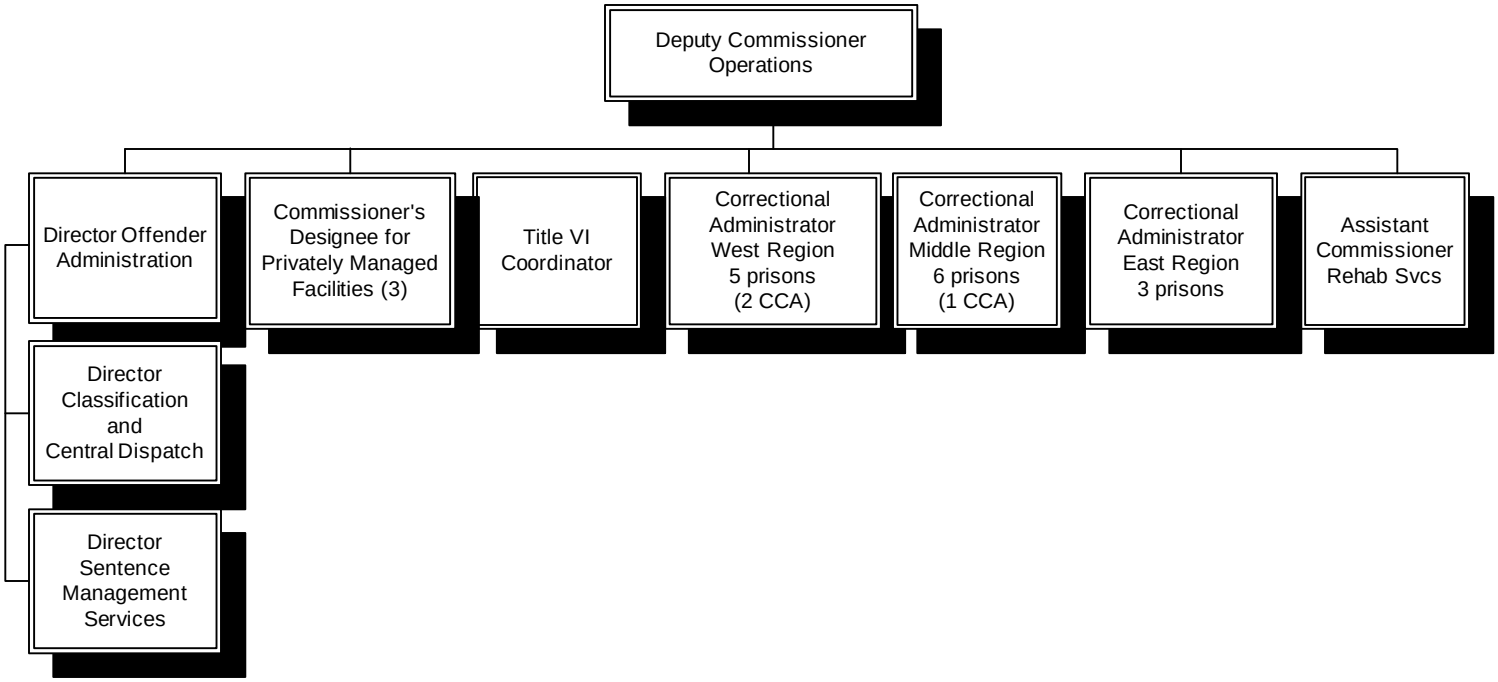
Tennessee Department of Correction
Organizational Chart
2012

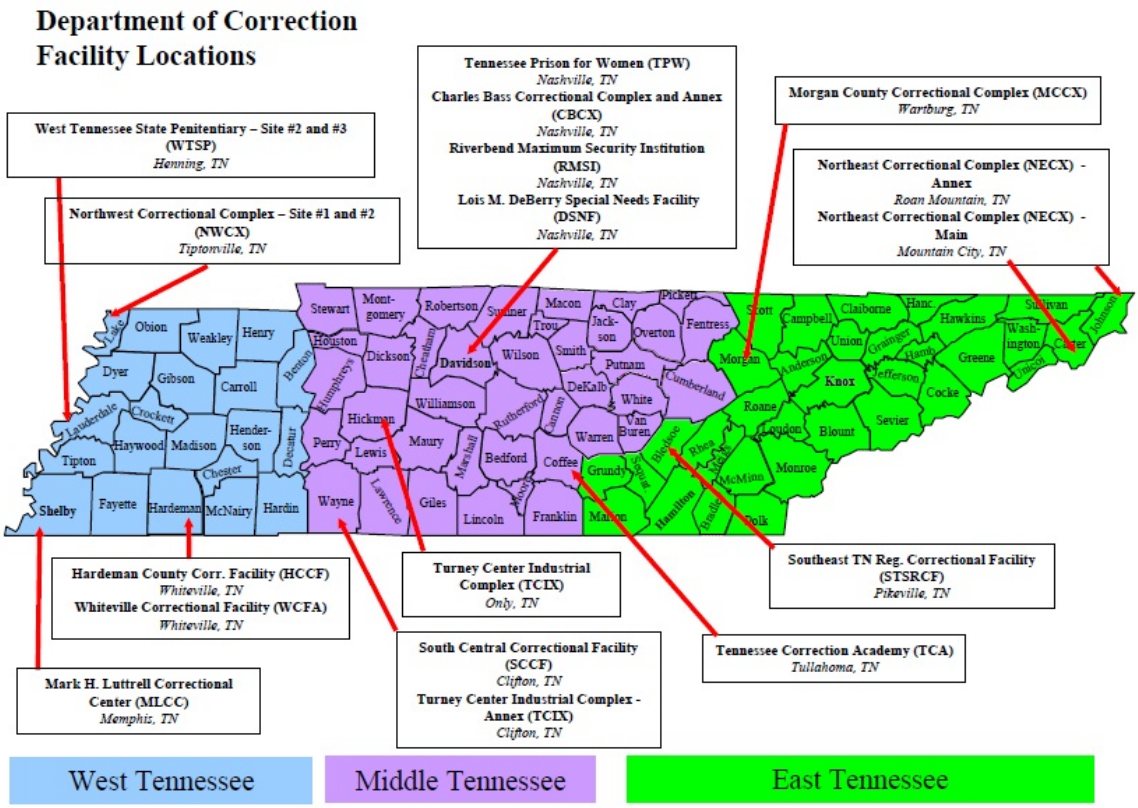




Tennessee Department of Correction
Organizational Chart
2012 (Cont.)







Offender Administration includes the Classification and Sentence Management Services Sections. The Classification Section is responsible for the implementation and maintenance of the system that manages the progression of inmates through the levels of custody/risk from the point of intake into department custody through the period of their incarceration. Classification is also responsible for ensuring that the inmate population levels of the institutions do not exceed capacity limits. This is accomplished by authorizing admissions of inmates to the department from county jails on a daily basis, contingent on available capacity. See the table on page 6 for populations and security levels at each facility. Sentence Management Services staff provide sentence management information, compute all felony sentences, monitor release dates and parole eligibility dates, and report these dates to the Board of Parole (the Board of Probation and Parole prior to July 1, 2012) in order to produce eligibility dockets.

Detailed below are the department's major programs focused on inmate care and rehabilitation.

Education

The department operates its own school system, with the Commissioner acting as the superintendent. The department recognizes the crucial role education and training play in the successful rehabilitation of incarcerated felons. With additional education and training, offenders are less likely to reoffend than those who do not learn a skill or trade while incarcerated. Roughly 20% of the eligible inmate population is enrolled in either academic or vocational training.

Facility	Security Level	Operating Capacity	Inhouse Number as of 7-12-2012	Location
WEST TN				
Hardeman County Correctional Facility (HCCF) Private	Medium	1,976	1,971	Whiteville
Mark H. Luttrell Correctional Center (MLCC)	Close (Women)	436	410	Memphis
Northwest Correctional Center (NWCX)	Close/Minimum	2,377	2,349	Tiptonville
West TN State Penitentiary (WTSP)	Maximum	2,505	2,477	Henning
Whiteville Correctional Facility (WCFA) Private	Medium	1,505	1,493	Whiteville
West Tennessee Total		**8,799**	**8,700**	
MIDDLE TN				
Charles B. Bass Correctional Complex (CBCX)	Close/Minimum	749	646	Nashville
Lois M. DeBerry Special Needs Facility (DSNF)	Maximum	736	729	Nashville
Riverbend Maximum Security Institution (RMSI)	Maximum	714	699	Nashville
South Central Correctional Center (SCCC) Private	Close	1,642	1,630	Clifton
Tennessee Prison for Women (TPFW)	Maximum	789	797	Nashville
Turney Center Industrial Complex (TCIX)	Close/Minimum	1,541	1,530	Only/Clifton
Middle Tennessee Total		**6,171**	**6,031**	
EAST TN				
Morgan County Correctional Complex (MCCX)	Maximum	2,417	2,395	Wartburg
Northeast Correctional Complex (NECX)	Maximum/ Minimum	1,819	1,772	Mountain City
Southeast TN State Regional Correctional Facility (STSRCF)	Close	971	931	Pikeville
East Tennessee Total		**5,207**	**5,098**	
Overall Total		**20,177**	**19,829**	

All facilities have adult education programs that offer both adult basic education and GED preparation. Inmates are given the opportunity to take the GED test if they meet the requirements. Many inmates also participate in volunteer literacy programs.

Thirteen of the institutions offer vocational training. Program offerings include such courses as barbering, carpentry, cosmetology, culinary arts, masonry, electrical, and career management for success. All vocational programs follow a curriculum approved by the Tennessee Department of Education and provide a Department of Education certificate upon graduation. A select number of vocational programs offer certification through the Department of Labor and apprenticeships.

Health Care

The department provides medical, mental health, dental, and vision services to inmates. The department's treatment model is a multidisciplinary approach that includes physicians, nurses, dentists, ophthalmologists, psychiatrists, psychological examiners, social workers, and other professionally trained staff.

Substance Abuse

The department believes that part of its mission is to provide effective evidenced-based treatment programs for incarcerated offenders, to enhance public safety when the inmates reenter the community.

Currently, the department offers the following substance abuse treatment options:

1. Comprehensive Assessment and Referral – Available at all department facilities.
2. Correctional Treatment Academy – A 9- to 12-month structured, high-intensity modified therapeutic community. This program is appropriate for serious and violent offenders, using an evidence-based treatment approach.
3. Substance Abuse Felony Treatment – A 9- to 12-month modified therapeutic community for non-violent offenders, using an evidence-based treatment approach.
4. Transition Center – A 9- to 12-month modified therapeutic community program with a focus on reentry issues such as community service, vocational education, and employment readiness for offenders transitioning back to the community.

The department has a zero-tolerance policy related to inmate drug and alcohol use within state correctional facilities. All inmates incarcerated in a state-operated or state-funded correctional facility are subject to urinalysis testing at any time during their incarceration in accordance with Policy 506.21, "Inmate Drug/Alcohol Testing." Inmates are expected to review this policy to familiarize themselves with the requirements for urinalysis testing and are subject to disciplinary action for the following:

- failure to submit to drug testing or to provide a urine sample within two hours of the request;
- tampering or attempting to tamper with the specimen or test results; or
- receiving a positive test result for which there is no satisfactory explanation.

Jobs and Programs

Inmate jobs teach responsibility, work ethic, and marketable skills. They also promote stability within the institutions by reducing idleness.

Work rules mimic requirements of jobs outside the prison. Inmates are expected to report to their assigned job at the scheduled time and perform all assigned duties. A system of

incentives and disincentives are in place to help promote the concept that job advancement is connected with positive work performance. It is the department's desire that participation in prison jobs be the basis for instilling good work ethics that will continue when the inmate is released.

More than 5,000 inmates work in support services inside department facilities, preparing food, cleaning the institutions, landscaping, doing laundry, recycling, and maintaining buildings and equipment. This reduces operational costs as well as teaching new skills. Over 1,000 inmates work as teacher aides, counselor aides, clerks, and library assistants.

In 1994, the General Assembly created the Tennessee Rehabilitative Initiative in Correction (TRICOR) to put inmates to work in a real-life job setting. These jobs include making uniforms and furniture, entering data, etc.

Inmates also provide community service to nonprofit organizations and state, local, and federal government agencies whenever possible. Institutional work lines pick up trash along roadways; clean out underbrush in fields surrounding the perimeter of the prison; cut firewood; and plant, tend, and harvest crops.

Programming is an integral part of Rehabilitative Services. Based on their individual needs, inmates may be assigned to a substance abuse treatment program; academic, vocational, and pre-release classes; the parole technical violator program; and/or a transitional community. Inmates may receive program sentence credits and a small stipend for work performed or for program participation. Ninety percent of all eligible inmates are assigned to work and/or to participate in a rehabilitative program, including education. (See the table on pages 12 and 13.)

Reentry

The department has implemented several reentry programs to help offenders leave facilities better prepared to reenter communities. The Preparation Is The Key To Success program focuses on release from incarceration and transition back into the community, and involves a combined effort from the inmate, his or her family, community support, department staff, Board of Probation and Parole staff, and the community service agencies. Reentry coordinators, counselors, and institutional parole and probation officers are available to assist with reentry and transition services.

The Division of Rehabilitative Services is responsible for establishing programs at each institution to ease inmate adjustment from institutional to "free world" life, and ultimately reduce the likelihood that the offender will re-offend. Reentry programming is offered at each department facility as well as the three private facilities. Each facility has a designated reentry specialist who has the responsibility of developing a 3-month reentry program for eligible offenders. Once assigned to the program, offenders are not allowed to work in other areas. Completing reentry becomes their job. Any inmate who is within nine months of release consideration is eligible for reentry services. Because of limited space availability, first priority is given to inmates granted parole with a mandate to complete the program, followed by inmates

who are close to their sentence expiring or with a release date set by the Board of Probation and Parole (the Board of Parole as of July 1, 2012).

The reentry programs (a minimum of 50 days with 240 hours of classroom work and 30 to 60 hours of homework assignments and/or community service work) have all incorporated a cognitive behavior program based on the National Institute of Correction's "Thinking for a Change" curriculum. The other components of the program include

- life-skills, self-esteem, and self-evaluation;
- decision-making and critical thinking;
- access to health care;
- anger management and coping skills;
- parenting, family, and community reunification;
- substance abuse and use;
- job seeking and retention;
- housing plans and options;
- budgeting;
- legal issues;
- awareness of the impact of crime and its impact on victims; and
- restoration of citizenship and voting rights.

Reentry specialists assist parolees with finding employment and housing as required by the Board of Probation and Parole.

The department also has a transition center program, which is a three-phase approach lasting approximately nine months. The first phase is assessment and program orientation. The second phase is development and integration with a focus on community service. Phase three consists of reentry preparation with the primary focus on employment, housing, and relapse prevention.

Program services offered include

- employment readiness and placement assistance,
- relapse prevention planning,
- victim impact awareness,
- cognitive behavioral therapy to address thinking distortions,
- discharge planning,
- community service,

- parole preparation, and
- mentoring services.

The Exodus 40-bed program for female inmates at the Tennessee Prison for Women is a prime example of the department's efforts to focus on the rehabilitation of felony offenders. The transition center uses a modified therapeutic community model that promotes awareness, responsibility, and accountability.

Religious Services

All Tennessee institutions except one have a full-time professional chaplain and numerous volunteer chaplains who minister to inmates of all faiths. Chaplains lead worship services, coordinate services by outside clergy, perform pastoral counseling, provide religious literature to inmates, teach classes, coordinate outside volunteers, and notify inmates of serious illnesses and deaths of family members.

To help chaplains provide religious services, the position of Director of Religious Services was created in September 2007. The director's role is to serve as the central point of contact for all religious activity and practices within the department, and to assist chaplains as they work with inmates of all faiths.

Victim Services

The department provides the following services for victims of crimes:

- crisis intervention and advocacy, assisting victims with concerns related to inmates under public jurisdiction;
- the Victim Speakers Bureau which allows victims of crimes or victims' loved ones to share their story;
- community education about department policies and procedures; and
- referrals to other state and community services.

Volunteer Opportunities

It is estimated that 97% of the individuals incarcerated in a department facility will eventually be released back into the community. For that reason, it is crucial that the department and the community work hand in hand to help those incarcerated work toward becoming better citizens. Volunteers are a great resource in accomplishing this goal.

Approximately 5,000 volunteers currently offer their services to the Department of Correction. The department wants to increase the impact of volunteers by partnering with the community (faith-based groups, nonprofits, civic organizations, and dedicated citizens) to use volunteers as mentors, tutors, and facilitators of evidence-based programs.

Parole Technical Violators Diversion Program

The General Assembly passed legislation in 2006 permitting a collaborative effort between the department and the Board of Probation and Parole. This effort allowed both agencies to assist parole technical violators and provide public safety. Under the program, a parolee who has violated the conditions of parole, but not committed a new felony, can have his or her parole revoked and regranted in the same action. (Examples of a technical violation include missing a scheduled meeting with the parole officer, failing a drug test, or failing to attend required counseling or treatment.) The grant (release on parole supervision) is contingent upon successful completion of a six-month program at the Turney Center Industrial Complex – Annex (formerly the Wayne County Boot Camp).

Candidates for the program are selected by the Board of Parole (the Board of Probation and Parole prior to July 1, 2012) at a revocation hearing. Participants either work on a community service crew or attend GED classes during the day and complete treatment programs in the evening, with no "downtime" during the six-month program. The community service work crew helps the participants establish good work habits, and the treatment programs in the evening address issues such as substance abuse and cognitive behavior modification. When the violator nears completion of the program, the department notifies the parole officer that the parolee will be returning to the community and the officer prepares a release plan.

Tennessee Reentry Collaborative

The department established the Tennessee Reentry Collaborative in October 2004, shortly after reestablishing the Division of Rehabilitative Services. The collaborative's mission is "to provide a continuum of services for all offenders reentering society in order to reduce recidivism and promote public safety"; its cosponsors are the Commissioner of the Department of Correction and the Chairman of the Board of Parole. The collaborative's membership also includes representatives from other state agencies, local law enforcement agencies, and nonprofit agencies.

Rehabilitative Services Programs														
INSTITUTION	**CBCX**	**DSNF**	**HCCF**	**MCCX**	**MLCC**	**NECX**	**NWCX**	**RMSI**	**SCCF**	**STSR**	**TCIX**	**TPFW**	**WCFA**	**WTSP**
Facility/Security Level	**III**	**IV**	**II**	**IV**	**III**	**IV**	**III**	**IV**	**III**	**II**	**III**	**IV**	**II**	**IV**
Academic Programs														
Adult Education	X		X	X	X	X	X	X	X	X	X	X	X	X
GED	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Literacy Program	X				X	X	X	X		X				
Title I Program							X					X		
Vocational Programs														
Barbering							X			X				X
Basic Principles of Welding/Advanced Application							X							
Core Brake/Suspension/Steering/ Engine Performance							X	X			X			
Career Management for Success/Release for Success	X		X	X	X	X	X	X	X	X	X	X	X	X
Computer Applications/Literacy														
Core Carpentry									X		X	X	X	X
Core Electrical I & II			X			X	X		X	X			X	
Core HVAC & Refrigeration				X			X			X				X
Core Leisure Craft, Small Engine				X			X						X	X

Rehabilitative Services Programs (continued)

INSTITUTION	CBCX	DSNF	HCCF	MCCX	MLCC	NECX	NWCX	RMSI	SCCF	STSR	TCIX	TPFW	WCFA	WTSP
Core Masonry I & II/Construction							X	X	X				X	X
Core Plumbing I & II							X		X					
Electrical/Construction Core			X				X							
Foundation/Culinary Arts				X		X				X	X	X		
Horticulture/Grounds Keeping			X	X		X	X		X		X	X		
Principles of Cosmetology/Design Chemistry					X						X	X		
Mental Health/Behavioral														
Pro-Social Life Skills				X		X	X					X		
Victim Impact Classes	X		X	X	X	X	X	X	X	X	X	X	X	X
Substance Abuse														
Substance Abuse Group Therapy					X	X		X			X	X		
Therapeutic Community	X		X	X	X	X	X		X	X	X	X	X	X
Employment*														
Community Service	X		X		X	X	X		X	X	X	X		X
Work Release	X			X								X		
Transition and Pre-Release														
Transition Centers												X		
Parole Technical Diversion											X			
Release Centers												X		

*In addition, inmates work in support services (e.g., food preparation, laundry, cleaning, maintenance) inside department facilities.

REVENUES AND EXPENDITURES

The tables below summarize the department's revenues and expenditures by category for fiscal year 2011.

Revenues by Source
For the Fiscal Year Ending June 30, 2011*

Title	State	Federal **	Other***	Total
Administration	$ 15,823,000	$ 648,600	$ 5,005,200	$ 21,476,800
State Prosecutions	134,593,700	-	1,127,100	135,720,800
Correction Academy	4,578,500	-	112,900	4,691,400
Correction Release Centers	61,100	-	-	61,100
Major Maintenance	9,455,100	-	-	9,455,100
Sex Offender Treatment Program	475,500	-	-	475,500
Sentencing Act of 1985	-	-	-	-
Tennessee Prison for Women	22,254,000	-	713,200	22,967,200
Turney Center Industrial Complex	33,868,500	-	1,151,200	35,019,700
Mark Luttrell Correctional Facility	13,596,700	-	439,300	14,036,000
Charles B. Bass Correctional Complex	26,275,300	-	873,200	27,148,500
Southeastern Tennessee State Regional Correctional Facility	21,658,100	-	865,500	22,523,600
West Tennessee State Penitentiary	50,950,400	-	1,296,900	52,247,300
Riverbend Maximum Security Institution	24,067,900	-	388,700	24,456,600
Northeast Correctional Complex	37,311,500	-	1,498,900	38,810,400
Northwest Correctional Complex	47,728,200	-	1,558,500	49,286,700
Morgan County Correctional Complex	56,242,000	-	1,164,200	57,406,200
Lois M. DeBerry Special Needs Facility	46,168,300	-	300,200	46,468,500
Hardeman County Incarceration Agreement	37,252,600	-	4,900	37,257,500
Hardeman County Agreement - Whiteville	28,965,200	-	11,100	28,976,300
South Central Correctional Center	26,025,500	-	11,200	26,036,700
Department Total	**$637,351,100**	**$648,600**	**$16,522,200**	**$ 654,521,900**
Percentage of Total	**97.4%**	**0.1%**	**2.5%**	**100.0%**

* The source of the above data, the State of Tennessee's *The Budget Fiscal Year 2012-2013* included revenues of $70.2 million for Field Services and revenues of $13.4 million for Community Corrections in the department's fiscal year 2011 revenues. However, Field Services and Community Corrections were part of the Board of Probation and Parole in fiscal year 2011 and, therefore, are not included in the above breakdown.

** Federal revenues include the following grants: Incarcerated Youthful Offender, Prison Rape Elimination Act, Stay at Home, Nashville Works, and the State Criminal Alien Assistance Program.

*** Examples of "Other" revenues include commissary sales, inmate telephone system revenue, fees from inmates, inmate labor, federal pass-through grants from state agencies, recovery of court costs, MVM reimbursements, Cook Chill, and Teachers Career Ladder.

Expenditures by Category*
For the Fiscal Year Ending June 30, 2011

Title	Payroll	Operational	Total
Administration	$ 13,869,800	$ 7,607,000	$ 21,476,800
State Prosecutions	-	135,720,800	135,720,800
Correction Academy	3,273,900	1,417,500	4,691,400
Correction Release Centers	-	61,100	61,100
Major Maintenance	2,647,000	6,808,100	9,455,100
Sex Offender Treatment Program	-	475,500	475,500
Sentencing Act of 1985	-	-	-
Tennessee Prison for Women	10,792,400	12,174,800	22,967,200
Turney Center Industrial Complex	19,015,700	16,004,000	35,019,700
Mark Luttrell Correctional Facility	8,262,900	5,773,100	14,036,000
Charles B. Bass Correctional Complex	15,716,800	11,431,700	27,148,500
Southeastern Tennessee State Regional Correctional Facility	14,796,300	7,727,300	22,523,600
West Tennessee State Penitentiary	31,121,100	21,126,200	52,247,300
Riverbend Maximum Security Institution	14,987,700	9,468,900	24,456,600
Northeast Correctional Complex	23,930,200	14,880,200	38,810,400
Northwest Correctional Complex	30,023,500	19,263,200	49,286,700
Morgan County Correctional Complex	34,564,700	22,841,500	57,406,200
Lois M. DeBerry Special Needs Facility	26,155,400	20,313,100	46,468,500
Hardeman County Incarceration Agreement	156,500	37,101,000	37,257,500
Hardeman County Agreement - Whiteville	130,300	28,846,000	28,976,300
South Central Correctional Center	143,600	25,893,100	26,036,700
Department Total	**$249,587,800**	**$ 404,934,100**	**$ 654,521,900**
Percentage of Total	**38.1%**	**61.9%**	**100.0%**

* The source of the above data, the State of Tennessee's *The Budget Fiscal Year 2012-2013* included expenditures of $70.2 million for Field Services and expenditures of $13.4 million for Community Corrections in the department's fiscal year 2011expenditures. However, Field Services and Community Corrections were part of the Board of Probation and Parole in fiscal year 2011 and, therefore, are not included in the above breakdown.

REORGANIZATION

Chapter 727, Public Acts of 2012, transferred certain functions relating to probation and parole services and the community correction grant program from the Board of Probation and Parole to the Department of Correction. These duties include the supervision of all prisoners released on parole; the authority to declare prisoners eligible for parole; the employment of probation and parole officers; the administration of the community corrections program; the jurisdiction, supervision, and control of persons on community supervision; and the supervision of sex offenders on parole or probation. Governor Haslam announced his proposal for the reorganization in January 2012, and in anticipation of action by the General Assembly, a transition team was put into place. The law, which was signed by the Governor on April 11,

2012, took effect July 1, 2012, with full implementation to be accomplished on or before January 1, 2013.

FINDINGS AND RECOMMENDATIONS

1. Numerous weaknesses were identified in the department's mental health contract monitoring process, increasing the risk that inmates may not receive adequate mental health services and that the state vendor may not provide all of the services it is obligated to perform

Finding

Auditors' review of the mental health services contract monitoring process and related documentation at the Department of Correction (TDOC) found weaknesses related to assessment of liquidated damages for contract noncompliance and the timeliness of monitoring. The Office of Mental Health Services sets policy standards for the delivery of mental health treatment to inmates and evaluates the care provided throughout the department system. The department contracted with MHM Correctional Services, Inc., from July 1, 2006, through June 30, 2012, for a maximum liability of $28,858,200. Effective July 1, 2012, the department has contracted with Corizon, Inc., to provide mental health services for fiscal years 2013 through 2015 for a maximum liability of $42,920,653.

As of July 9, 2012, there were approximately 3,760 inmates with a mental illness diagnosis within the system—3,203 at Level II; 363 at Level III; 162 at Level IV; and 32 at Level V. The different levels of mental illness are

- Level II – Inmates are able to function in the general population but, because they are mildly impaired by their illness, these inmates would require only outpatient services.
- Level III – Inmates are able to function only moderately well in the general population because of a mental illness and may become easily overwhelmed by everyday pressures, demands, and frustrations. These inmates function better in a supportive living environment.
- Level IV – Inmates' ability to function in the general population is severely impaired due to a mental illness. These inmates may function better in a supportive living environment.
- Level V – Inmates require crisis stabilization in a hospital or infirmary. This is a temporary designation (for example suicide watch) lasting until the inmate is discharged from the hospital or infirmary.

MHM was responsible for providing services at the state-managed institutions, with services being defined as "interventions which provide for the detection, diagnosis, treatment and referral of inmates/patients with mental health problems and the provision of a supportive environment when deemed clinically necessary." To determine compliance with contract terms, the department's mental health contract monitors use a monitoring instrument that includes 20 items to review either quarterly or semi-annually. We reviewed the department's mental health contract monitoring documentation to determine any areas in which the contractor was determined to be noncompliant and what actions the department took in response to any noncompliances. The auditors requested copies of the contract monitoring reports that would cover the most recent 12-month period (received Quarter 4, 2010; Quarter 1, 2011; Quarter 2, 2011; and Quarter 3, 2011). These reports were released January 2011 through March 2012 covering services mostly provided during calendar year 2011. Areas of concern we identified during the review are detailed below.

Assessing Liquidated Damages Did Not Appear to Correct MHM Correctional Services' Noncompliance With Contract Requirements

The results of the quarterly summaries prepared by the department's contract monitors are presented in Table 1. A contract item that monitors evaluate as noncompliant for the first time is normally assessed a Level III liquidated damage penalty of $100. If the same item is evaluated as noncompliant in the next monitoring report, the contract monitor reports a repeat finding and may assess a Level II liquidated damage penalty of $250. If an item continues to be a finding, the monitor can report the item as a repeat finding and assess a Level I liquidated damage penalty of $500. There were three facilities where MHM did not have any repeat findings (Charles Bass Correctional Complex, Mark Luttrell Correctional Center, and Northeast Correctional Complex). There were two facilities where MHM only had one repeat finding (Southeastern Tennessee State Regional Correctional Facility and Tennessee Prison for Women). For these five facilities, MHM had assessed liquidated damages ranging from a low of $0 at Charles Bass Correctional Complex to $650 at Tennessee Prison for Women during the audit period reviewed. At six of the state-operated facilities, MHM had two to eight repeat findings during the audited time period. The assessed liquidated damages ranged from $1,000 (Northwest Correctional Complex) to $4,100 (Turney Center Industrial Complex). (See Table 1 for details)

Table 2 shows 23 Level II and 15 Level I repeat findings, and provides information concerning items that were evaluated as being repeat findings during the time period reviewed. Contract item number 3 was reported as a repeat finding for MHM Correctional Services a total of 14 times (Level II, five times; and Level I, nine times). Table 1 shows that MHM Correctional Services was noncompliant and received five consecutive repeat findings for item 3 at Riverbend Maximum Security Institution, and was assessed Level I liquidated damages of $500 each time (March 2011 through March 2012). Table 1 also shows that at West Tennessee State Penitentiary, MHM Correctional Services was noncompliant for item 3 a total of three consecutive times and was assessed one Level II and two Level I liquidated penalties during the audited time period. It appears that assessing a Level I liquidated damage penalty of $500 does not always serve as an incentive for the contractor to take corrective actions and become compliant. For example, at Riverbend Maximum Security Institution over the time period audited, MHM Correctional Services was fined a total of $2,500 for the five occurrences of

noncompliance for item number 3, yet the problem was not corrected. (See Table 2 for a description of items with repeat findings.)

During our review process, we also noted that monitors only classify a noncompliance as a repeat finding if the monitor had noted it as a noncompliance in the immediately preceding monitoring report. For example, at the DeBerry Special Needs Facility, MHM was assessed a Level II liquidated damage penalty of $250 for noncompliance with contract item number 6 (see Table 2 for item description) for two consecutive reports (repeat finding), was found compliant in the next report, and was assessed a Level III liquidated damage penalty of $100 in the following report because the noncompliance with item 6 was considered a new deficiency. In addition, we identified an assessment error at Turney Center Industrial Complex—for contract item 7, MHM was assessed a Level II liquidated damage penalty of $250 for a repeat finding, followed by Level I liquidated damage penalties of $500 for repeat findings in the next two quarters; however, when a repeat finding was identified for item 7 in the following quarter, MHM was only assessed a Level II liquidated damage penalty of $250, instead of $500.

The auditor requested and received (from the mental health contract monitor) copies of the department's Liquidated Damages Letters to MHM Correctional Services. The Director of Budget and Fiscal Services provided us documentation that the department had deducted these damages from the contractor's invoices. The letters and invoices were compared to the contract monitoring reports, and it appears that the amount of liquidated damage penalties assessed was deducted appropriately, as adjustments to the invoice amounts paid to MHM Correctional Services.

Timeliness of the Quarterly Contract Monitoring

The mental health contract monitor stated that the MHM Correctional Services contract was monitored on a calendar-year, quarterly basis except in instances where the facility has an annual inspection during the quarter. In that instance, the contract monitor would skip that quarter since the inspection would review the same type of information. Table 1 shows the dates that the quarterly contract monitoring was performed during the time period reviewed. According to the information provided, 10 of the 11 facilities had a five- to seven-month gap between at least one of the quarterly reports, some of which may be the result of annual inspections. Tennessee Prison for Women was the only facility that had a quarterly contract monitoring performed within each three-month period. Northeast Correctional Complex only had two contract monitoring reports released during the audit period reviewed. In Table 1, Southeast Tennessee State Regional Correction Facility shows a 12-month gap between contract monitoring (February 2010 to February 2011).

Table 1
Summary of the Mental Health Contract Monitoring
Quarterly Summaries and Recommended Liquidated Damages

TDOC Facility	Item – Finding+	Repeat - Finding	Quarter**	Performed	Liquidated Damages Assessed* Level III	Level II	Level I	Quarterly Penalty	Total Penalty
CBCX	Item 16		Q. 4 2010	1/26/2011				None	
	None		Q. 1 2011	6/15/2011				None	
	None		Q. 2 2011	8/19/2011				None	
	None		Q. 3 2011	2/23/2012				None	**$0**
DSNF	Item 1	Item 6 L II Item 20 L II	Q. 4 2010	3/4/2011		$250 $250		$500	
		Item 6 L II Item 20 L I	Q. 1 2011	5/13/2011		$250	$500	$750	
	Item 2 L III		Q. 2 2011	8/25-26/2011	$100			$100	
	Item 6 L III (indicated 1st time deficient) Item 7 L III	Item 2 L II	Q. 3 2011	2/09 - 28/2012	$100 $100	$250		$450	**$1,800**
MCCX	Item 12 L III	Item 3 L II	Q. 4 2010	2/9-10/2011	$100	$250		$350	
	Item 2 L III	Item 3 L I Item 12 L II	Q. 1 2011	3/29-30/2011	$100	$250	$500	$850	
	Item 6 L III		Q. 2 2011	9/7-8/2011	$100			$100	
	Item 10 L III	Item 6 L II	Q. 3 2011	2/15-16/2012	$100	$250		$350	**$1,650**
MLCC	Item 6 L III		Q. 4 2010	2/16/2011	$100			$100	
	None		Q. 1 2011	6/23/2011					
	None		Q. 2 2011	9/15/2011					
	Item 1 No penalty Item 12 L III		Q. 3 2011	3/9/2012	$100			$100	**$200**

Table 1 (continued)
Summary of the Mental Health Contract Monitoring
Quarterly Summaries and Recommended Liquidated Damages

TDOC Facility	Item – Finding+	Repeat - Finding	Quarter**	Performed	Liquidated Damages Assessed* Level III	Level II	Level I	Quarterly Penalty	Total Penalty
NECX			Q. 3 2010	11/4/2010					
	Item 2 L III		Q. 1 2011	9/1/2011	$100			$100	
			Q. 2 2011	None					
			Q. 3 2011	None					**$ 100**
NWCX	Item 3 L III Item 12 L III		Q. 4 2010	1/31-02/1/2011	$100 $100			$200	
		Item 3 L II	Q. 1 2011	4/25-26/2011		$250		$250	
	Item 7 L III	Item 3 L II	Q. 2 2011	7/5-6/2011	$100	$250		$350	
	Item 2 L III Item 12 L III		Q. 3 2011	1/10-11/2012	$100 $100			$200	**$1,000**
RMSI	Item 20 L III	Item 3 L I Item 6 L II	Q. 4 2010	3/30/2011	$100	$250	$500	$850	
	Item 7 L III	Item 3 L I	Q. 1 2011	6/7/2011	$100		$500	$600	
	Item 6 L III	Item 3 L I Item 7 L II	Q. 2 2011	9/1/2011	$100	$250	$500	$850	
		Item 3 L I Item 6 L II	Q. 3 2011	10/13/2011		$250	$500	$750	
	Item 2 L III	Item 3 L I	Q. 3/4 2011	3/1/2012	$100		$500	$600	**$3,650**

Table 1 (continued)
Summary of the Mental Health Contract Monitoring

TDOC Facility	Item – Finding+	Repeat - Finding	Quarter**	Performed	Liquidated Damages Assessed* Level III	Level II	Level I	Quarterly Penalty	Total Penalty
STSRCF	There were no deficiencies at this facility during the period audited.		Q. 4 2009	2/4/2010					
	Item 10 L III		Q. 1 2011	2/24/2011	$100			$100	
	Item 20 L III		Q. 2 2011	6/7/2011	$100			$100	
		Item 20 L II	Q. 3 2011	8/4/2011		$250		$250	**$450**
TCIX	Item 1 not mentioned Item 20 L III	Item 6 L I Item 7 L II	Q. 4 2010	1/18/2011	$100	$250	$500	$850	
	Item 3 L III (not included but in summary) Item 16 L III	Item 20 L II Item 6 L I Item 7 L I	Q. 1 2011	4/26/2011	$100 $100	$250	$500 $500	$1,450	
	Item 10 L III	Item 3 L II Item 7 L I	Q. 2 2011	8/2/2011	$100	$250	$500	$850	
	Item 1 no assessment Item 2 L III Item 6 L III **indicated repeat**	Item 3 L I Item 7 L II **(changed from L I to L II)**	Q. 3 2011	3/19/2012	$100 $100	$250	$500	$950	**$4,100**

Table 1 (continued)
Summary of the Mental Health Contract Monitoring

TDOC Facility	Item – Finding+	Repeat - Finding	Quarter**	Performed	Liquidated Damages Assessed* Level III	Level II	Level I	Quarterly Penalty	Total Penalty
TPFW	Item 3 L III Item 12 L III		Q. 4 2010	1/18/2011	$100 $100			$200	
		Item 12 L II	Q. 1 2011	4/5/2011		$250		$250	
	No Deficiencies		Q. 2 2011	7/3/2011					
	Item 2 L III		Q. 3 2011	10/4/2011	$100			$100	
	Item 12 L III			1/4/2012	$100			$100	**$650**
WTSP	Item 1 no assessment Item 10 L III	Item 3 L II Item 12 L II	Q. 4 2010	2/2-3/2011	$100	$250 $250		$600	
	Item 16 L III	Item 3 L I Item 10 L II Item 12 L I	Q. 1 2011	4/27-28/2011	$100	$250	$500 $500	$1,350	
		Item 3 L I Item 10 L II Item 16 L II	Q. 2 2011	7/7-8/2011		$250 $250	$500	$1,000	
	Item 2 L III Item 12 L III		Q. 3 2011	2/22-23/2012	$100 $100			$200	**$3,150**

* Liquidated Damages: Level III = $100 Level II = $250 Level I = $500

** Quarterly Monitoring is performed on a calendar year basis (January-March, April-June, July-September, October-December).

+ See Table 2 for description of the contract requirement for this item.

Table 2
Mental Health Contract Monitoring
January 2011 Through March 2012
Repeat Findings

Item Number	Level III	Level II	Level I	Totals		Contract Requirement	Common Issues for Noncompliance
Item 2 DSNF		1		1		At least 100% of the time, the psychiatrists/APNs (Advanced Practice Nurse) respond to emergency inquiries within one hour.	Emergency phone call not returned within the required one-hour time frame.
Item 3 MCCX NWCX RMSI TCIX WTSP		5	9	14		At least 100% of psychiatrists/APNs providing emergency phone consultation will see patients within a 72-hour period from the time of the original phone order. All applicable sections of CR-3082 will be completed by the psychiatrist/APN. All verbal orders by the psychiatrist/APN are documented on CR-1892 in accordance with TDOC Policy 113.50, Health Records.	Authorization by ordering practitioner was unsigned and/or undated. Form CR-3082 - Documentation of Verbal Orders missing in inmate's file. Telephone order unsigned and/or undated.
Item 6 DSNF MCCX RMSI TCIX		5	2	7		At least 95% of all patients warranting a treatment plan will have a plan reviewed, signed, and dated by the psychiatrist/APN. Any applicable diagnosis will have been assigned to each patient. Treatment plans are updated as needed but no less than every six months. Rationale for continued treatment is clearly documented.	Treatment plan expired, not in inmate medical file, not updated, or not developed in timely manner.
Item 7 RMSI TCIX		3	2	5		At least 95% of Medication Information Fact Sheets and Informed Consent Forms are completed prior to providing an inmate psychotropic medication in accordance with federal regulations and department policy.	Inmate's file missing Medication Fact Sheet and/or Informed Consent Form.
Item 10 WTSP		2		2		At least 95% of patients prescribed psychotropic medications will have met directly with a psychiatrist or APN every 90 days.	Inmate has not been seen by the Contractor psychiatrist or APN.

Table 2 (continued)
Mental Health Contract Monitoring
January 2011 Through March 2012
Repeat Findings

Item Number	Level III	Level II	Level I	Totals		Contract Requirement	Common Issues for Noncompliance
Item 12 MCCX TPFW WTSP		3	1	4		The psychologist at each facility will provide individual counseling, when clinically appropriate. Each file will contain current treatment plans. Any applicable diagnosis will have been assigned to each patient. Rationale for continued treatment is clearly documented. Discharge summaries will be available for those clients no longer receiving services. If the psychologist/psychological examiner provides group services to inmates, TDOC Form CR-3491 Programmatic/Daily/Weekly/Monthly Group Summary Form will be used to document such services.	Inmate's file did not contain a current treatment plan.
Item 16 WTSP		1		1		At least 95% of the time, a psychologist/psychiatrist/APN personally interviews all inmates placed in segregation status within 30 days of initial placement. At least every 90 days thereafter, this screening is performed by a licensed mental health professional. (Use CR-2629 for documentation purposes.)	Segregation placements' 30-day assessments performed by the psychologist exceeded the timeline.
Item 20 TCIX DSNF STSRCF		3	1	4		At least 95% of the time, the most current mental health diagnosis is listed on CR-1894, Major Medical Conditions Problem List.	Mental health diagnosis listed on treatment plan but missing on Form CR-1894.
Totals		**23**	**15**	**38**			

The contract monitoring instrument states that the mental health contract requirements are monitored quarterly (every three months). When the time period between monitoring goes as long as 5 to 12 months, contract noncompliance goes unnoticed, contracted services may not be provided to the inmates, and the department has not complied with its own policy and standards.

Recommendation

The department should consider some modification to the assessment of liquidated damages. If a contractor noncompliance is consistently evaluated as a repeat finding, the department should consider increasing the penalty. The increase in monetary punishment might serve as an incentive for contractors to become compliant with the contract requirement(s) more quickly.

The department also should reevaluate the practice of lowering the level of penalty when a contractor is consistently noncompliant for a given contract requirement (i.e., consider past occurrences of repeat findings such as noncompliance-compliance-noncompliance).

The Director of Clinical Services should develop a tracking mechanism that includes reviewing the "Summary and Recommendations" of prior contract monitoring to ensure that repeat finding liquidated damage penalties are not lowered in error during the review process.

Management's Comment

We concur. Effective January 1, 2012, the department implemented a new mental health contract that is more comprehensive and provides the services we believe will adequately serve the mental health needs of the inmate population. In this new contract, the liquidated damages have been significantly increased to add the incentive for the contractor to respond to all audit findings in a timely manner to ensure continuity of care. The TDOC Clinical Services Division has also developed a monitoring process which included the assessment and review of all audit findings that justify liquidated damages being assessed to the contractor. All audit findings will now be reviewed by the Director of Mental Health Services based on the new mental health contract and its liquidated damages assessment procedures. The final approval for liquidated damages will be the responsibility of the Clinical Services Director. We believe this new process will provide the oversight needed to ensure all TDOC inmates have access to adequate mental health services.

These changes are effective immediately.

2. **Because Department of Correction facilities and the Tennessee Correction Academy fail to properly document the return of state-issued property, including uniforms, badges, IDs, and keys, when employees leave department employment, neither the facilities nor the academy could provide adequate proof that exiting employees returned state-issued property, increasing the security risk of abuse of the items**

Finding

Four of the 11 department facilities and the Tennessee Correction Academy do not document whether exiting employees return state-issued property when leaving department employment. In addition, there is a lack of consistency and uniformity in carrying out the requirements of the related policies. Serious security risks could potentially occur when state-issued property items such as correctional officer uniforms, picture IDs, and TDOC badges are not returned by exiting employees.

According to department Policies 506.23, "Provisions and Maintenance of Security Uniforms," and 506.24, "Provisions and Maintenance of Non-Security Uniforms," Section VI E, certain items must be returned to the department within 72 hours of an employee's last day of work. The Payroll Deduction Authorization, Form CR-3578, must accompany returned clothing (uniforms). Form CR-3578, which is to be signed by the employee, allows the Department of Correction to deduct the cost of items not returned within 72 hours from the employee's last paycheck. Proper documentation of items issued to employees should include the Form CR-3578, Receipt of Issued Provisions (a list of items that were issued to the employee), and the Uniform Replacement Request form (uniform items issued to replace original uniform items).

Instead of listing the items on Form CR-3578, most facilities attach the Receipt of Issued Provisions form, which includes a list of uniform items that were issued to the individual and the cost of the items, to the Form CR-3578. The Receipt of Issued Provisions form also has a column to fill in the date that the item(s) are returned and states at the bottom of the form, "Support for CR-3578 – Payroll Deduction Authorization." Five facilities (Northeast Correctional Complex, Northwest Correctional Complex, Turney Center Industrial Complex, Tennessee Prison for Women, and West Tennessee State Penitentiary) have developed an in-house checklist of items returned by exiting employees.

Review Methodology

The auditors requested from the Central Office's Human Resource staff a list of all employees who left department employment during calendar year 2011. From a list of 1,009 employees, the auditors selected a random sample of 50 employees. (This is not a statistical sample and results are not projected to the entire population.) We reviewed 48 of the 50 employee files located at the Tennessee Department of Human Resources (two of the employee records were not available because the appointment was canceled before the individual actually started work with the Department of Correction). We also communicated with Human Resource staff at the 11 correctional facilities and at the academy to determine whether the entities had exit procedures in place whenever an employee was leaving department employment. The auditor was interested in knowing whether each facility and the academy maintained a list of state

property issued to the employee and a list of state-issued property returned when leaving employment. The auditor also wanted to determine whether the department held the employee's last paycheck to cover the cost of state-issued property that was not returned. According to the department Payroll Officer in the Central Office, the Department of Correction cannot hold an employee's last paycheck. However, the department can send a deduction letter along with a copy of the signed property form and have the amounts deducted from the employee's last check if the information is available in time.

Results of Review

Table 3 summarizes the results of the audit file and document review. Auditors' review found that four of the facilities and the academy do not document the items that are returned by an employee leaving department employment. Six facilities maintain documentation of state-issued property that exiting employees returned to the facility: Charles B. Bass Correctional Complex, Northeast Correctional Complex, Northwest Correctional Complex, Turney Center Industrial Complex, Tennessee Prison for Women, and West Tennessee State Penitentiary. Four of the facilities and the Tennessee Correction Academy did not maintain any documentation of state-issued property returned by exiting employees. One facility (DeBerry Special Needs Facility) could not provide any of the requested information concerning state-issued property returned by exiting employees. Without documentation of what the employee did or did not return, the department is not able to deduct the cost of items not returned from the employee's last paycheck.

Department Policies 506.23 and 506.24 and Tennessee Correction Academy Policy 506.23.01 require exiting employees to return state-issued security and non-security uniforms. The information submitted by the 11 facilities and the academy revealed a lack of consistency in carrying out the requirements of the policies. For example, among the 12 facilities, the exiting employee returns the state-issued property to 6 different individuals or sections.

CR-3578 forms are kept either in the employees' personnel files or payroll files while they are employed at the facility; the academy does not use Form CR-3578 to document the items issued to employees and does not have a document to list items returned when leaving TDOC employment.

The lack of uniformity contributes to the inconsistency of documenting the property issued when the individual is hired and documenting the property returned when an employee separates from department employment. The lack of documentation of state property being returned reduces the department's opportunity to recover the cost of property not returned and creates a serious security risk that the items (particularly uniforms, IDs, badges, and keys) could be used improperly after a person leaves Department of Correction employment.

Recommendation

Serious security risks could potentially occur when state-issued property items such as correctional officer uniforms, picture IDs, and TDOC badges are not returned by the exiting

employee. The Commissioner should ensure that the department develops a standard procedure for receiving state-issued property from exiting department employees. The procedure should become the uniform procedure for all state-run facilities and the Tennessee Correction Academy. The procedure should have a consistent location for keeping the Form CR-3578 and supporting documentation during the individual's employment at the facility, specific individuals responsible for receiving property from the exiting employee, and uniform documentation of the property received from the exiting employee. The department should consider using Form CR-3578 and the Receipt of Issued Provisions form as the documentation that the exiting employee has returned all state property assigned during employment with the department. The Receipt of Issued Provisions form, attached to Form CR-3578, could serve as a listing of items issued and also document the items that are returned.

Management's Comment

We concur. In an effort to ensure appropriate property maintenance, the department is developing a standardized checklist that will include all state-issued property and identification to be completed when an employee departs the agency. This checklist will be designated as mandatory, shall be used by all Human Resources (HR) staff in TDOC, and is to be fully completed prior to the employee's last work day. The HR staff will have a consistent location for all appropriate forms and supporting documentation at each facility.

The implementation date is October 1, 2012; field notification will precede the implementation.

Table 3
Documentation of State Property Issued and Returned

	State Property Issued				State Property Returned							
Facility	**CR-3578**		**CR-3578 RIP***		**CR-3578**		**CR-3578 RIP***		**In-House Checklist**		**No Document**	
CBCX			X		X							
DSNF	X				No Doc Provided							
MCCX			X								X	
MLCC			X								X	
NECX	X						X		X			
NWCX			X				X		X^			
RMSI	X										X	
STSRCF			X								X	
TCA	Does not document										X	
TCIX			X				X		X			
TPFW	X				X				X			
WTSP			X				X		X			
*	Receipt of Issued Provisions											
^	NWCX has developed an in-house property return checklist but uses the Uniform Replacement Request											
KEY	CBCX – Charles Bass Correctional Complex DSNF – DeBerry Special Needs Facility MCCX – Morgan County Correctional Complex MLCC – Mark Luttrell Correctional Center NECX – Northeast Correctional Complex NWCX – Northwest Correctional Complex RMSI – Riverbend Maximum Security Institution				STSRCF – Southeastern TN State Regional Correctional Facility TCA – Tennessee Correction Academy TCIX – Turney Center Industrial Complex TPFW – Tennessee Prison For Women WTSP – West Tennessee State Penitentiary							

3. Management has again not mitigated the risks associated with information systems security, which increases the risk of fraudulent activity

Finding

Our testwork revealed that the department's staff did not always follow the *Management Information Services Procedures Manual*, resulting in an increased risk of fraudulent activity. The department's various information systems contain extensive inmate and employee data. This is a repeat finding from the Division of State Audit's Financial and Compliance Audit released in 2009.

The wording of this finding does not identify the specific vulnerability that could allow someone to exploit the department's systems. Disclosing this vulnerability could present a potential security risk by providing readers with information that might be confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. We provided the department with detailed information regarding the specific vulnerability we identified as well as our recommendations for improvement.

Recommendation

The Commissioner should ensure that department staff are informed of the requirements of the department's *Management Information Services Procedures Manual*. The Commissioner also needs to identify staff to be responsible for ongoing monitoring for compliance with the *Management Information Services Procedure Manual* to ensure the manual is followed by department staff. Management should include the risks noted in this finding in management's documented risk assessment.

The Commissioner should also continue to ensure that other risks of improper accountability, noncompliance, fraud, waste, or abuse are adequately identified and assessed in management's documented risk assessment. Management should implement effective controls to ensure compliance with applicable requirements, should assign staff to be responsible for ongoing monitoring of the risks and mitigating controls, and should take action if deficiencies occur. The risk assessment and the mitigating controls should be adequately documented and approved by the Commissioner.

Management's Comment

We concur. In an effort to mitigate the risks identified, the department is developing procedures to address those risks. The procedures will be designed as mandatory. The Compliance Division is responsible for monitoring the procedure and will ensure it is followed by department staff.

The implementation date is October 1, 2012; field notification will precede the implementation.

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4. The department and its contractors do not always follow Inmate Trust Fund Account policies, increasing the risk that these trust funds will be subject to fraud, waste, and abuse

Finding

Policy 208.01, "Inmate Trust Fund Accounts," revised as of June 15, 2011, addresses these accounts. The purpose of the Inmate Trust Fund Accounts is to establish a cashless inmate economy through the use of an inmate trust fund. Auditors' review of Inmate Trust Fund Account documentation found several instances of noncompliance with the policy, as well as additional areas of concern. Taken individually, these noncompliances and areas of concern appear relatively minor; however, these are trust funds with fiduciary obligations. Taken as a whole, they raise questions about the internal controls over these accounts and the potential for problems.

To determine whether institutions were following departmental policy, we chose to visit and review documentation from one state-operated facility in each of the state's grand divisions—Morgan County Correctional Complex (East), Charles Bass Correctional Complex (Middle), and Mark Luttrell Correctional Center (West)—and one facility that is privately operated, Whiteville Correctional Facility (Corrections Corporation of America). At each facility, we obtained a current list of inmates who had a trust fund account and randomly chose ten inmates from each list. (Populations at the four facilities at the time of our review were as follows: Morgan County, 2,062; Charles Bass, 575; Mark Luttrell, 434; and Whiteville, 1,456.) Areas of concern identified are detailed below.

<u>Some Personal Withdrawal Requests and Commissary Requests Were Not Signed by Inmates</u>

For each of the 40 inmates included in the random sample, we reviewed a month's activity (e.g., deductions such as personal withdrawal requests or commissary requests, and deposits) in their trust fund accounts. (The sample was not a statistical sample and the results are not projected to the entire population.) For 6 of the 40 inmates, we found instances where the inmate did not sign the Personal Withdrawal Request and/or Commissary Signature Form/Commissary Pick List (CBCX, 3; MLCC, 2; and WCFA, 1). The institutional trust fund coordinator deducted the money from the inmate's account without the inmate's signature authorizing the deduction. The signature requirement serves as documentation that the inmate acknowledges receiving the items ordered and agrees with the amount to be deducted from his or her trust fund account in accordance with Policy 209.04 VI.E (9).

Withdrawals from the Inmate Trust Fund Account, other than those mandated by statute or policy, are to be requested in writing by the inmate. The inmate uses Form CR-2727, Personal Withdrawal Request; Forms CR-2128 and CR-3344, Commissary Order, or an acceptable

alternative developed by the institution. The personal withdrawal request must be forwarded to the trust fund custodian after being signed (not stamped) by a witness and the warden or designee. After processing, the original request form must be returned to the inmate. A copy of the request will be maintained in the trust fund office, whether the request is approved or denied. Departmental Policy 209.02 VI. M states that the inmate must verify the commissary order prior to signing the commissary order form indicating acceptance of goods.

Charles Bass Correctional Complex had one Personal Withdrawal Request for medical expenses that was not signed by the inmate and also had three commissary orders that were delivered but not signed for by the inmate. Mark Luttrell Correctional Center had three commissary orders that were delivered but not signed for by the inmate. Whiteville Correctional Facility also had one instance where commissary items were delivered but not signed for by the inmate.

Two State-Operated Institutions Failed to Report All Inmate Savings Accounts to the Director of Budget and Fiscal Services to Accurately Determine Inmate Financial Assets in Accordance With Policy and Statute

Policy 208.01, "Inmate Trust Fund Accounts," requires the warden to report inmate savings and investment accounts that are equal to or greater than $2,000 to the Director of Budget and Fiscal Services for the director's review as to the inmate's potential to contribute towards the cost of his/her care in accordance with Sections 41-21-901 through 911, *Tennessee Code Annotated*, "Inmate Financial Responsibility Act of 1998." Morgan County Correctional Complex had one inmate investment account with a current value of $4,651.27 as of March 21, 2012, that had not been reported to the Director of Budget and Fiscal Services. Charles Bass Correctional Complex provided auditors documentation that there were five inmates with savings account balances equal to or over $2,000. However, the Director of Budget and Fiscal Services stated that she had only received documentation for four of the five accounts.

According to Policy 208.01, the Central Trust Fund Administration is required to conduct an annual review during the third quarter of each fiscal year of each inmate's trust fund account. In addition to the inmate's trust fund balance, the review is also to include information concerning the inmate's savings/investment accounts to determine the possibility that sufficient assets may exist to allow the state to recover at least 10% of the estimated cost of the inmate's care for a two-year period. The Director of Budget and Fiscal Services is to forward an Inmate Financial Status Report, CR-3561, to the fiscal officer of the appropriate institution with directions for completion. The director must prepare a memorandum detailing the results of the trust fund account review and forward it, along with the CR-3561, to the Deputy Commissioner of Administration, who must then forward the Inmate Financial Status Report, CR-3561, and the results of any investigation to the department's General Counsel. The General Counsel then submits the report to the State Attorney General's Office to take action to recover inmate cost of incarceration as required by Sections 41-21-901 through 911, *Tennessee Code Annotated*. Department staff stated that the information is forwarded to the Attorney General's Office, but the department does not receive a response concerning the collection of money from the inmate's trust fund.

The most current Inmate Financial Status Report, CR-3561, includes trust fund balances as of December 28, 2011. According to policy, this review is to be performed annually during the third quarter of each fiscal year (January-March). The auditor requested copies of the annual review from management, but copies prior to December 28, 2011, could not be located. Thus the auditor's conclusion is that the reports prior to December 28, 2011 were not being prepared as required by policy and statute.

Whiteville Correctional Facility Did Not Prepare the Inmate Trust Fund Account Interest Quarterly Report in Accordance With Policy Guidelines

The Inmate Trust Fund Account Interest Quarterly Report is required to be completed by the tenth day of the month following the end of the quarter. Whiteville Correctional Facility was late preparing the first quarter report for fiscal year 2012 by 59 days (October 10th to December 8th).

An Inmate Receipt Had an Incorrect TOMIS Identification Number

Policy 208.01 VI.A states that when a check, warrant, or money order is received for an inmate, the mailroom staff will write a receipt. A copy of the receipt will be given to the inmate at the time of receipt (unless the check is to be verified according to policy); a copy of the receipt will also be sent to the business office along with the check, warrant, or money order; and a copy will remain in the receipt book in the mailroom. We reviewed the receipt books at the four facilities for the month of February 2012. The auditor reviewed documents of ten inmates at Mark Luttrell Correctional Center and identified one receipt that had an incorrect Tennessee Offender Management Information System (TOMIS) identification number. The fund manager was able to provide proof that the money was posted to the correct Inmate Trust Fund Account. However, the receipt was dated February 27, 2012, but not posted into the inmate's Inmate Trust Fund Account until March 2, 2012.

Recommendation

The Commissioner should take steps to see that the issues noted in this finding are corrected. For example, the department should provide institutional training concerning compliance with the policy that requires inmates to sign Personal Withdrawal Requests and the Commissary Signature Form/Commissary Pick Form. If an inmate does not sign for the commissary items delivered, the inmate should not receive the order. Supervisors should regularly review forms to ensure compliance with departmental policy.

The department should track inmate savings/investment accounts and require that all wardens submit the Inmate Financial Status Report in accordance with Policy 208.01, "Inmate Trust Fund Account." The policy also requires that the Director of Budget and Financial Services submit an annual report to the Commissioner listing the amount of money recovered. The department needs to develop procedures to ensure compliance with policy and statute.

The department should require Corrections Corporation of America management to follow the requirements in Policy 208.01 relating to the quarterly Inmate Trust Fund Account interest statement.

Management's Comment

(a) Some Personal Withdrawal Requests and Commissary Requests Were Not Signed by Inmates.

We concur. We will instruct and train the facilities staff to enforce current policy by informing all inmates that personal withdrawal request forms and commissary order forms will not be processed without the inmate's signature and TDOC number on the form. Additional training will be conducted as needed during monthly statewide conference calls with fiscal officers at each facility.

(b) Two State-Operated Institutions Failed to Report All Inmate Savings Accounts to the Director of Budget and Fiscal Services to Accurately Determine Inmate Financial Assets in Accordance with Policy and Statute.

We concur. The Fiscal Director at each TDOC facility and the Business Manager at the privately operated facilities will ensure that existing policy guidelines are followed and adhered to. We are currently reviewing all policies and will initiate PCNs to reduce the risk and fraud factors. Budget and Fiscal Services conducts annual statewide training on fiscal updates and policy and procedure. Additional training will be conducted as needed during monthly statewide conference calls with fiscal officers at each facility. Upon receipt of the savings account information from the facilities, the Director of Budget and Fiscal will complete the Inmate Financial Status Report, CR3561 Services in the third quarter of each fiscal year as required.

These changes are effective immediately.

(c) Whiteville Correctional Facility Did Not Prepare the Inmate Trust Fund Interest Account Quarterly Report in Accordance With Policy.

We concur. The Business Managers at the privately operated facilities will be notified and trained to ensure that existing policy guidelines are followed and adhered to. This policy requirement will be added to the annual inspection instrument to allow monitoring and oversight of the privately operated facilities by the compliance section. Training will be conducted as needed during monthly statewide conference calls with fiscal officers at each facility.

(d) An Inmate Receipt Had an Incorrect TOMIS Identification Number.

We concur. The wrong inmate number was mistakenly entered on the receipt. The mistake was rectified, and the money was placed into the correct account. Incidents such as this are rare. Current policy and procedures such as internal audits and annual inspections of the

receipt books have proven effective in preventing these types of errors. Institutional staff will be trained on policy to ensure that all receipts are correct and filled out in their entirety.

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5. The department needs to clarify its policy on how it reports incidents occurring in the state's prisons, and should ensure that incident statistics provided to the public and policy makers are sufficiently explained

Finding

Incident reports are used by the department to record certain incidents (e.g., confiscation of contraband, violent activities) that occur in Department of Correction (TDOC) facilities. Incident numbers are reported in statistical and performance measures reports that are used to inform the public and the legislature about the conditions present in Tennessee prisons and are used to aid department management and policy makers in making decisions. Auditors reviewed Policy 103.02, which provides guidance on incident reporting; tested a sample of incident reports; interviewed department staff regarding incident reporting; and reviewed statistical and performance measures reports containing incident statistics. Our review raised concerns that (1) the language in the policy is not clear, which could lead to misunderstandings and inconsistencies in how and when incidents are reported and (2) that members of the public and policy makers reviewing incident statistics may need additional explanation to understand what these statistics mean and how they were calculated.

Incident reports that department staff enter into the Tennessee Offender Management Information System (TOMIS) contain an incident code and a brief narrative describing the event. TDOC Policy 103.02 states that incidents such as visitor arrest, drug confiscation, contraband, etc., which may be part of another incident, such as a vehicle search or institutional shakedown, should be entered as separate incidents in addition to the precipitating incident (i.e., the search). Additionally, any and all weapons found on institutional property or confiscated from an inmate, visitor, etc., should be entered as a separate incident.

Auditors interpreted this policy to mean that all incidents should be reported. We selected a sample of incident reports that were recorded in TOMIS during fiscal year 2011. (The sample, chosen by randomly selecting 10 days in fiscal year 2011 and 10 of the 14 facilities, is not a statistical sample and the results are not projected to the entire population.) Our tests revealed that, of the 135 incident reports tested, 10 incident reports (7.4%) listed multiple incidents that had occurred and not been reported separately. Our interpretation of Policy 103.02 led us to believe that the department may have been understating the number of incidents. However, the department interprets the policy to mean that a single incident may include several infractions, but each infraction is not counted as an incident. For example, an inmate may get into a fight with his cell mate and upon searching the cell; the officer finds a weapon, drugs, cell phone, etc. In this scenario, only one concern (fight, weapon, drugs, or cell phone) would be recorded as an incident but a disciplinary may be given for each infraction. According to management, if each infraction was recorded as an incident then the number of incidents would

be overstated. We understand the department's perspective regarding the need to not overstate incidents; however, our audit work did raise concerns that all department staff might not be interpreting the policy in the same way, leading to inconsistent reporting of incidents. Further, the general public and policy makers reviewing statistics prepared based on these incident reports may be confused regarding how an "incident" is defined.

TDOC's fiscal year 2011 *Statistical Abstract* report indicates that 16,221 incidents occurred in Tennessee prisons during 2011; 1,763 of those incidents were related to violence. Examples of reported incidents include: contraband, cell phone possession, drug confiscation, and injuries. Violence-related incidents include: assault, arson, death, escape, self-inflicted injury, rape, suicide, hostage situations, and riot. Because of the nature of these incidents, it is imperative that the data are reported correctly in reports used by the public and policy makers, and that the statistics reported include sufficient explanation for readers to understand how these statistics were calculated (e.g., explaining that each incident may include multiple infractions, with multiple people involved).

Recommendation

The department should revise and clarify Policy 103.02 to ensure that all department staff, the general public, and legislators understand the intent of the policy and that correctional officers consistently identify and report all incidents. In its statistical and performance reports used by the public and by policy makers, the department should include an explanation of how the numbers are calculated (e.g., informing readers that an incident may include several infractions.) All incidents should be recorded in TOMIS, regardless of whether a disciplinary offense is assigned or warranted, to provide a complete and clear picture of institutional conditions.

Management's Comment

We concur. The incident policy is currently under review. Revisions will be made, and the language and procedures in policy will be clarified and implemented in order to promptly address this issue. Institutional staff will be notified once the revisions are made and implemented. The revisions will be added to the annual inspection instrument to allow continued monitoring and oversight by the compliance section.

The implementation date is October 1, 2012; field notification will precede the implementation.

OBSERVATIONS AND COMMENTS

The topics discussed below did not warrant a finding but are included in this report because of their effect on the operations of the Department of Correction and on the citizens of Tennessee.

The Department Conducts Extensive Monitoring of CCA's Compliance With Its Contracts to Manage the Three Facilities; However, the Department Could Improve Monitoring Procedures, Including Documenting Management Review and Formatting Reports to Permit Better Analysis of Noncompliance Issues

According to Section 41-24-109, *Tennessee Code Annotated,* the Department of Correction (TDOC) monitors contractors with contracts to provide correctional services. The largest contracts for correctional services are with Corrections Corporation of America (CCA), a private corrections management firm that manages South Central Correctional Facility (SCCF) in Wayne County, and Whiteville Correctional Facility (WCFA) and Hardeman County Correctional Facility (HCCF) in Hardeman County. The contract maximum liability amounts were as follows: $127,135,800 for SCCF (FY 2008 - FY 2012); $154,878,716 for WCFA (FY 2012 – FY 2016); and $36,898,292 for HCCF (FY 2011). Auditors identified several concerns regarding the department's monitoring process of the CCA facilities, as well as concerns regarding documentation of review by department management.

The department issued Administrative Policies and Procedures Policy 205.02, which establishes procedures for monitoring contracts to ensure that contract requirements are being met. They include employing a full-time, on-site contract monitor at each CCA facility who is responsible for monitoring the contractor's performance. The monitoring includes observing and reporting on the day-to-day operational performance of the contractor regarding compliance with all terms and conditions of the contract. There are 36 Contract Monitoring Instruments used by the on-site monitors and completed either on a monthly, quarterly, or semi-annual basis, that assess the entire operation of each facility. Each month, the results of the monitoring instruments are compiled by the contract monitor in a spreadsheet, *Summary of Non-Compliance Notifications,* and forwarded by the tenth of the following month to the department's Central Office Director of Contract Monitoring for review. The director is responsible for tracking noncompliance reports for purposes of determining whether a breach of contract has occurred.

Contract Monitoring Instruments

The Contract Monitoring Instruments (CMIs) are checklists based on contract requirements, TDOC policies, and American Correctional Association standards. For example, the Disciplinary Procedures CMI instructs the on-site contract monitor to select a random sample of disciplinary actions of inmates and determine if the actions are signed by the facilities

disciplinary board members. The on-site monitor completes this checklist quarterly to determine contract compliance. The Staffing CMI, completed monthly, requires the on-site contract monitor to check the facility's daily shift roster and verify that critical posts were staffed.

Noncompliance Report

Each on-site contract monitor develops a monthly noncompliance report, which is sent to the Director of Contract Monitoring. The noncompliance report is based on the results of the monitoring instruments completed by the on-site monitor; however, policy permits the contract monitor to report significant issues that "threaten institutional security or staff/inmate health/safety" as No Item Number (NIN) - meaning the noncompliance is not associated with a numbered item on a CMI.

The contractor's response to each noncompliance issue is recorded in the report. The on-site contract monitor has 60 days to conduct a review of the noncompliance issue and is also required to reevaluate all noncompliance items on the subsequent CMI.

Issues Identified in the Noncompliance Reports

While reviewing the contract monitor noncompliance reports for facilities operated by CCA, a recurring issue was apparent. There were several noncompliance issues noted due to CCA staff not entering information, not entering information in a timely manner, entering inaccurate information, and/or entering insufficient information into the Tennessee Offender Management Information System (TOMIS), the department's system-wide source of required inmate information. Institutions that receive inmates from the CCA facility will have inaccurate or incomplete information if the information is not entered into TOMIS or is entered inaccurately.

Notifications to the Contractor

According to TDOC's Administrative Policies and Procedures Policy 205.02, the contractor is notified of noncompliance issues by the on-site contract monitor, who forwards the noncompliance report to the contractor, who then has ten working days to provide a written response electronically to the monitor, describing the corrective action taken. If the issue does not "reflect serious, dangerous, or systemic problems," the contract monitor may communicate noncompliances to the contractor without issuing a formal report. The Director of Contract Monitoring in TDOC's Central Office is responsible for notifying the contractor when a breach of contract has occurred. A breach of contract is defined in Policy 205.02 as

- Routine instrument items found non-compliant three times in any 12-month period (for items on monthly or quarterly monitoring CMIs) or two times in any 18-month period (for items on semi-annual monitoring CMIs); or
- Essential items found non-compliant may be a breach of contract regardless of the number of times it has occurred.

Contractors advise the on-site contract monitor of actions taken to "cure the breach," and the contractor is given a cure period when notified of the breach. All of this is recorded by the on-site monitor in the noncompliance report.

Document Review and Interviews

Auditors reviewed the Contract Monitoring Instruments (CMIs); breach of contract letters from the department to the facilities; liquidated damages letters; and HCCF, SCCF, and WCFA *Summary of Non-Compliance Notifications* for each month of the calendar year 2011. As required by Policy 205.02, the notifications were prepared by the on-site contract monitor and submitted to the department's Director of Contract Monitoring. These notifications are reported in a spreadsheet and include a column for each of the following:

- Date of Report
- Outstanding Issue (Y or N)
- Monitoring Instrument and Item Number
- Non-Compliance Issue
- Contractor Response and Corrective Action Taken
- Date/Method of Confirmation by Monitor/Comments
- TDOC Management Comments/Notes

Each issue is carried forward on the report until a contractor response is received and documented, and the on-site contract monitor has verified and commented on the outcome of the corrective action noted by the facility. For example, the SCCF contract monitor reported in the February 2011 *Summary of Non-Compliance Notifications* a noncompliance item dated 2/17/2011 with the description of the noncompliance item and the facility warden's response dated 2/27/2011 under Contractor Response and Corrective Action Taken. That item is reported again in the March, April, and May 2011 *Summary of Non-Compliance Notifications* and indicated "Y" as an outstanding issue. In the May 2011 report, the contract monitor adds additional information in the Date/Method of Confirmation by Monitor/Comments verifying that the contract monitor has confirmed that the corrective action has been implemented. The issue dated 2/17/2011 is not reported in subsequent monthly notification reports.

Auditors traced noncompliance issues to memos to facility management prepared by the on-site contract monitor and to letters from the department's Director of Contract Monitoring. We found that the department has memos sent from the on-site contract monitors to the facilities and the department has letters sent to the facilities for breach of contract, when the department determines breach of contract is applicable.

Auditors interviewed the department's Director of Contract Monitoring and the department's on-site contract monitors at each of the three Corrections Corporation of America (CCA) facilities. The Director of Contract Monitoring reviews each report and determines if the issues have been corrected or cured, or if a breach of contract should be issued, and whether

liquidated damages should be assessed as a result of the breach. The Director of Contract Monitoring stated that management at the CCA facilities responds well to correcting noncompliance issues.

It appears that the department does monitor each contract and follows through to ensure that noncompliance issues are resolved and appropriate action is taken throughout the monitoring process. However, we identified some weaknesses related to documentation and record-keeping.

Weaknesses in the Record-Keeping Process

The documentation provided by the department did not contain any notations, signatures, or other documentation stating that the memos were discussed with the institutional management. While memos were provided indicating correspondence from the institution, there was no direct evidence documenting discussions concerning the noncompliance issues. Although TDOC's Administrative Policies and Procedures Policy 205.02 requires noncompliance issues, plans of correction, and memos be reported electronically, the electronic reports do not have any notations, management initials of review, or contractor notations that indicate the facility, on-site contract monitor, or Director of Contract Monitoring discussed any of the instances of noncompliance and the resulting correction.

The current reporting method using an excel spreadsheet makes it difficult for the department to track the timeliness of corrections and to perform any trend analysis of the issues that might identify problems prior to a breach of contract. This increases the difficulty of effectively managing the noncompliance issues from month to month. The department should consider developing a reporting system that would assist with trend analysis, by documenting the amount of time spent correcting a particular noncompliance item.

The department may wish to require monthly or quarterly documented discussions with the CCA contract monitors, or record such meetings if this is already being done. Adding this element into the contract monitoring process could speed up the process of resolving noncompliance issues.

The department may also wish to develop a database to more effectively track and monitor the noncompliance issues. A database would offer more capabilities and provide for greater ease of recording all monitoring efforts by the department. The database should include a unique identifying number for each noncompliance issue.

Review of Contract Monitoring Processes for Medical, Rehabilitation, and Nursing Contracts

According to Section 41-24-109, *Tennessee Code Annotated*, the department monitors any contracts with contractors providing correctional services. Auditors reviewed the department's monitoring efforts for nine contracts covering areas such as private prisons, rehabilitation, medical, nursing, and mental health. See Finding 1 for auditors' review of mental health contract monitoring and page 37 for auditors' review of the department's monitoring of its

contracts with Corrections Corporation of America. Our reviews of medical, rehabilitation, and nursing contracts are detailed below; we found that, overall, the department is appropriately monitoring these contracts. See page 43 for suggestions for some improvements the department may wish to consider.

Corizon/Correctional Medical Services, Inc.

The largest health services contractor is Corizon/Correctional Medical Services, Inc., (CMS). (The department's current contract is with CMS; in June 2011, Corizon was created from the merger of the parent companies of CMS and PHS Correctional Healthcare). Comprehensive health services are provided at Charles B. Bass Correctional Complex, Riverbend Maximum Security Institution, Tennessee Prison for Women, and Turney Center Industrial Complex & Annex. In addition, CMS provides noncomprehensive services to the other seven state-run institutions. CMS provides primary health care, specialty care, dental care, emergency care, hospitalization, pharmaceutical services, staffing, and program support services. The maximum liability for the state set forth in the CMS contract for January 1, 2010, to December 31, 2012, is $181,404,800. The contract specifies remedies for breach of contract including an option to terminate the contract or to assess liquidated damages for noncompliance issues.

Auditors reviewed the department's contract monitoring activities occurring from June 2011 to June 2012. The contract monitoring instruments record that monitoring was performed consistently on a monthly basis and the department appears to be monitoring the CMS contract as set forth by the current contract. The department assessed liquidated damages against CMS for 2011 and 2012; however, because of department record-keeping methods, it was very difficult to trace the monthly noncompliance issues back to the resulting liquidated damage assessments. According to the Correctional Program Manager, the department used to break the assessments down but stopped doing so for unknown reasons. When state agencies discontinue effective controls, the risk of fraud, waste, and abuse is increased. The department should have a documented system in place to identify situations in which management intends to discontinue or modify existing controls and to provide independent review of the proposed changes before they occur.

Rehabilitation Contracts

The Next Door, Inc., (TND) and Project Return, Inc., (PRI) provide services to help offenders in custody of the Department of Correction (TDOC) successfully transition from prison back into society. Auditors reviewed contract monitoring activities performed by department staff from January 1, 2010, to June 30, 2012, for PRI and TND. The maximum liability for FY 2012 was $54,640 for the Next Door Tennessee Prison for Women (TPW) contract and $438,000 for the Next Door contract to operate a female transitional facility in Chattanooga. The maximum liability for the FY 2012 Project Return contract was $140,000.

The PRI Exodus program contract monitoring instruments recorded that all contract sections were tested and were found to be in compliance, or were not in compliance but were later remediated. The PRI Genesis program contract monitoring instruments recorded that PRI

was compliant for all contract sections tested in 2010. Noncompliance issues were discovered during 2011; however, remediation could not be determined because of the program site's closure (Charles B. Bass Annex closed in November 2011). The Next Door instruments recorded that contract sections were tested and in compliance at the time of contract monitor testing, or were not in compliance but were later remediated.

We noted that the contracts for both PRI and TND do not contain a clause allowing the Department of Correction to recover liquidated damages for breach of contract. TND and PRI appear to be operating within the guidelines set forth by each applicable contract; however, the lack of liquidated damages provisions could prevent the state from recovering damages for future noncompliance issues. The only remedy offered by The Next Door and Project Return contracts for breach allow the state to terminate the contract and withhold payments in excess of fair compensation for completed services.

Nursing Contracts

Guardian Health Care Providers, Inc., is one of the providers of temporary nursing services when state positions are unable to provide the level of nursing services required. Guardian Health Care Providers, Inc., was a part of the Delegated Purchase Authority (DPA) that was effective from July 1, 2010, to March 31, 2011. Under the DPA, department facilities were able to hire temporary nurses to fill vacancies (e.g., when employees quit, are dismissed, or take extended leave) from Guardian, other nursing agencies, or individual nurses in the area who were willing to come and work for the department. This provided more opportunities for the facility Health Service Administrator to obtain nurse staffing on an as-needed basis from a larger pool of resources. The maximum liability of the DPA was $5,114,475.

The process for requesting temporary nursing staff and payment for the services provided is similar at each institution:

- One of the medical team staff, either the Health Service Administrator (HSA) or Director of Nursing (DoN) at the institution calls the contractor for a nurse to fill a vacancy.
- The nurse works the shift, and the contractor includes this shift on the monthly bill.
- The monthly bill is routed to the HSA or DoN to audit the bill against institution records for shifts covered by contractor.
- The audited, balanced, and approved invoice is sent to the fiscal officer (Fiscal Director/Accounting Manager) at the institution. This is the fiscal review of the process.
- Once approved by Fiscal, the invoice is processed for payment.
- Any invoice discrepancies are resolved as appropriate with the contractor by either medical or fiscal staff at each institution.

The process is subject to an institutional audit by the annual inspection teams.

As of April 1, 2012, the department has entered into six contracts for temporary nursing services. Guardian Health Care Providers is the primary contractor for Middle Tennessee and the secondary contractor for East and West Tennessee. @Work Medical Services is the primary contractor for East and West Tennessee and the secondary contractor for Middle Tennessee. The Director of Contract Administration stated that the contract arrangement provides better pricing but does not provide the flexibility of obtaining nursing staff that the previous DPA did.

There are three types of health service organization at the state-operated facilities.

1. Comprehensive – contract with Corizon to provide all medical services at Charles Bass Correctional Complex, Riverbend Maximum Security Institution, Tennessee Prison for Women, and Turney Center Industrial Complex.

2. State Run – DeBerry Special Needs Facility uses state employees to provide health services.

3. Non-comprehensive – Health Service Administrator responsible for making sure the health services are provided with a combination of Corizon employees and state employees at the remaining state-operated correctional facilities.

According to the director, the comprehensive facilities do not have many problems with health service vacancies and turnover. At the non-comprehensive facilities, it's estimated that the health service vacancy rate is around 20 percent.

The contractors Guardian Health Care Providers and @Work Medical Services are paid only for the nursing hours provided to fill staff vacancies at the facilities not covered by Corizon. It appears that each facility has a process in place for monitoring the accuracy of the billing for nursing services provided before payment is made.

Conclusion

The department should consider revising future rehabilitation contracts to include language allowing the state to recover liquidated damages. This would impose a monetary penalty if a contractor did not fulfill its obligations, and it would also allow the department to recover damages for noncompliance.

Auditors identified difficulties in tracing noncompliance issues back to the resulting liquidated damages assessments. The department may wish to review its record-keeping processes to determine whether improving the documentation and tracking methods for monitoring contract compliance would provide a more efficient means of managing contract compliance and ensuring that appropriate liquidated damages were assessed and collected.

The Department Has Instituted New Procedures to Address Increasing Rates of Violence

Over the last few years, the rate of violent incidents in department institutions has increased. However, the department has instituted multiple procedural changes in an effort to reduce institutional violence.

In 1982, a class action lawsuit, *Grubbs v. Bradley*, 552 F. Supp. 1053 (Middle District of Tennessee 1982), challenged the constitutionality of certain conditions present in Tennessee penal intuitions. The lawsuit claimed that several conditions existed in the state's prisons that created an atmosphere of violence: the classification system did not ensure that violence-prone prisoners were separated from their potential victims; guards were not present, were unable, or were unwilling to assist during a violent attack; blind spots existed in areas under surveillance; weapons were readily available to prisoners; prisoners were subject to excessive idleness; and the prisons were overcrowded. Remedial orders were issued by the court, and Tennessee's supervisory control over the state's prisons was removed.

In 1993, the court's remedial objectives were evaluated. It was determined that the conditions outlined in the *Grubbs v Bradley* 1982 lawsuit had sufficiently improved to return supervisory control of the penal institutions back to the State of Tennessee.

Currently, inmates are classified upon entering a TDOC receiving institution to determine their history of violence, Prison Rape Elimination Act (PREA) status, and security threat group (STG) affiliation, to determine proper housing. Inmates are selected for single or double occupancy depending upon their initial assessment. All new-admission inmates are initially single-celled for safety purposes. Inmates under sentence of death are housed in single cells and segregated from the remainder of the inmate population. Inmates are assessed to determine if they are potential sexual predators or victims. Inmates under administrative segregation (considered to be a threat to the institution, staff, or other inmates) are placed in a single-cell maximum-security unit. Under most circumstances, close-custody inmates are not double-celled with lower custody inmates. Under a new department initiative, however, certain inmates have been selected to be placed into housing units containing inmates with lower custody levels.

Security Threat Group (STG) assessments are performed to identify STG members during initial classification. Those in protective custody or those who are part of a security threat group are placed in segregated housing facilities away from the remainder of the inmate population.

In addition to the classification system, TDOC uses several methods to discourage conditions of violence in Tennessee prisons. Mail may be screened for violent and STG group communications. Inmates committing violent acts are punished according to the severity of the crime. Punishment may include the assessment of a fee and/or the loss of visitation, revocation of sentence credits, punitive segregation, and restriction of special privileges. Additional penalties may be imposed if the assault was inflicted on an employee, visitor, or volunteer. Inmates who commit assault may be subject to an additional two to five years on their sentence if the assault results in injury to a person that requires medical attention.

All employees are instructed by TDOC in the prevention, detection, response, reporting, and investigation of inmate-on-inmate and staff-on-inmate sexual assault. Inmates receive written and verbal education on the prevention, self-protection, reporting, and treatment of sexual assault. Inmates are rescreened as predators or potential victims annually, after being found guilty of sexual assault, or at the discretion of the warden. Male inmates identified as predators may be placed into the Prison Rape Elimination Act (PREA) program at Southeastern Tennessee State Regional Correctional Facility. Allegations of sexual assault are reported to the institutional investigator, and alleged aggressors involved in reported incidents are segregated from the victims.

A security threat group includes any group, organization, or association of three or more individuals who possess common characteristics which serve to distinguish them from other individuals or groups who have been determined to be acting in concert, so as to pose a threat or potential threat to staff, other inmates, the institution, or the community. Inmates are identified as possible STG members during the initial classification process and through continuous monitoring of the population. Inmates may be identified through observation of certain identifiers including self-admission, tattoos, mail, use of symbols, possession of or participation in STG documents and publications, and correspondence or interaction with other STG members.

Inmates who are designated as STG members may be assigned to an STG phase program unit or an STG housing unit. An STG phase program unit is designated to house confirmed STG members who may pose a threat to the safe, secure, and orderly operation of institutions, as well as those inmates who wish to volunteer to renounce their STG affiliation while they participate in the STG phase program. The three-phase behavior modification program uses cognitive behavior modules designed to sever the inmate's dependence on the STG. A housing unit inside the secure perimeter of the institution is used for the placement of confirmed STG members in order to separate them from the non-STG population. These units differ from the STG phase program unit in that inmates may be assigned to jobs or programs outside of the unit.

According to the STG Coordinator, TDOC is implementing changes to the STG program to move toward a new therapeutic community model with STG-specific treatment programming. Policies are currently being written to reflect the developing changes to the STG program.

The per capita rate of institutional violence is illustrated in the table below:

Violent Incident Rate

Violent Incident Rate	All Institutions				
	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Average Population	19,116	19,174	19,179	19,708	19,978
Violent Incidents	1,041	1,280	1,643	1,597	1,763
Rate per 100	**5.45**	**6.68**	**8.57**	**8.10**	**8.82**

To reduce institutional violence, and in an effort to comply with its mission, "To operate safe and secure prisons," TDOC instituted changes in correctional facility procedures in cell

inspections, inmate property guidelines, and inmate movement during fiscal year 2012. Cell inspections, previously performed periodically, are now performed daily Monday through Friday by a senior staff member to enable correctional officers to find hidden weapons more effectively. Inmates stand at attention and do not speak during cell inspection.

Inmate property guidelines have been reinforced. According to the Warden of the Charles B. Bass Correctional Complex, the amount of property inmates were allowed to have in the cells was too excessive and disorderly. Now, according to policy, items in the personal possession of an inmate shall not occupy more than six cubic feet. Diagrams have been placed outside each cell to indicate proper cell organization.

Inmates walk in single file when moving throughout the facilities to attend class, programs, jobs, meals and recreation. According to the Deputy Commissioner of Operations, inmates who walk in single file are less likely to commit violent acts. The improved visibility enables correctional officers to spot violent incidents that were previously hidden by prisoners walking in unorganized crowds. Inmates' hands remain visible and out of their pockets, and all movement is escorted by a correctional officer.

Incident reports are used by the department to record certain incidents that occur in TDOC facilities. The numbers of incidents are reported in statistical and performance measures reports that are used to inform the public and the legislature about the conditions present in Tennessee prisons and are used to aid management in making departmental decisions. Examples of these incidents include contraband, cell phone possession, drug confiscation, and injuries. Violence-related incidents include assault, arson, death, escape, self-inflicted injury, rape, suicide, hostage situations, and riot.

The department should closely monitor the per capita institutional rate of violence to determine if the procedural changes in cell inspections, inmate property guidelines, and inmate movement have been effective in reducing violence by creating an atmosphere of safety and security in the Tennessee state prisons. The safety initiatives were implemented throughout fiscal year 2012.

Contraband in Department Facilities

Department of Correction (TDOC) policies define contraband as any item that is not permitted by law or is expressly prohibited by TDOC or institutional policy. According to Section 39-16-201, *Tennessee Code Annotated*, it is unlawful to possess or to introduce weapons, ammunition, explosives, intoxicants, controlled substances, and telecommunication devices into a Tennessee penal institution where prisoners are quartered.

Examples of contraband include weapons, alcohol, controlled substances, cash, cell phones, tobacco, or other items designated as contraband by the Commissioner. Allowable personal property, which is not considered contraband, includes certain clothing, jewelry, linens, grooming accessories, reading and writing materials, appliances, and other approved miscellaneous items.

TDOC uses several methods to prevent the introduction of contraband into its facilities. Incoming inmate mail is read, documented, and inspected by TDOC staff. Inmates are searched when received into custody. Inmates, visitors, and employees are frisk searched and must pass through a metal detector when entering the institutions. As of 2012, TDOC has placed body orifice security scanners (B.O.S.S. chairs) in all institutions (excluding the Mark H. Luttrell Correctional Center) to improve metal detection screening capabilities. Personal property is examined visibly or by fluoroscope prior to entry. Inmates are subject to strip searches at any time and, when authorized by the warden, routinely when returning from furlough, transportation runs, work details, etc. Visitors and employees are subject to strip search based on reasonable suspicion. Incoming vehicles, property, goods, supplies, and food stocks are searched prior to entry to the institution. K-9 units are used when available to detect contraband.

Based on our audit survey of the Alabama, Mississippi, Arkansas, Missouri, and North Carolina Departments of Correction, the methods used by TDOC to prevent and detect contraband are similar to those used in surrounding states. Some states use additional unique equipment to detect contraband. Tennessee uses the B.O.S.S chair and mobile forensics, Arkansas uses a mobile device forensics system, and Arkansas and Missouri utilize ION mobility spectrometers. Some states, including Texas, California, and Mississippi, have explored the use of a cell phone managed-access system, which intercepts cell phone call signals and allows the institution to permit or deny communications.

TDOC staff have a number of ways of detecting those items smuggled into the institution. Facility searches of housing units, grounds, and buildings are conducted periodically and no less than semi-annually. Cells are searched regularly and prior to being occupied. Outgoing mail may be searched at the discretion of the warden. Visitor and employee vehicle searches are performed according to a plan developed by each warden; organized searches are to be conducted at least quarterly, with unannounced inspections of employee vehicles at least annually. Inmates are subject to unannounced searches.

Inmates found to be in possession of contraband are subject to disciplinary punishment including prosecution in a court of law, sentence extensions and revocation of sentence credits, punitive segregation, and the restriction of privileges. Visitors introducing contraband into a TDOC facility may be prosecuted and employees possessing contraband are subject to disciplinary punishment including possible termination, arrest, and prosecution.

Items discovered and identified as contraband are documented by TDOC staff and disposed of or held as evidence. Narcotics that are not held as evidence are disposed of by flushing into the sewer system. Perishable or hazardous items are photographed and disposed of immediately. Cash is deposited into a state revenue account. Firearms and cellphones are turned over to the TDOC Office of Investigations and Compliance. Other weapons, such as knifes and clubs, are destroyed on site. Miscellaneous contraband found may be disposed of, remitted to an inmate's relative, or held for training purposes.

As noted on page 46, the department has instituted new procedures relating to inspections and inmate property guidelines. Personal property guidelines have been strengthened to enable

staff to readily identify contraband during cell searches. Diagrams are placed in each cell and housing unit outlining the organizational placement of inmate property.

Based upon interviews with TDOC wardens, incidents involving cellular telephones are a growing area of concern in Tennessee prisons. Possession of cell phones by inmates is a violation of Tennessee law and a threat to institutional and public security. According to a Federal Bureau of Investigations July 2010 Law Enforcement Bulletin, prisoners have used cell phones to intimidate and threaten witnesses, transmit photographs, orchestrate crimes, coordinate escapes, bribe prison officers, order retaliation against other inmates, communicate with other prisoners, gain access to the Internet, and create security breaches.

As illustrated in the table below, incidents involving cell phones are occurring more frequently. The data also suggest that, for fiscal year 2011, nearly one cellular telephone incident occurred for every ten inmates.

Cellular Telephone Incidents

	All Institutions		
	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
Average Population	19,179	19,708	19,978
Incidents	1,130	1,497	1,968
Rate per 100	**5.89**	**7.60**	**9.85**

The methods used by TDOC to prevent contraband are expected to prevent prohibited items; however, some items are successfully smuggled in. Based on a survey of the Alabama, Mississippi, Arkansas, Missouri, and North Carolina Departments of Correction and interviews with TDOC staff, contraband, including cell phones, is smuggled in by visitors, staff, vendors, and inmates. These items can also be introduced into the facilities through the mail system or are thrown over the fence.

Because of the dramatic increase in cell phones found in Tennessee prisons over recent years, the department should consider using additional techniques used by other states such as cell phone managed access systems to increase control over cell phone contraband use in TDOC institutions.

The Department Has Incorporated Evidence-Based Programming Into the Reentry Process

According to the department, 97% of all Department of Correction offenders will be released back into the community. In an effort to prepare offenders for reentry and maintain public safety, the department has incorporated evidence-based programming into the reentry process.

The department asserts that reentry begins when an offender enters the department's custody. Upon arrival, the inmate is given the Level of Service/Case Management Inventory (LS/CMI) (unless one has already been completed by the Board of Probation and Parole during

the pre-sentence investigation). This assessment instrument is used to identify the criminogenic needs of the offender. Research indicates that addressing an offender's criminogenic needs can reduce an offender's likelihood to reoffend.

The LS/CMI measures the offender's risk to reoffend and need for programming treatment. The eight criminogenic domains addressed in the LS/CMI are criminal history, education/employment, family/marital, leisure/recreation, companions, alcohol/drug problems, procriminal attitude/orientation, and antisocial patterns. The LS/CMI is used to develop the offender's Transitional Assessment Plan-Behavioral Intervention Goals (TAP/BIG). The TAP/BIG uses the LS/CMI scores to identify the offender's strengths and weaknesses, prioritizes the programmatic needs, establishes goals, and includes an action plan to meet the goals. The TAP/BIG is the offender's treatment plan used throughout his or her incarceration. It is reviewed annually, and the institutional assignments are made based on the first and/or second priority recommendation. Because the department has limited resources, it uses prioritized registers to ensure the program needs of offenders with the highest risk of reoffending are met first. Offenders will move to the top of the register for the programs that they have a parole mandate to complete. Offenders also move up the registers as they get closer to their release date. Offenders with higher LS/CMI scores will also be placed higher on the register.

Reentry Services consist of education services (academic and vocational), religious and volunteer services, correctional counseling, inmate jobs, and medical and mental health services. Table 4 lists the programs and services available at each institution.

The department began offering a new program in March 2011 called Career Management for Success and Release for Success. It is a four-month systematic program of instruction presented in real-world context that emphasizes the basic practical knowledge needed for employment success and for preparing inmates for release and successful reintegration using a cognitive behavioral approach. It is designed to train offenders for job acquisition and retention. As show in Table 4, this program is offered at each institution.

The department begins working on post-release services for inmates within two years of the inmate's release date. These services include lining up housing (where the inmate will live once released), addressing family relationships and issues, leisure activities, peer companionship (good/bad relationships), employment, and obtaining identification.

The department has one transitional program called Exodus, and it is offered at the Tennessee Prison for Women – Annex. The program uses a therapeutic community to gradually prepare offenders to live successfully in the free world by addressing the issues of Substance Abuse/Relapse Prevention, Criminal Thinking, Life/Coping Skills, and Career Development. It is divided into a three-phase format. The first phase, Orientation and Stabilization, lasts four months while the second (Development and Integration) and third (Employment and Re-Entry) last three to four months depending on sentence expiration, going back up for parole, or going home upon parole-mandated completion of the program.

Table 4
Programs/Services Available at Each Institution

Domain	Program/Class	Program Duration (in months)	Institution Program Availability
Education/ Employment	ABE-Adult Basic Education	3m-6m	CBCX, DSNF, HCCF, MCCX, NECX, RMSI, SCCF, STSR, TCIX, TPFW, WCFA, WTSP
	AMA-Core/Brake/Suspension/ Steering/ Engine Performance	7m-26m	NWCX
	BAP-Barbering	15m-23m	STSR, WTSP, NWCX
	CAP-Core/Carpentry I&II	12m-26m	HCCF, MCCX, MLCC, NECX, NWCX, RMSI, STSR, TCIP, TPFW, WCFA, WTSP, SCCF
	CFS-Foundation/Culinary Arts I, II, & III	6m-26m	MCCX, NECX, STSR, TCIP, TPFW
	MRA-Electrical/Construction Core	3m-6m	HCCF, NWCX
	VOE-Computer Applications/ Literacy	7m-23m	SCCF, TCIP, TPFW, WCFA, WTSP
	COA-Principles of Cosmetology/ Design/Chemistry	15m-23m	MLCC, TCIP, TPFW
	EAP-Core Electrical I & II	7m-19m	HCCF, NECX, NWCX, SCCF, STSR, WCFA
	ACH-Core/HVAC/RI & II Refrigeration	12m-26m	MCCX, NWCX, STSR, WTSP
	LGA-Horticulture/ Grounds Keeping	12m-15m	HCCF, MCCX, NECX, NWCX, SCCF, TCIP, TPFW
	SEA-Core/Leisure Craft, Small Engine/Engine PR	7m-15m	MCCX, NWCX, WCFA, WTSP
	CMA-Core/Masonry I & II/ Construction	12m-26m	NWCX, RMSI, SCCF, WCFA, WTSP
	PLA-Core/Plumbing I & II	12m-26m	NWCX, SCCF
	Career Management for Success/Release	4m	CBCX, DSNF, HCCF, MCCX, MLCC, NECX, NWCX, RMSI, SCCF, STSR, TCIP, TPFW, WCFA, WTSP
	WAC-Basic Principles of Welding/Advanced Application	10m-30m	NWCX
Family/Marital	TCP1-Transition Center (Exodus)	9m-N/A	TPFW/A
	PSLS -Prosocial Life Skills	5m-N/A	MCCX, TPFW, HCCF, MLCC, NECX, NWCX, TCIX/M, WCFA
Leisure/Recreation	PSLS -Prosocial Life Skills	5m-N/A	MCCX, TPFW, HCCF, MLCC, NECX, NWCX, TCIX/M, WCFA

Companions	PSLS -Prosocial Life Skills	5m-N/A	MCCX, TPFW, HCCF, MLCC, NECX, NWCX, TCIX/M, WCFA
Alcohol/Drug Problem	GRTH-Group Therapy	3m-6m	MLCC, TCIX, RMSI, NECX, TPFW, WCFA
	TCOM-Therapeutic Community	9m-N/A	CBCX, HCCF, MCCX, MLCC, NECX, NWCX, RMSI, SCCF, STSR, TCIP, TPFW, WCFA, WTSP
Procriminal Attitude/Orientation	TCP1-Transition Center (Exodus)	9m-N/A	TPFW/A
	PSLS -Prosocial Life Skills	5m-N/A	MCCX, TPFW, HCCF, MLCC, NECX, NWCX, TCIX/M, WCFA
Antisocial Pattern	PSLS -Prosocial Life Skills	5m-N/A	MCCX, TPFW, HCCF, MLCC, NECX, NWCX, TCIX/M, WCFA

The department's one release center, established in January 2011, is The Next Door, located in Chattanooga. It provides 30 beds and serves only women offenders who are either expiring their sentences or are there as a condition of parole and will be on parole once they leave the program. The Next Door provides the following classes and services: physical fitness, workforce development class, individual counseling, journaling, Thinking for a Change (integrated, cognitive behavioral change program), Victim Impact class (educational program designed to teach offenders about the human consequences of crime), Bible study, community, spiritual emphasis, group therapy, independent living/hygiene, transportation assistance, medication management, addiction recovery services, and a family enrichment program. There are five levels: Mapping (building relationships with the resident), Reflection (strengthening independent living skills and acceptance of responsibility for personal recovery), Grounding (strengthening employment skills, recovery skills, and accepting responsibility for personal recovery), Action (strengthening recovery skills and beginning transition planning), and Preservation (assistance in transition services, connections to outside services, and plan for continuity of care). The length of the program is approximately 120 days.

The department has partnered with Memphis city and Shelby County officials as well as the Board of Probation and Parole to create a pilot project, the Memphis-Shelby County Office of Re-Entry, with the goal of reducing repeat offenders. The location was chosen because the number of ex-offenders that are rearrested in Memphis is extremely high. The office began serving offenders on May 30, 2012, and will target 160 men and 40 women who are currently incarcerated. This program will focus on job training and placement and meeting basic needs such as food and housing once they are released. Those who participate in this program will be closely monitored.

Although the Department Has Made Significant Improvements in Defining and Tracking Recidivism Since the April 2009 Performance Audit, the Department Still Does Not Track Recidivism Based on Programs

The Department of Correction (TDOC) has joined with the Association of State Correctional Administrators (ASCA) and other states in the adoption of both standardized terminology and a time frame for assessing recidivism. The department uses the Bureau of Justice's definition of recidivism, which is defined as counting the criminal acts that result in re-arrest, reconviction, or a return to prison of an individual with or without a new sentence for a period of three years. Offenders are considered "unique" in reference to their first release from incarceration and their recidivism is counted upon their first return to incarceration for each calendar year. This is a new methodology—in previous reports, multiple returns for offenders were counted throughout the time frame of each study, and the total number of offenders who returned each year for a three-year period of time was counted.

The department's most recent recidivism study follows unique offenders on a year-by-year basis from 2001 to 2007 and allows the department to determine return rates for calendar years one, two, three, and four-plus years. The department believes this method provides a more comprehensive view of recidivism.

The department tracks recidivism by location, release type (community corrections, sentence expiration, parole, and probation), offense group (person, property, societal, and other), sex, race, sex and release type, sex and offense group, race and release type, and race and offense group. However, the department does not track or include in its recidivism study any information about the impact of department rehabilitative programs on recidivism. Department management stated that they do not track recidivism by programs because causal relationships cannot be demonstrated. According to management, there are too few offenders enrolled in the programs, and even fewer complete the programs thus, at best, there can only be a correlation between the programs and recidivism.

While it is understood that causal relationships cannot be proven, it seems that tracking recidivism based on programs could provide useful information to the department. Such information could help the department evaluate whether the programs are effective at providing the inmate the skills needed to reenter society and become a productive citizen. If the programs are ineffective, the department could shift funds to the more effective programs. This would help the department and the General Assembly determine if funds are being allocated to the program with the highest payoff, meaning those programs with the greatest likelihood of reducing recidivism. This information could suggest to the department what type of programs work best for each type of offender, which in turn, could aid the department in assessing future inmates' needs.

According to the *Tennessee Department of Correction Recidivism Study Felon Releases 2001-2007,* recidivism rates system-wide (TDOC institutions and local jails) have remained stable from 2001 to 2007. However, in the four years and beyond category, the recidivism rates decline. (See Table 5.)

Table 5
System-Wide Return Rates January 2001 – December 2007

Calendar Year	Total Releases	Unique Yearly Releases	Number of Releases Returned in Years				Percentage Return Rate in Years			
			1 Year	2 Years	3 Years	4+ Years	1 Year	2 Years	3 Years	4+ Years
2001	12,508	12,151	3,032	4,697	5,544	6,980	25.0%	38.7%	45.6%	57.4%
2002	13,144	12,649	3,196	4,901	5,790	7,069	25.3%	38.7%	45.8%	55.9%
2003	13,434	12,904	3,350	5,133	6,035	7,030	26.0%	39.8%	46.8%	54.5%
2004	14,048	13,479	3,484	5,259	6,174	6,921	25.8%	39.0%	45.8%	51.3%
2005	15,169	14,500	3,869	5,795	6,729	N/A	26.7%	40.0%	46.4%	N/A
2006	16,121	15,452	4,164	6,118	N/A	N/A	26.9%	39.6%	N/A	N/A
2007	16,209	15,520	3,952	N/A	N/A	N/A	25.5%	N/A	N/A	N/A
Average							**25.9%**	**39.3%**	**46.1%**	**54.8%**

The department does break down recidivism with regard to offenders in institutions and offenders in local jails. There is a significant disparity in the rates (see Tables 6 and 7).

Table 6
TDOC Return Rates January 2001 – December 2007

Calendar Year	TDOC Releases	Unique Yearly Releases	Number of Releases Returned in Years				Percentage Return Rate in Years			
			1 Year	2 Years	3 Years	4+ Years	1 Year	2 Years	3 Years	4+ Years
2001	4,450	4,423	852	1,516	1,856	2,426	19.3%	34.3%	42.0%	54.8%
2002	4,374	4,336	749	1,357	1,698	2,144	17.3%	31.3%	39.2%	49.4%
2003	4,928	4,873	891	1,594	2,002	2,378	18.3%	32.7%	41.1%	48.8%
2004	5,380	5,348	931	1,644	2,039	2,336	17.4%	30.7%	38.1%	43.7%
2005	5,602	5,545	1,030	1,779	2,152	N/A	18.6%	32.1%	38.8%	N/A
2006	6,267	6,197	1,225	2,033	N/A	N/A	19.8%	32.8%	N/A	N/A
2007	6,396	6,328	1,139	N/A	N/A	N/A	18.0%	N/A	N/A	N/A
Average							**18.4%**	**32.3%**	**39.8%**	**49.2%**

Table 7
Local Jail Rates January 2001 – December 2007

Calendar Year	Local Jail Releases	Unique Yearly Releases	Number of Releases Returned in Years				Percentage Return Rate in Years			
			1 Year	2 Years	3 Years	4+ Years	1 Year	2 Years	3 Years	4+ Years
2001	8,058	7,728	2,180	3,181	3,688	4,554	28.2%	41.2%	47.7%	58.9%
2002	8,770	8,313	2,447	3,544	4,092	4,925	29.4%	42.6%	49.2%	59.2%
2003	8,506	8,031	2,459	3,539	4,033	4,652	30.6%	44.1%	50.2%	57.9%
2004	8,668	8,131	2,553	3,615	4,135	4,585	31.4%	44.5%	50.9%	56.4%
2005	9,567	8,955	2,839	4,016	4,577	N/A	31.7%	44.8%	51.1%	N/A
2006	9,854	9,255	2,939	4,085	N/A	N/A	31.8%	44.1%	N/A	N/A
2007	9,813	9,192	2,813	N/A	N/A	N/A	30.6%	N/A	N/A	N/A
Average							**30.5%**	**43.6%**	**49.8%**	**58.1%**

As the above tables illustrate, there is a growing disparity between TDOC and jail recidivism rates. Unique releases have increased at both institutions and local jails; however, local jails have substantially higher return rates. Department management would not comment on the contributing factors to the significant difference in the recidivism rate of offenders in institutions and offenders in local jails.

Table 8 highlights the percentage differences between the institutions and local jails.

Table 8
Return Rate Difference for Institutions and Local Jails
January 2001 – December 2007

Return Rate Differences for TDOC and Local Jails				
Calendar Year	1 Year	2 Years	3 Years	4+ Years
2001	8.9%	6.9%	5.7%	4.1%
2002	12.1%	11.3%	10.0%	9.8%
2003	12.3%	11.4%	9.1%	9.1%
2004	14.0%	13.8%	12.8%	12.7%
2005	13.1%	12.7%	12.3%	N/A
2006	12.0%	11.3%	N/A	N/A
2007	12.6%	N/A	N/A	N/A

Survey of Other States

Auditors contacted nine states, mostly Southeastern, to compare their methods for measuring and tracking recidivism to Tennessee's procedure. Of the states contacted, Alabama,

Arkansas, Florida, and North Carolina responded. All four states track recidivism in a similar manner while Alabama and Florida, to some degree, also track recidivism by programs.

There is no single official definition of recidivism used nationwide. Researchers have used a variety of definitions and measurements, including rearrest, reconviction, or reincarceration, depending on their particular interests and the availability of data. Therefore, it is difficult to compare recidivism rates among states because most states use different calculation measures. In order to compare recidivism of various groups of offenders, one would have to be sure that the same definitions and measurements are used for all groups.

Data Reliability of the Recidivism Report

The data included in the *Tennessee Department of Correction Recidivism Study Felon Releases 2001-2007* report was extracted from the Tennessee Offender Management Information System (TOMIS). According to the Director of Management Information Systems, TOMIS has some built-in test validity measures for field entries. However, both the Director of Management Information Systems and the Director of Policy, Planning, and Research stated that they were not with the department at the time of this report; therefore, they cannot attest to the reliability and validity of the report. However, according to the Director of Policy, Planning, and Research, as of January 2010, all data extracted must be accompanied by identifying characteristics of each offender in the population and only unique offenders are counted. By having this data readily available, recidivism reports can be checked for reliability.

Conclusion

Correctional programs do not affect crime directly; rather, they are designed to change offenders' attitudes, skills, or thinking processes, in the hope that their social behavior will change as a result. Policy makers such as legislators tend to be concerned with whether the programs ultimately reduce criminal behavior. A program may be successful in educating, training, or counseling offenders, but if it does not reduce their subsequent criminal behavior, they will still pose a threat to public safety. Because of this, the department may wish to consider tracking recidivism based on pre-test and post-test scores offenders earn in the programs. A higher post-test score may indicate a change in the offender's cognitive abilities, which may help improve his or her behavior. As stated before, this could help the department to determine the effectiveness of the programs and, perhaps, shift time and resources into the programs that work best. The department should also consider developing a standardized method of testing the reliability and validity of the data recorded in the recidivism reports (and documenting the testing) so that if there is a change in staff, the accuracy of the report is known.

Continued Lack of Compliance with FMLA Rules and Procedures

The Internal Audit Section of the Department of Correction (TDOC) conducts an annual audit of all TDOC state-run facilities. The audit includes a review of each facility's Human Resources Division to determine compliance with guidelines for Military Leave, the Family Medical Leave Act (FMLA), and Separation Notices. We reviewed Internal Audit Reports

covering fiscal years 2009 through 2011 (five of the reports for 2011 were still in process at the end of our audit fieldwork), and identified FMLA leave issues as a recurring problem. The audit reports show that facilities do not monitor the FMLA and allow employees to take more than 60 days during a 12-month period. The TDOC Internal Audit reports included 16 repeat findings during fiscal years 2009, 2010, and 2011 for employee FMLA leave exceeding the 60 days allowed by Tennessee Department of Human Resources (DOHR) policy and rules, missing documentation, and coding errors.

TDOC Central Office staff designed a corrective action plan, which was initiated as of February 1, 2012, to reduce the recurrence of these internal audit findings. Management stated there were no Central Office staff assigned to provide oversight of the FMLA for approximately a year and a half. The corrective action plan includes the following information:

1. The department's HR division has instituted new procedures for recording and tracking employees' FMLA leave, and those procedures have been communicated to the local facilities' Human Resources offices.

2. Facility Human Resources staff should send all information concerning employees using FMLA to the central office HR staff, who is responsible for keying the time into the employee's timesheet.

3. Central Office HR is developing computer folders for each facility, including a folder for each individual who is using FMLA or has taken FMLA during the fiscal year and also a worksheet to assist in tracking the number of FMLA days an individual has taken. Central Office would like to incorporate the spreadsheet into a database that will provide alerts whenever an employee is reaching the maximum number of days allowed (60 days per year). However, this capability does not currently exist.

4. HR staff will travel with the TDOC Internal Audit staff to observe how Internal Audit staff review employee files and identify problems that result in an audit finding.

The Human Resources Manager has also sent additional information to the facility Human Resources staff responsible for entering and tracking FMLA information, providing more detail on the new procedures for entering employee FMLA leave, and monitoring the leave.

The following documentation must now be provided to the Human Resource Manager when an employee is placed on FMLA leave:

- time sheet;
- certification form and any other forms that pertain to the employee's use of FMLA;
- any and all correspondence between the HR staff and the employee, i.e., interrupt letters, non-qualifying letters, return to work, etc.;

- letter to the employees advising them of their rights and responsibilities; and
- completed checklist.

As noted in the internal audit reports, compliance with FMLA procedures and requirements has continued to be a problem. In February 2012, TDOC management put a corrective action plan into place to attempt to correct this deficiency.

Discontinuance of the Requirement for Counties to Submit Final Cost Settlements

Under the County Correctional Incentives Program (CCIP), counties are reimbursed for housing Department of Correction inmates. Some county facilities contract to house the inmates at a flat rate, but others are reimbursed based on their reasonable allowable costs and are required to submit a Final Cost Settlement detailing their actual daily inmate cost for the year. According to the *Guidelines for Determining Reasonable Allowable Cost for State Prisoners,* the Final Cost Settlement (FCS) is to be submitted no later than October 1 following the end of the fiscal year, June 30. The April 2009 performance audit of the Department of Correction noted that, for fiscal year 2007, only 47% of the local jails filed the FCS by October 1, 2007, with 68% filing the FCS by October 31, 2007.

Chapter 229, Public Acts of 2011, amended Section 41-8-106, *Tennessee Code Annotated,* to allow local and county jails that hold Department of Correction prisoners to discontinue filing the FCS, given certain conditions. If the jail has received the maximum amount allowed per prisoner per day as reasonable allowable costs ($35.00) for three or more continuous fiscal years, the jail will not be required to provide documentation to the department regarding costs, beyond information necessary to determine the number of prisoner days for which the county is entitled to be reimbursed. The legislation was effective July 1, 2011, and Correction legal staff interpreted the legislation's intent to mean that the department could refer back to fiscal year 2008 to determine whether the local and county jail meets the three continuous fiscal year requirement. Correction staff stated that there were 14 local and county jails that were required to submit the annual FCS for fiscal year 2011 by October 1, 2011. One jail filed the FCS during August 2011, four jails filed the FCS during October 2011, eight jails filed the FCS during November 2011, and one jail (Davidson County Detention Facility) filed the FCS on March 19, 2012.

There are four types of reimbursements: Resolution, Reasonable Allowable, Contract Fixed Rate, and Contract Reasonable Allowable. (See Table 9 below.)

Table 9
Types of Reimbursements to Counties Housing Department of Correction Inmates

Resolution	Counties that preferred not to complete a Final Cost Settlement. The reimbursement rate is $18 per day if the Tennessee Corrections Institute's rated capacity is under 100 inmates and $20 if the rated capacity is 100 or over. Since fiscal year 2008, TDOC has not had any Resolution counties.
Reasonable Allowable Cost	The reimbursement rate is based on the county facility's Reasonable Allowable Costs, which are determined by the submission of an annual Final Cost Settlement (FCS). The reimbursement rate is the FCS rate or the cap of $35 per day, whichever is lower. Effective July 1, 2011, Section 41-8-106, *Tennessee Code Annotated*, was amended to state that in the event that a county has been reimbursed pursuant to this section for housing convicted felons for a continuous period of three or more fiscal years and has received the maximum amount allowed per prisoner per day as reasonable allowable costs during this period, then the county shall thereafter be presumed to be entitled to the full maximum amount allocated per prisoner per day as reimbursement of reasonable allowable costs for housing such prisoners and will not be required to provide documentation to the department regarding costs incurred, beyond information necessary to determine the number of prisoner days for which the county is entitled to reimbursement. During the 2012 legislative session, the General Assembly increased the cap from $35 to $37, effective for fiscal year 2013.
Contract Fixed Rate	TDOC contracts with a county/city for a fixed rate per day per inmate. The fixed rate is generally based on the county/city completing an FCS to determine the county facility's actual cost per inmate. However, other factors may be taken into consideration. The rate cannot exceed the cap of $35 per day with the exception of the Johnson City Jail (JCJ). JCJ contracts to house 100 female TDOC inmates at a fixed rate of $36.75. This is the only city jail TDOC contracts with to house state felons. During the 2012 legislative session, the General Assembly increased the cap from $35 to $37, effective for fiscal year 2013.
Contract Reasonable Allowable Costs	TDOC contracts with a county at a rate based upon the county facility's Reasonable Allowable Costs. The county submits a FCS each fiscal year to determine the rate, which will be either the cap of $35 or the FCS rate, whichever is less, with the exception of Davidson and Shelby counties. See note above concerning the 2011 legislative session changes to TCA 41-8-106. Davidson County Detention Facility and Shelby County Correctional Center receive actual cost for their reimbursement and therefore will always be required to submit an FCS. Davidson County Drug Court is a unique location and is required per its contract to submit an FCS.

According to information provided by Correction staff, there are a total of 103 local or county jails that are housing TDOC prisoners for fiscal year 2012. The following table displays the number of jails along with the type of reimbursement:

Number of Jails and Reimbursement Type
Fiscal Year 2012

Reimbursement Type	Number
Contract Reasonable Allowable – No FCS Required	5 (a)
Contract Reasonable Allowable – FCS Required	2 (b)
Contract Fixed Rate	19
Reasonable Allowable – No FCS Required	72 (c)
Reasonable Allowable – FCS Required	5
Total	**103**

(a) The Contract Reasonable Allowable counties that do not require an FCS will change to Contract Fixed Rate in the next contract cycle.
(b) Davidson County Detention Facility and Shelby County Correctional Center.
(c) Have received the maximum allowable amount for three or more continuous fiscal years.

Only five counties will be required to file the FCS for fiscal year 2012 by October 1, 2012. Davidson County Detention Facility and Shelby County Correctional Center will always be required to file the FCS because they receive reimbursement based on actual cost.

RECOMMENDATIONS

ADMINISTRATIVE

The Department of Correction should address the following areas to improve the efficiency and effectiveness of their operations.

1. The department should consider some modification to the assessment of liquidated damages. If a contractor noncompliance is consistently evaluated as a repeat finding, the department should consider increasing the penalty. The increase in monetary punishment might serve as an incentive for contractors to become compliant with the contract requirement(s) more quickly.

2. The department also should reevaluate the practice of lowering the level of penalty when a contractor is consistently noncompliant for a given contract requirement (i.e., consider past occurrences of repeat findings such as noncompliance-compliance-noncompliance).

3. The Director of Clinical Services should develop a tracking mechanism that includes reviewing the "Summary and Recommendations" of prior contract monitoring to ensure that repeat finding liquidated damage penalties are not lowered in error during the review process.

4. Serious security risks could potentially occur when state-issued property items such as correctional officer uniforms, picture IDs, and TDOC badges are not returned by the exiting employee. The Commissioner should ensure that the department develops a standard procedure for receiving state-issued property from exiting department employees. The procedure should become the uniform procedure for all state-run facilities and the Tennessee Correction Academy. The procedure should have a consistent location for keeping the Form CR-3578 and supporting documentation during the individual's employment at the facility, specific individuals responsible for receiving property from the exiting employee, and uniform documentation of the property received from the exiting employee. The department should consider using Form CR-3578 and the Receipt of Issued Provisions form as the documentation that the exiting employee has returned all state property assigned during employment with the department. The Receipt of Issued Provisions form, attached to Form CR-3578, could serve as a listing of items issued and also document the items that are returned.

5. The Commissioner should ensure that department staff are informed of the requirements of the department's *Management Information Services Procedures Manual*. The Commissioner also needs to identify staff to be responsible for ongoing monitoring for compliance with the *Management Information Services Procedure*

Manual to ensure the manual is followed by department staff. Management should include the risks noted in this finding in management's documented risk assessment.

6. The Commissioner should also continue to ensure that other risks of improper accountability, noncompliance, fraud, waste, or abuse are adequately identified and assessed in management's documented risk assessment. Management should implement effective controls to ensure compliance with applicable requirements, should assign staff to be responsible for ongoing monitoring of the risks and mitigating controls, and should take action if deficiencies occur. The risk assessment and the mitigating controls should be adequately documented and approved by the Commissioner.

7. The Commissioner should take steps to see that the issues noted in Finding 4 are corrected. For example, the department should provide institutional training concerning compliance with the policy that requires inmates to sign Personal Withdrawal Requests and the Commissary Signature Form/Commissary Pick Form. If an inmate does not sign for the commissary items delivered, the inmate should not receive the order. Supervisors should regularly review forms to ensure compliance with departmental policy.

8. The department should track inmate savings/investment accounts and require that all wardens submit the Inmate Financial Status Report in accordance with Policy 208.01, "Inmate Trust Fund Account." The policy also requires that the Director of Budget and Financial Services submit an annual report to the Commissioner listing the amount of money recovered. The department needs to develop procedures to ensure compliance with policy and statute.

9. The department should require Corrections Corporation of America management to follow the requirements in Policy 208.01 relating to the quarterly Inmate Trust Fund Account interest statement.

10. The department should revise and clarify Policy 103.02 to ensure that all department staff, the general public, and legislators understand the intent of the policy and that correctional officers consistently identify and report all incidents. In its statistical and performance reports used by the public and by policy makers, the department should include an explanation of how the numbers are calculated (e.g., informing readers that an incident may include several infractions.) All incidents should be recorded in TOMIS, regardless of whether a disciplinary offense is assigned or warranted, to provide a complete and clear picture of institutional conditions.

Appendix 1

Title VI and Other Information

The Civil Rights Act of 1964 states "No person in the United States shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving federal financial assistance." On June 23, 2009, Governor Phil Bredesen signed legislation transferring the duties of the Title VI Compliance Commission to the Tennessee Human Rights Commission, effective July 1, 2009. This legislation grants the commission the authority to verify that all state governmental entities comply with the requirements of Title VI. This responsibility includes the establishment and development of guidelines for a comprehensive statewide policy to ensure compliance by the executive branch of state government. Section 4-21-203, *Tennessee Code Annotated,* specifies the commission's Title VI duties and responsibilities, and Section 4-21-203(b) requires each state governmental entity to submit annual Title VI compliance reports and implementation plan updates to the Human Rights Commission by October 1, 2010, and each October 1 thereafter.

The Department of Correction received $648,640 in federal funding during fiscal year 2011, and is estimated to receive $1.1 million in federal funds during fiscal year 2012. The Department of Correction filed the annual report and implementation plan update on October 29, 2010, for fiscal year 2010 (28 days past due) and on January 10, 2012, for fiscal year 2011 (101 days past due). The Tennessee Title VI Compliance Report – *Report to Governor and General Assembly – FY July 1, 2009 – June 30, 2010 and FY July 1, 2010 – June 30, 2011* was released on September 22, 2011, by the Human Rights Commission; it contained one finding concerning the TDOC annual report. The finding stated that the implementation plan was not submitted in the format as set forth in the guidelines. According to the report, the commission did not receive a response to the finding from the department.

The following table details department staff by job title, gender, and ethnicity as of July 18, 2012. (The table includes field services staff transferred to the department from the Board of Probation and Parole.)

Department of Correction Personnel by Title, Gender, and Ethnicity
As of July 18, 2012

	Gender		Ethnicity						
Title	Male	Female	**American Indian**	**Asian**	**Black**	**Hispanic**	**Other Ethnicity**	**White**	**Total**
Account Clerk	10	51	0	1	8	0	1	51	61
Accountant 3	3	3	0	0	1	0	0	5	6
Accounting Manager	7	1	0	1	0	0	0	7	8
Accounting Technician 1	6	23	0	0	3	0	0	26	29
Accounting Technician 2	0	7	0	0	2	0	0	5	7
Administrative Assistant 1	4	11	0	0	3	0	0	12	15
Administrative Assistant 2	0	2	0	0	1	0	0	1	2
Administrative Secretary	0	35	0	0	10	0	0	25	35
Administrative Services Assistant 1	0	1	0	0	0	0	0	1	1
Administrative Services Assistant 2	1	11	0	0	4	0	0	8	12
Administrative Services Assistant 3	1	5	0	0	4	0	0	2	6
Administrative Services Assistant 4	3	1	0	0	1	0	0	3	4
Administrative Services Assistant 5	0	5	0	0	1	1	0	3	5
Administrative Services Manager	0	2	0	0	1	0	0	1	2
Affirmative Action Officer 1	0	1	0	0	1	0	0	0	1
Architect	1	0	0	0	0	0	0	1	1
Assistant Commissioner 2	1	0	0	0	1	0	0	0	1
Associate Warden	5	2	0	0	0	0	0	7	7
Attorney 3	2	2	0	0	1	0	0	3	4
Auditor 2	1	1	0	0	1	0	0	1	2
Auditor 3	1	1	0	0	0	0	0	2	2
Boiler Operator 1	5	0	0	0	0	0	0	5	5
Boiler Operator 2	4	0	1	0	0	0	0	3	4
Boiler Operator Supervisor	1	0	0	0	0	0	0	1	1
Budget Analyst Coordinator	0	1	0	0	1	0	0	0	1
Building Maintenance Worker 2	50	0	0	0	2	0	0	48	50
Building Maintenance Worker 3	10	0	0	0	1	0	0	9	10
Chief of Staff	1	0	0	0	1	0	0	0	1
Clerk 2	0	14	0	0	5	0	0	9	14
Clerk 3	4	26	0	0	7	0	0	23	30
Commissioner 2	1	0	0	0	1	0	0	0	1
Correction Dec Sup Res Plan Director	0	1	0	0	0	0	0	1	1

	Gender		Ethnicity						
Title	**Male**	**Female**	**American Indian**	**Asian**	**Black**	**Hispanic**	**Other Ethnicity**	**White**	**Total**
Correction Facility Management & Maintenance Program Director	3	0	0	0	0	0	0	3	3
Correction Facility Safety Program Director	1	0	0	0	0	0	0	1	1
Correction Management & Maintenance Program Administrator	1	0	0	0	0	0	0	1	1
Correction-Budget Analyst	0	1	0	0	0	0	0	1	1
Correctional Academy Instructor 1	13	2	0	0	1	0	0	14	15
Correctional Academy Instructor 2	2	0	0	0	0	0	0	2	2
Correctional Ad Service Class Coordinator	12	4	0	0	2	0	0	14	16
Correctional Administrator	2	1	0	0	0	0	0	3	3
Correctional Captain	52	6	0	0	16	0	0	42	58
Correctional Clerical Officer	32	99	0	1	38	1	0	91	131
Correctional Compliance Manager	3	9	0	0	3	0	0	9	12
Correctional Contract Monitor	1	1	0	0	0	0	0	2	2
Correctional Corporal	338	71	1	3	76	7	0	322	409
Correctional Counselor 1	11	8	0	0	2	0	0	17	19
Correctional Counselor 2	21	28	0	0	6	1	0	42	49
Correctional Counselor 3	61	44	0	0	24	1	0	80	105
Correctional Facilities Construction Director	1	0	0	0	0	0	0	1	1
Correctional Health Administration	3	3	0	0	0	0	0	6	6
Correctional Health Director	0	1	0	0	0	1	0	0	1
Correctional Health Deputy Director	0	1	0	0	0	0	0	1	1
Correctional Internal Affairs Investigator	9	2	0	0	3	0	0	8	11
Correctional Lieutenant	65	11	0	0	19	0	0	57	76
Correctional Officer	1809	648	7	7	612	25	10	1796	2457
Correctional Principal	5	2	0	0	2	0	0	5	7
Correctional Program Director 1	8	11	0	0	4	0	0	15	19
Correctional Program Director 2	4	1	0	0	3	0	0	2	5
Correctional Program Manager 1	5	4	0	0	3	0	0	6	9
Correctional Program Manager 2	1	3	0	0	1	0	0	3	4
Correctional Program Supt Coordinator	4	2	1	0	2	0	0	3	6
Correctional Sergeant	138	39	1	1	42	1	0	132	177
Correctional Teacher	29	32	0	1	12	0	1	47	61

	Gender		Ethnicity						
Title	**Male**	**Female**	**American Indian**	**Asian**	**Black**	**Hispanic**	**Other Ethnicity**	**White**	**Total**
Correctional Teacher Supervisor	4	3	0	0	1	0	0	6	7
Correctional Unit Manager	26	9	0	0	10	0	0	25	35
Custodial Worker 1	0	4	0	0	1	0	0	3	4
Custodial Worker 2	1	2	0	0	0	0	0	3	3
Custodial Worker Supervisor 1	0	1	0	0	0	0	0	1	1
Data Entry Operator	0	1	0	0	0	0	0	1	1
Dental Assistant 1	0	1	0	0	0	0	0	1	1
Dental Assistant 2	0	5	0	0	3	0	0	2	5
Deputy Commissioner 2	1	1	0	0	0	0	0	2	2
Deputy Warden	10	1	0	0	4	0	0	7	11
Dietitian	0	1	0	0	1	0	0	0	1
Director of Organization Development & Support	0	1	0	1	0	0	0	0	1
Education Consultant 3	0	1	0	0	0	0	0	1	1
Electronics Technician 1	1	0	0	0	1	0	0	0	1
Electronics Technician 2	4	1	0	0	0	0	0	5	5
Executive Administrative Assistant 1	0	1	0	0	1	0	0	0	1
Executive Administrative Assistant 2	1	1	0	0	0	0	0	2	2
Executive Administrative Assistant 3	4	0	0	0	2	0	0	2	4
Executive Secretary 1	0	15	0	1	1	0	0	13	15
Executive Secretary 2	0	1	0	0	0	0	0	1	1
Facilities Construction Assistant Director	2	0	0	0	0	0	0	2	2
Facilities Construction Specialist 3	1	0	0	0	0	0	0	1	1
Facilities Manager 1	1	0	0	0	0	0	0	1	1
Facilities Manager 2	1	0	0	0	0	0	0	1	1
Facilities Manager 3	6	0	0	0	1	0	0	5	6
Facilities Safety Officer 2	7	1	0	0	1	0	0	7	8
Facilities Safety Officer 3	4	0	0	0	0	0	0	4	4
Facilities Supervisor	11	0	0	0	0	0	0	11	11
Fiscal Director 1	4	1	0	0	0	0	0	5	5
Fiscal Director 2	1	1	0	0	0	0	0	2	2
Fiscal Director 3	1	1	0	0	0	0	0	2	2
Food Service Assistant Manager 2	2	11	0	0	4	0	0	9	13
Food Service Director 3	0	1	0	0	0	0	0	1	1
Food Service Manager 2	4	3	0	0	1	0	0	6	7

	Gender		Ethnicity						
Title	**Male**	**Female**	**American Indian**	**Asian**	**Black**	**Hispanic**	**Other Ethnicity**	**White**	**Total**
Food Service Manager 3	6	4	0	1	2	0	0	7	10
Food Service Steward 1	19	32	0	0	20	0	0	31	51
Food Service Steward 2	23	50	1	0	20	1	2	49	73
Food Service Worker	16	18	0	0	9	0	0	25	34
General Counsel 2	0	1	0	0	0	0	0	1	1
Graduate Associate	5	14	0	0	6	0	0	13	19
Grants Program Manager	1	0	0	0	0	0	0	1	1
Health Information Manager	0	1	0	0	1	0	0	0	1
Heating & Refrigeration Mechanic 2	9	0	0	0	1	0	0	8	9
Human Resources Analyst 2	0	2	0	0	1	0	0	1	2
Human Resources Analyst 3	0	10	0	0	2	0	0	8	10
Human Resources Director 4	0	1	0	0	0	0	0	1	1
Human Resources Manager 1	0	8	0	0	4	0	0	4	8
Human Resources Manager 2	0	1	0	0	0	0	0	1	1
Human Resources Technician 1	0	3	0	0	1	1	0	1	3
Human Resources Technician 2	0	11	0	0	3	0	0	8	11
Human Resources Technician 3	1	4	0	0	1	0	0	4	5
Human Resources Transactions Supervisor	0	1	0	1	0	0	0	0	1
Information Resource Support Specialist 3	22	2	0	1	4	0	0	19	24
Information Resource Support Specialist 4	2	2	0	0	2	0	0	2	4
Information Resource Support Specialist 5	5	0	0	0	0	0	0	5	5
Information Officer	0	1	0	0	1	0	0	0	1
Information Systems Analyst 2	1	0	0	0	0	0	0	1	1
Information Systems Analyst 3	2	0	0	0	1	0	0	1	2
Information Systems Analyst 4	1	1	0	0	0	0	0	2	2
Information Systems Analyst Supervisor	2	0	0	0	0	0	0	2	2
Information Systems Associate	0	1	0	0	1	0	0	0	1
Information Systems Consultant	1	0	0	0	0	0	0	1	1
Information Systems Director 2	1	0	0	0	0	0	0	1	1
Information Systems Director 3	1	0	0	0	0	0	0	1	1
Information Systems Manager 2	2	0	0	0	0	0	0	2	2
Information Systems Manager 4	1	0	0	0	0	0	0	1	1

	Gender		Ethnicity						
Title	**Male**	**Female**	**American Indian**	**Asian**	**Black**	**Hispanic**	**Other Ethnicity**	**White**	**Total**
Inmate Jobs Coordinator	3	13	0	0	1	0	0	15	16
Inmate Relations Coordinator	48	36	1	1	14	2	0	66	84
Judicial Cost Accountant	0	1	0	0	0	0	0	1	1
Laundry Manager 1	3	2	0	0	1	0	0	4	5
Laundry Worker 2	0	1	0	0	1	0	0	0	1
Licensed Practical Nurse 1	1	3	0	0	2	0	0	2	4
Licensed Practical Nurse 2	20	128	1	1	46	0	1	99	148
Licensed Practical Nurse 3	0	3	0	0	0	0	0	3	3
Maintenance Carpenter 2	3	0	0	0	0	0	0	3	3
Maintenance Electrician 1	1	0	0	0	0	0	0	1	1
Maintenance Electrician 2	8	0	1	0	0	0	0	7	8
Maintenance Plumber 2	8	0	0	0	0	0	0	8	8
Medical Records Assistant	0	17	0	0	0	0	0	17	17
Medical Records Technician 1	0	4	0	0	2	0	0	2	4
Mental Health Program Specialist 2	7	11	0	0	8	0	1	9	18
Mental Health Program Specialist 3	0	1	0	0	0	0	0	1	1
Mental Health/Intellectual and Developmental Disabilities Institutional Program Director	3	0	0	1	2	0	0	0	3
Nurse Practitioner	3	5	0	0	3	0	1	4	8
Nurse's Assistant 2	0	9	0	0	3	0	0	6	9
Physical Therapy Technician	1	0	0	0	1	0	0	0	1
Physician	1	0	0	0	1	0	0	0	1
Physician Assistant	2	2	0	1	0	0	0	3	4
Probation/Parole Assistant Field Director	0	3	0	0	1	0	0	2	3
Probation/Parole Deputy District Director	3	3	0	0	2	0	0	4	6
Probation/Parole District Director	3	5	0	0	1	0	0	7	8
Probation/Parole Field Director	1	0	0	0	0	0	0	1	1
Probation/Parole Field Services Administrator	0	1	0	0	1	0	0	0	1
Probation/Parole Manager	42	42	0	1	28	0	0	55	84
Probation/Parole Officer 1	2	5	0	0	2	0	0	5	7
Probation/Parole Officer 2	230	359	1	3	179	1	1	404	589
Probation/Parole Officer 3	63	74	1	0	46	1	0	89	137
Probation/Parole Program Specialist	2	3	0	0	3	0	1	1	5
Probation/Parole Technical Services Director	1	0	0	0	1	0	0	0	1

	Gender		Ethnicity						
Title	**Male**	**Female**	**American Indian**	**Asian**	**Black**	**Hispanic**	**Other Ethnicity**	**White**	**Total**
Procurement Officer 1	1	5	0	1	1	0	0	4	6
Procurement Officer 2	3	10	0	0	2	0	0	11	13
Programmer/Analyst 3	3	0	0	0	1	0	0	2	3
Programmer/Analyst 4	6	0	0	0	0	0	0	6	6
Programmer/Analyst Supervisor	2	0	0	0	0	0	0	2	2
Property Officer 1	1	2	0	0	0	0	0	3	3
Property Officer 2	3	3	0	1	0	0	0	5	6
Psychiatric Chaplain 2	11	3	0	0	2	0	0	12	14
Psychiatric Social Worker 1	2	18	0	0	11	0	0	9	20
Psychiatric Social Worker 2	1	7	0	1	1	0	0	6	8
Psychological Examiner 2	12	4	0	0	1	0	0	15	16
Psychologist	0	2	0	0	0	0	0	2	2
Radio Communications Technician 3	2	0	0	0	0	0	0	2	2
Recreation Assistant	3	0	0	0	0	0	0	3	3
Recreation Specialist 1	1	1	0	0	1	0	0	1	2
Recreation Specialist 2	12	0	0	0	5	0	0	7	12
Recreation Therapist 3	1	0	0	0	1	0	0	0	1
Registered Nurse 2	4	21	0	0	2	0	0	23	25
Registered Nurse 3	15	88	1	3	37	2	2	58	103
Registered Nurse 4	0	9	0	1	1	0	0	7	9
Registered Nurse 5	0	1	0	0	1	0	0	0	1
Secretary	2	90	0	0	21	0	0	71	92
Security Guard	4	0	0	0	0	0	0	4	4
Sentence/Docketing Analyst	0	8	0	0	3	0	0	5	8
Sentence/Docketing Management Supervisor	0	2	0	0	2	0	0	0	2
Sentence/Docketing Technician 1	0	1	0	0	1	0	0	0	1
Sentence/Docketing Technician 2	0	6	0	0	4	0	0	2	6
Sentence/Docketing Technician 3	2	9	0	1	10	0	0	0	11
Statistical Analyst Supervisor	1	0	0	0	0	0	0	1	1
Storekeeper 1	12	17	0	0	5	0	0	24	29
Storekeeper 2	11	20	0	0	4	0	0	27	31
Stores Manager	9	6	0	0	1	0	0	14	15
Training and Curriculum Director 1	0	1	0	0	0	0	0	1	1
Training and Curriculum Director 2	1	0	0	0	0	0	0	1	1
Training Specialist 2	5	4	0	0	1	0	0	8	9

	Gender		Ethnicity						
Title	**Male**	**Female**	**American Indian**	**Asian**	**Black**	**Hispanic**	**Other Ethnicity**	**White**	**Total**
Treatment Plant Operator	4	0	0	0	0	0	0	4	4
Training Academy Superintendent	1	0	0	0	0	0	0	1	1
Vocational Instructor-Per Specialty	50	15	0	0	8	1	0	56	65
Warden 2	0	1	0	0	0	0	0	1	1
Warden 3	3	1	0	0	1	0	0	3	4
Warden 4	7	1	0	0	3	0	0	5	8
Website Developer 1	0	1	0	0	0	0	0	1	1
X-Ray Technician 3	1	0	0	0	0	0	0	1	1
Totals	**3,629**	**2,566**	**18**	**36**	**1,524**	**47**	**21**	**4,549**	**6,195**
Percentages	**58.6%**	**41.4%**	**0.3%**	**0.6%**	**24.6%**	**0.8%**	**0.3%**	**73.4%**	

Appendix 2
Performance Measures Information

As stated in the Tennessee Governmental Accountability Act of 2002, "accountability in program performance is vital to effective and efficient delivery of governmental services, and to maintain public confidence and trust in government." In accordance with this act, all executive branch agencies are required to submit annually to the Department of Finance and Administration a strategic plan and program performance measures. The department publishes the resulting information in two volumes: *Agency Strategic Plans*: *Volume 1 - Five-Year Strategic Plans* and *Volume 2 - Program Performance Measures*. Agencies were required to begin submitting performance-based budget requests according to a schedule developed by the department, beginning with three agencies in fiscal year 2005, with all executive-branch agencies included no later than fiscal year 2012. The Tennessee Department of Correction began submitting performance-based budget requests effective for fiscal year 2005-2006.

Detailed below are the performance standards and performance measures of the Department of Correction (TDOC), as reported in the September 2011 *Volume 2 - Program Performance Measures*. Also reported below is a description of the agency's processes for (1) identifying/developing the standards and measures; (2) collecting the data used in the measures; and (3) ensuring that the standards and measures reported are appropriate and that the data are accurate.

Program Performance Standards and Measures Development

During April of each year, the Tennessee Department of Finance and Administration (F&A) issues instructions to TDOC regarding strategic planning as required by Section 9-4-5606 (a), *Tennessee Code Annotated*. In addition to the instructions, TDOC will receive strategic and program plan Microsoft Word files, as printed in the previous year's *Agency Strategic Plans* report, and a performance measure Microsoft Excel file, as printed in the previous year's *Budget*. Using these files and instructions, the Decision Support Research and Planning section develops the performance standards and measures for each program area. The data included in the *Agency Strategic Plans*: *Volume 2 - Program Performance Measures* report may not contain complete information for the fiscal year for the reporting agency. Updated information may be provided by the agency to be used in the annual *Budget* as needed. Performance measures data comparisons may be made using the annual *Program Performance Report* for the applicable years. Information from the *FY 2011 Program Performance Report*, released January 9, 2012, is included below.

Administration

Performance Standard 1: Reduce the average length of hospital stay.

Performance Measure 1: Hospital average length of stay (days).

2011 Agency Strategic Plans			FY 2011 Program Performance Report	FY 2011 Program Performance Report
Actual FY 2010-2011	Estimate FY 2011-2012	Target FY 2012-2013	Target FY 2010-2011	Actual FY 2010-2011
3.73	3.60	3.50	3.60	3.70

The performance measure, hospital average length of stay (days), represents the average number of days a TDOC inmate remains in the hospital after admission. TDOC's medical contractor, Corizon Health, Inc., collects average length of stay data using hospital rosters and a utilization management database. Daily and monthly reports including this information are submitted to TDOC. Estimate and target performance measures are developed using inmate medical activity data, historical Average Length of Stay (ALOS) data, and initiatives undertaken to bring more medical services on-site to reduce the number of emergency room visits and hospital admissions. Hospital days per admission are calculated by counting each calendar day from hospital admission to hospital discharge. ALOS is calculated by dividing the total hospital days per admission by total hospital admissions. The performance measure and associated data/calculations are reviewed by the Director of Health Services. No written procedures exist for the collection, calculation, or review of the performance measures data.

Performance Standard 2: Limit the number of substantiated incidents of sexual violence in TDOC managed facilities (excludes CCA facilities).

Performance Measure 2: The number of substantiated incidents of sexual violence in TDOC managed facilities (excludes Corrections Corporation of America [CCA] facilities).

2011 Agency Strategic Plans			FY 2011 Program Performance Report	FY 2011 Program Performance Report
Actual FY 2010-2011	Estimate FY 2011-2012	Target FY 2012-2013	Target FY 2010-2011	Actual FY 2010-2011
14	12	12	14	14

The performance measure is used to determine the number of substantiated incidents of sexual violence in an ongoing effort to reduce the overall rate of sexual violence incidents. The incidents are reported by a victim directly or by a third party. The incident is investigated with information entered into a main frame database (TOMIS) as well as a monthly report which is submitted listing all reported incidents. Each facility has a designated PREA (Prison Rape Elimination Act) coordinator who reports information directly to the TDOC PREA coordinator.

Estimates are made based on trends. Target results are based on ideals developed from policies, procedures, and changes in current law to curb the number of violent sexual incidents. The actual performance measures data is recorded by the TDOC PREA coordinator using the monthly reports. The Director of Planning and Research reviews the performance measure and associated data/ calculations. The cumulative report is used to ensure the totals are correct.

State Prosecutions

Performance Standard 1: Process invoices promptly.

Performance Measure 1: The percent of invoices processed within 45 days of receipt of all required documents (i.e., Board Bills, Correctional Facility Summary Reports, etc.).

2011 Agency Strategic Plans			FY 2011 Program Performance Report	FY 2011 Program Performance Report
Actual FY 2010-2011	Estimate FY 2011-2012	Target FY 2012-2013	Target FY 2010-2011	Actual FY 2010-2011
95%	95%	95%	95%	95%

The performance measure is used to determine the number of invoices promptly processed. Per Section 12-4-703, *Tennessee Code Annotated*, invoices are to be paid within 45 days of receipt. Accounts payable staff enter the dates invoices were received onto a worksheet by county. Quarterly, the Judicial Cost Accountant summarizes the results and calculates the percent of invoices processed within 45 days. Estimate and target performance measures were developed through a discussion between the Assistant Commissioner of Administration, Director of Fiscal Services, Assistant Director of Fiscal Services, and the Judicial Cost Accountant. The performance measure is calculated by dividing the number of board bills processed within 45 days by the number of board bills received in the quarter. The performance measure and associated data/calculations are reviewed by the Judicial Cost Accountant. Written procedures do not exist for the collection, calculation, or review of the performance measures data.

Correction Academy

Performance Standard 1: Continue to deliver training by the academy using non-traditional (non-residential) methodologies.

Performance Measure 1: Total training hours delivered by the academy using non-traditional (non-residential) methodologies.

2011 Agency Strategic Plans			FY 2011 Program Performance Report	FY 2011 Program Performance Report
Actual FY 2010-2011	Estimate FY 2011-2012	Target FY 2012-2013	Target FY 2010-2011	Actual FY 2010-2011
20,100	25,100	27,300	15,300	8,460

This performance measure is used to report the amount of training hours delivered using non-traditional training techniques such as video conferencing and computer-based training. Training hours are recorded and maintained by the Training and Curriculum staff of the Academy's Records section. Performance estimates are developed by considering previous year totals and upcoming programming delivery obligations. Target performance data is derived from an anticipated increase in the number of employees as a result of departmental growth, establishment of departmental initiatives, new policies, attrition rates, and anticipated new training technologies. Total non-traditional training hours are calculated by multiplying the total number of class participants by the length of the course (in hours). Performance measures and calculations are reviewed by assigned Correction Academy personnel.

Performance Standard 2: Increase the percentage of correctional officers who attain a 25% or more increase in pre-test to post-test scores following completion of in-service training.

Performance Measure 2: The percent of correctional officers who attain a 25% or more increase in pre-test to post-test scores following completion of in-service training.

2011 Agency Strategic Plans			FY 2011 Program Performance Report	FY 2011 Program Performance Report
Actual FY 2010-2011	Estimate FY 2011-2012	Target FY 2012-2013	Target FY 2010-2011	Actual FY 2010-2011
75%	75%	75%	85%	87%

This performance measure is used to measure trainee learning. Pre-tests and post-tests are administered, scored, and maintained by assigned training staff at the beginning and prior to the conclusion of each tested class (weekly). Test score estimates are based on agreed upon outcomes developed through a collaborative effort between the Academy Superintendent, Director of Training, Assistant Director of Training, Administrative Services Manager, and Instructor Supervisor. Target data are based upon TDOC's strategic plan for the upcoming years, the academy's responsibilities relating to department initiatives, and administrative mandates. Actual performance data are calculated by comparing pre-test to post-test scores. Performance measures and calculations are reviewed by assigned Correction Academy personnel.

Correction Release Centers

Performance Standard 1: Create the availability of release center beds.

Performance Measure 1: The number of TDOC Correctional Release Center beds.

2011 Agency Strategic Plans			FY 2011 Program Performance Report	FY 2011 Program Performance Report
Actual FY 2010-2011	Estimate FY 2011-2012	Target FY 2012-2013	Target FY 2010-2011	Actual FY 2010-2011
30	120	120	N/A*	N/A*

* New program area as of 2010 *Agency Strategic Plans Volume 2* report.

This performance measure is used to report the number of beds available in all TDOC Correctional Release Centers. Available release center beds for each facility are maintained in the Tennessee Offender Management Information System (TOMIS). Estimate and target data are based on available funding for new beds and the implementation of the first 30-bed Correctional Release Center contract. The performance measures data represent actual beds available; therefore, data calculations are not performed.

Major Maintenance

Performance Standard 1: Resolve security system calls within 48 hours.

Performance Measure 1: The percent of security system calls resolved within 48 hours.

2011 Agency Strategic Plans			FY 2011 Program Performance Report	FY 2011 Program Performance Report
Actual FY 2010-2011	Estimate FY 2011-2012	Target FY 2012-2013	Target FY 2010-2011	Actual FY 2010-2011
98.0%	99.9%	99.9%	99.9%	91.08%

This performance measure reports the percent of security system repair work orders responded to and completed within 48 hours of being reported in the Edison system by correctional institutional staff. Security systems include fence alarms; video cameras and networking; door control, intercom, and paging systems; security networks, and personal alarms. Work orders are assigned to Integrated Technology Services (ITS) technicians by ITS supervisors. Information concerning the repair is reported into Edison. Quarterly, the ITS manager manually counts the security-related work orders not completed in 48 hours. The actual performance measures result is calculated by dividing the number of successfully completed security calls completed within 48 hours by the total number of security related work orders and multiplying the result by 100%. Performance measures and calculations are reviewed by the Director of Information Technology.

Performance Standard 2: Respond on-site to emergency electronic problems within four hours.

Performance Measure 2: Percent of emergency electronic problems responded to on-site within four hours.

2011 Agency Strategic Plans			FY 2011 Program Performance Report	FY 2011 Program Performance Report
Actual FY 2010-2011	Estimate FY 2011-2012	Target FY 2012-2013	Target FY 2010-2011	Actual FY 2010-2011
99%	99%	99%	99.9%	99.0%

This performance measure reports the percent of emergency situations responded to by ITS within four hours of receiving notification by the officer in charge at each correctional facility. The actual performance measures result is calculated using the following formula: (The total number of emergency call outs – number of failures)/Total number of call outs X 100 = Percent of emergency electronic problems responded to on-site within four hours. Performance measures and calculations are reviewed by the Director of Information Technology.

Sex Offender Treatment Program

Performance Standard 1: Provide annual training to at least 100 treatment providers.

Performance Measure 1: The number of treatment providers receiving annual training.

2011 Agency Strategic Plans			FY 2011 Program Performance Report	FY 2011 Program Performance Report
Actual FY 2010-2011	Estimate FY 2011-2012	Target FY 2012-2013	Target FY 2010-2011	Actual FY 2010-2011
97	240	100	215*	97*

* Performance Standard was to “Provide annual training to at least 200 treatment providers.”

This performance measure reports the total number of treatment providers who participate in the Sex Offender Treatment Board’s (SOTB) annual training conference. Attendees of the conference become qualified to join SOTB’s statewide network of sex offender treatment providers. The Office of Mental Health Services collects provider training participation data. Estimate and target performance measures results were developed by projecting the increased number of professionals who become sex offender treatment providers as a result of new training conference coordination efforts between SOTB and the Tennessee Chapter of Children's Advocacy Center. Performance measures data are reviewed by the Director of Mental Health Services.

Sentencing Act of 1985

Performance Standard 1: The Tennessee Department of Correction Budget Office will appropriately estimate the operating costs of the proposed laws or amendments affecting revenue.

Performance Measure 1: The percent of fiscal notes attached to proposed laws or amendments affecting revenue or funding for the Department of Correction.

2011 Agency Strategic Plans			FY 2011 Program Performance Report	FY 2011 Program Performance Report
Actual FY 2010-2011	Estimate FY 2011-2012	Target FY 2012-2013	Target FY 2010-2011	Actual FY 2010-2011
100%	100%	100%	100%	100%

This performance measure reports the accuracy of the estimated fiscal notes that are prepared by the Budget Division to the amount appropriated by the General Assembly for the cost of the proposed laws. TDOC's Budget Office maintains a worksheet listing completed fiscal notes and the funding required for each legislative initiative. At the conclusion of each legislative session, the Budget Office reviews all bills passed that will have an impact on TDOC, and the funding appropriated for each initiative. The performance measure is calculated by measuring appropriated funds to estimated funds. Performance estimate and target results were developed through a discussion by the Assistant Commissioner of Administrative Services, the Deputy Commissioner, and the Director of Budget and Fiscal Services. Performance measures data are reviewed by the Director of Budget and Fiscal Services.

Institutional Operations, Special Purpose Facilities, and Contract Management Facilities

Institutional Operations (10 program areas):

Performance Standard 1: Increase or maintain GED and vocational completions.

Performance Measure 1: The number of GED and vocational recipients.

Institutions	2011 Agency Strategic Plans			FY 2011 Program Performance Report	FY 2011 Program Performance Report
	Actual FY 2010-2011	Estimate FY 2011-2012	Target FY 2012-2013	Target FY 2010-2011	Actual FY 2010-2011
Tennessee Prison for Women	85	105	165	105	88
Turney Center Industrial Complex	190	195	270	190	197

Mark Luttrell Correctional Facility	78	48	123	48	105
Charles B. Bass Correctional Complex	44	126*	174	30	26
Southeastern Tennessee State Regional Correctional Facility	163	125	202	115	167
West Tennessee State Penitentiary	268	300	495	300	340
Riverbend Maximum Security Institution	103	59	137	54	120
Northeast Correctional Complex	134	110	222	95	198
Northwest Correctional Complex	423	290	423	245	468
Morgan County Correctional Complex	262	220	445	195	338

*Prior to FY 2011-2012, CBCX did not have vocational training (GED only).

Special Purpose Facilities (1 program area):

Performance Standard 1: Increase the number of GED recipients.

Performance Measure 1: The number of GED recipients.

Institutions	2011 Agency Strategic Plans			FY 2011 Program Performance Report	FY 2011 Program Performance Report
	Actual FY 2010-2011	Estimate FY 2011-2012	Target FY 2012-2013	Target FY 2010-2011	Actual FY 2010-2011
Lois M. DeBerry Special Needs Facility	11	9	11	9	12

Contract Management Facilities (3 program areas):

Performance Standard 1: Increase or maintain GED and vocational completions.

Performance Measure 1: The number of GED and vocational recipients.

Institutions	2011 Agency Strategic Plans			FY 2011 Program Performance Report	FY 2011 Program Performance Report
	Actual FY 2010-2011	Estimate FY 2011-2012	Target FY 2012-2013	Target FY 2010-2011	Actual FY 2010-2011
Hardeman County Incarceration Agreement	269	285	360	275	325
Hardeman County Agreement - Whiteville	162	234	294	234	250
South Central Correctional Center	245	249	414	247	294

This performance measure reports the number of General Equivalency Diploma (GED) and vocational certificates awarded each year. Completed GED tests are submitted to Oklahoma Scoring Service for scoring. The results are sent to the Director of Education to be recorded and to the principal at the testing institution who enters the results into the Tennessee Offender Management Information System (TOMIS). Vocational program assignment and completion is maintained at each facility and tracked through TOMIS. Each month, the principal submits an institutional monthly education report to the Director of Education listing the number of GED tests successfully passed and vocational programs completed for the month. The actual performance measures results are calculated by adding the number of offenders who received their GED each month and the number of offenders who successfully completed a vocational program each month. Estimate and target performance measures are developed by reviewing the number of vocational and GED completions for previous years, planned prison expansions, planned bed reductions, and any planned program expansions or reductions. Each month, the institutional monthly education report is submitted to the Director of Education who verifies the number of GED and vocational completions submitted by the institution against the official results from Oklahoma Scoring Service and vocational completions recorded in TOMIS.

Institutional Operations (10 program areas):

Performance Standard 2: Limit the rate of violent institutional incidents (per 100 inmates).

Performance Measure 2: The violent institutional incident rate (per 100 inmates).

Institutions	2011 Agency Strategic Plans			FY 2011 Program Performance Report	FY 2011 Program Performance Report
	Actual FY 2010-2011	Estimate FY 2011-2012	Target FY 2012-2013	Target FY 2010-2011	Actual FY 2010-2011
Tennessee Prison for Women	8.57	6.50	8.00	10.00	9.46
Turney Center Industrial Complex	6.52	5.00	6.00	5.00	6.84
Mark Luttrell Correctional Facility	10.82	8.00	8.00	10.00	14.17
Charles B. Bass Correctional Complex	3.17	2.30	3.00	2.02	3.47
Southeastern Tennessee State Regional Correctional Facility	2.20	2.20	3.00	1.15	3.07
West Tennessee State Penitentiary	5.93	8.07	8.00	7.45	7.12
Riverbend Maximum Security Institution	16.53	16.56	16.00	14.00	19.39
Northeast Correctional Complex	3.25	2.92	5.00	2.60	3.42
Northwest Correctional Complex	8.12	5.71	5.00	6.20	9.31
Morgan County Correctional Complex	7.18	7.93	8.00	5.00	7.64

Special Purpose Facilities (1 program area):

Performance Standard 2: Limit the rate of violent institutional incidents (per 100 inmates).

Performance Measure 2: The violent institutional incident rate (per 100 inmates).

Institutions	2011 Agency Strategic Plans			FY 2011 Program Performance Report	FY 2011 Program Performance Report
	Actual FY 2010-2011	Estimate FY 2011-2012	Target FY 2012-2013	Target FY 2010-2011	Actual FY 2010-2011
Lois M. DeBerry Special Needs Facility	43.04	25.00	25.00	25.00	46.06

Contract Management Facilities (3 program areas):

Performance Standard 2: Limit the rate of violent institutional incidents (per 100 inmates).

Performance Measure 2: The violent institutional incident rate (per 100 inmates).

Institutions	2011 Agency Strategic Plans			FY 2011 Program Performance Report	FY 2011 Program Performance Report
	Actual FY 2010-2011	Estimate FY 2011-2012	Target FY 2012-2013	Target FY 2010-2011	Actual FY 2010-2011
Hardeman County Incarceration Agreement	5.39	5.30	5.00	6.00	6.16
Hardeman County Agreement - Whiteville	10.53	7.40	5.00	6.80	11.61
South Central Correctional Center	4.24	6.60	5.00	7.20	4.73

This performance measure reports the violent incident rate (per capita) per institution. Incidents are recorded into TOMIS by the witnessing staff member using a designated reporting code based on incident type. The main frame computer system makes a cumulative report which provides TDOC with incident totals per reporting code. The actual performance measure result is calculated by dividing the total number of violent incidents for the month by the percent of the monthly average number of inmates (per facility). Estimate performance measures results are based on facility trends. Target results are based on policies and procedures put into effect to curb the number of violent incidents. Performance measures data is reviewed by the Director of Planning and Research.

Performance Measures and Standards Conclusion

Below are auditors' overall observations and comments regarding the performance standards and measures we reviewed.

<u>Performance Targets Not Met For 15 of 20* Program Areas</u>

Correction Academy: The department did not meet its performance target for the standard, "Continue to deliver training by the academy using non-traditional (non-residential) methodologies." The amount reported for FY 2010 – 2011 was 8,460 with a target of 15,300. An agency comment in the *FY 2011 Program Performance Report* stated, "Some institutions have increased self delivery."

Major Maintenance: The department did not meet its performance standard, "Resolve security system calls within 48 hours." The amount reported for FY 2010 – 2011 was 91.08% with a target of 99.9% An agency comment in the *FY 2011 Program Performance Report* stated, "Staff shortage negatively impacted response times."

Major Maintenance: The department did not meet its performance standard, "Respond to on-site to emergency electronic problems within four hours." The amount reported for FY 2010 – 2011 was 99.0% with a target of 99.9%.

Sex Offender Treatment Program: The department did not meet its performance standard, "Provide annual training to at least 100 treatment providers." The amount reported for FY 2010 – 2011 was 97 with a target of 215 (or 100 according to the performance standard). An agency comment in the *FY 2011 Program Performance Report* stated, "Fewer treatment providers are interested in taking this training."

Tennessee Prison for Women: The department did not meet its performance standard, "Increase or maintain GED and vocational completions." The amount reported for FY 2010 – 2011 was 88 with a target of 105.

* Excludes Correctional Release Centers. New program area as of 2010 *Agency Strategic Plans Volume* 2 report.

Turney Center Industrial Complex: The department did not meet its performance standard, "Limit the rate of violent institutional incidents (per 100 inmates)." The amount reported for FY 2010 – 2011 was 6.84 with a target of 5.00. An agency comment in the *FY 2011 Program Performance Report* for this and other facilities that did not meet their violent incidents performance target stated, "There is a presence of a strategic threat group population, the mental health and close custody inmates have been mixed with the general population department wide, and there is a more thorough reporting system."

Mark Luttrell Correctional Facility: The department did not meet its performance standard, "Limit the rate of violent institutional incidents (per 100 inmates)." The amount reported for FY 2010 – 2011 was 14.17 with a target of 10.00.

Charles B. Bass Correctional Complex: The department did not meet its performance standard, "Increase or maintain GED and vocational completions." The amount reported for FY 2010 – 2011 was 26 with a target of 30.

Charles B. Bass Correctional Complex: The department did not meet its performance standard, "Limit the rate of violent institutional incidents (per 100 inmates)." The amount reported for FY 2010 – 2011 was 3.47 with a target of 2.02.

Southeastern Tennessee State Regional Correctional Facility: The department did not meet its performance standard, "Limit the rate of violent institutional incidents (per 100 inmates)." The amount reported for FY 2010 – 2011 was 3.07 with a target of 1.15.

Riverbend Maximum Security Institution: The department did not meet its performance standard, "Limit the rate of violent institutional incidents (per 100 inmates)." The amount reported for FY 2010 – 2011 was 19.39 with a target of 14.00

Northeast Correctional Complex: The department did not meet its performance standard, "Limit the rate of violent institutional incidents (per 100 inmates)." The amount reported for FY 2010 – 2011 was 3.42 with a target of 2.60

Northwest Correctional Complex: The department did not meet its performance standard, "Limit the rate of violent institutional incidents (per 100 inmates)." The amount reported for FY 2010 – 2011 was 9.31 with a target of 6.20.

Morgan County Correctional Complex: The department did not meet its performance standard, "Limit the rate of violent institutional incidents (per 100 inmates)." The amount reported for FY 2010 – 2011 was 7.64 with a target of 5.00.

Lois M. DeBerry Special Needs Facility: The department did not meet its performance standard, "Limit the rate of violent institutional incidents (per 100 inmates)." The amount reported for FY 2010 – 2011 was 46.06 with a target of 25.00.

Hardeman County Incarceration Agreement: The department did not meet its performance standard, "Limit the rate of violent institutional incidents (per 100 inmates)." The amount reported for FY 2010 – 2011 was 6.16 with a target of 6.00.

Hardeman County Agreement – Whiteville: The department did not meet its performance standard, "Limit the rate of violent institutional incidents (per 100 inmates)." The amount reported for FY 2010 – 2011 was 11.61 with a target of 6.80.

Performance Standards Not Consistent With *Tennessee Code Annotated*

The performance standards listed in the *Agency Strategic Plans*: *Volume 2 - Program Performance Measures* for many of the program areas appear to be performance objectives rather than performance standards. According to Section 9-4-5606(b), *Tennessee Code Annotated*, ". . . each state agency subject to performance-based budgeting is required to submit to the commissioner of finance and administration . . . proposed performance measures and standards for each program." Section 9-4-5604 defines a performance standard as, ". . . the desired level of performance of a program, measured by outcome or output." A majority of the department performance standards listed in the 2011 *Agency Strategic Plans*: *Volume 2 - Program Performance Measures* report did not state a "desired level." In the auditors' opinion, without meaningful standards to compare performance measures results against, the public and the General Assembly cannot adequately assess the performance data to "make meaningful decisions about the allocation of scarce resources in meeting vital needs" (Section 9-4-5602).

Performance Standards and Measures Not Consistent With Program Areas

Administration: Review of the September 2011 *Agency Strategic Plans Vol. 2* report indicates that the performance standards listed for the administration program area are (1) The average length of hospital stay and (2) The number of substantiated incidents of sexual violence in TDOC managed facilities. These performance standards and related measures are, in the auditor's opinion, not relevant standards of performance for the services outlined for the administration program.

Institutional Operation and Contract Management Facilities: Review of the September 2011 *Agency Strategic Plans Vol. 2* report indicates that the performance standards listed for all ten of the institutional operations program areas (facilities) and all three of the contract management facilities are (1) To increase or maintain GED and vocational completions and (2) To limit the rate of violent institutional incidents (per 100 inmates). The use of a uniform set of standards and measures for all facilities appears to be, in the auditor's opinion, inconsistent with the varying types of services offered by all institutions. Furthermore, combining the results for both the GED completions and vocational completions makes it impossible to differentiate between the performances of the two program services offered.

Special Purpose Facilities: Review of the September 2011 *Agency Strategic Plans* Vol. 2 report indicates that the performance standards listed for the Lois M. DeBerry Special Needs Facility program area are (1) To increase or maintain GED and vocational completions and (2) To limit the rate of violent institutional incidents (per 100 inmates). The auditor noted that these performance standards are the same standards used for the institutional program areas (facilities). In the auditor's opinion, because of the specialized nature of the Lois M. DeBerry facility, the use of the same standards used for other institutions does not adequately assess the performance of the variety of services offered. Additionally, the auditor noted that different types of inmates are housed at the Lois M. DeBerry facility (those requiring chronic, long-term, and convalescent health care; those requiring mental health care; and sex offenders), but the performance measures results indicated in the *Agency Strategic Plans Volume 2* report show a single set of data. In the auditor's opinion, the performance measures results are likely to be distorted if the data were collected and combined for all types of inmates and displayed in one numerical performance measure result.

Performance Measure Not a Measurement of the Department's Performance

Sentencing Act of 1985: The department's performance standard is, "The Tennessee Department of Correction (TDOC) Budget Office will appropriately estimate the operating costs of the proposed laws or amendments affecting revenue." The performance measure, "The percent of fiscal notes attached to proposed laws or amendments affecting revenue or funding for the Department of Correction," does not relate to the estimation of operating costs of proposed laws or amendments.