

Commonwealth of Pennsylvania
Department of Corrections
State Correctional Institution at Frackville
July 1, 2005, to May 16, 2008
Performance Audit



Commonwealth of Pennsylvania
Department of Corrections
State Correctional Institution at Frackville
July 1, 2005, to May 16, 2008
Performance Audit

April 20, 2009

The Honorable Edward G. Rendell
Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120

Dear Governor Rendell:

This report contains the results of a performance audit of the State Correctional Institution at Frackville of the Department of Corrections from July 1, 2005, to May 16, 2008. The audit was conducted under authority provided in Section 402 of The Fiscal Code and in accordance with *Government Auditing Standards* as issued by the Comptroller General of the United States.

The report details our audit objectives, scope, methodology, findings, and recommendations. Since we discussed the content of all areas of the audit report during weekly updates with the management of the State Correctional Institution at Frackville, the Frackville management requested that no formal exit conference be held.

We appreciate the cooperation extended to us by the management and staff of the State Correctional Institution at Frackville and by others who provided assistance during the audit.

Sincerely,

JACK WAGNER
Auditor General

Table of Contents

Page

Background Information	1
Department of Corrections	1
State Correctional Institution at Frackville	1
Objectives, Scope, and Methodology	3
Audit Results	6
Accreditation	6
Finding 1 – Frackville responded appropriately to deficiencies noted in the most recent accreditation audit.	6
Employee Complaints	7
Finding 2 – Frackville complied with employee complaint policies and procedures.	7
Inmate Complaints	8
Finding 3 – Inmate commissary complaints were found to be unsubstantiated.	9
Communication Equipment.....	10
Finding 4 – Frackville maintained and updated the communication equipment according to applicable policies.....	10
Staffing Levels	11
Finding 5 – Frackville staffing levels were adequate.....	11
Status of Prior Audit Results and Recommendations	12
Prior Finding I-I – The vending contractor was delinquent in remitting \$16,702 in commissions.	12
Prior Finding 1-2 – Frackville did not have a written contract with General Vending Company.	12
Prior Finding V-3 – The storeroom inventory function was not properly segregated or monitored.	13
Audit Report Distribution List	14

Background Information

Department of Corrections

The Pennsylvania General Assembly created the Pennsylvania Bureau of Corrections with the passage of Act 408 of July 29, 1953, P.L. 1428, Section I. In January 1981, responsibility for bureau operations moved from the authority of the Attorney General to the Office of General Counsel. On December 30, 1984, the Governor signed Act 245 of 1984,¹ elevating the Bureau of Corrections to cabinet level status as the Department of Corrections .

The main purpose and goal of the Department is to maintain a safe and secure environment for both the incarcerated offenders and the staff responsible for them. In addition, the Department believes that every inmate should have the opportunity to be involved in a program of self-improvement.

The Department is responsible for all adult offenders serving state sentences of two years or more. As of June 30, 2007, it operated 24 correctional institutions, 1 regional correctional facility, 1 motivational boot camp, 1 training academy, and 13 community pre-release centers throughout the Commonwealth of Pennsylvania.

State Correctional Institution at Frackville

The State Correctional Institution at Frackville is located in the borough of Frackville, Schuylkill County, and is approximately eight miles north of Pottsville. It is designated as a maximum-security facility, and was opened in April 1987. Frackville's grounds encompass 219 acres of land of which 35 acres are located inside two 14-foot high perimeter fences. Frackville's capacity at June 30, 2007, was 900.

¹ 71 P.S. § 310.1.

Background Information

The following schedule presents selected unaudited Mahanoy operating statistics compiled for the years ended June 30, 2005, 2006, and 2007:

	2005	2006	2007
Operating expenditures (in thousands) ²			
State	\$33,948	\$35,067	\$37,189
Federal	<u>47</u>	<u>49</u>	<u>18</u>
Total	<u>\$33,995</u>	<u>\$35,116</u>	<u>\$37,207</u>
Inmate population at year-end	1071	1068	1070
Capacity at year-end	900	900	900
Percentage of capacity at year-end	119.0%	118.7%	118.9%
Average monthly inmate population	1070	1069	1076
Average cost per inmate ³	\$31,770	\$32,850	\$34,574

² Operating expenses were recorded net of fixed asset costs, an amount that would normally be recovered as part of depreciation expense.

³ Average cost was calculated by dividing the operating expenditures by the average monthly inmate population.

Objectives, Scope, and Methodology

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.

We selected the audit objectives from the following general areas: Accreditation, Employee Complaints, Inmate Complaints, Communication Equipment, and Staffing Levels. The specific objectives were:

- To determine if Frackville implemented the recommendations contained in the accreditation report of the Commission on Accreditation for Corrections. (Finding 1)
- To determine if Frackville followed all policies and procedures pertaining to employee complaints. (Finding 2)
- To determine the validity of inmate complaints against Frackville and Correctional Industries. (Finding 3)
- To determine whether Frackville maintained and updated telecommunications equipment in accordance with the Facility Security Procedures Manual. (Finding 4)
- To assess the adequacy of staffing levels at Frackville. (Finding 5)

In addition, we determined the status of the implementation of recommendations made during the prior audit of Frackville.

To accomplish the objectives, auditors obtained and reviewed the accreditation report standards and letters from the American Correctional Association, the Department policy on Accreditation Program and Annual Inspections,⁴ the Pennsylvania Public Employee Relation Act,⁵ and the Management Directive on Labor Relations – Grievance

⁴ Commonwealth of Pennsylvania, Department of Corrections, Policy on Accreditation Program and Annual Inspections, Policy Number 1.1.2 Issued on March 8, 2007 and Effective on March 16, 2007.

⁵ The Pennsylvania Public Employee Relation Act (43 P.C.S.A. §1101.101, P.L. 563, No. 195) Chapter 4.1.1 Human Resources and Labor Relations Procedures Manual, Section 6.

Objectives, Scope, and Methodology

Administration.⁶ Auditors also reviewed the collective bargaining agreements with the Pennsylvania State Correction Officers Association and the American Federation of State, County and Municipal Employees unions. In addition, auditors used the Department Policy⁷ related to Commissary/Outside purchases, the Department “Facility Security Procedures Manual,”⁸ and the January 31, 2006, written response to the prior Audit General audit report.

We interviewed various Department management and staff, including the Critical Incident Manager and the Superintendent’s Assistant, a representative from the Frackville Labor Relations department, and the Correctional Industries General Factory Supervisor at SCI Mahanoy. We also had discussions with appropriate Frackville personnel regarding the specific prior audit conclusions and recommendations.

To determine if Frackville implemented the recommendations contained in the accreditation report, auditors analyzed the correspondence with the Accreditation association and the actions taken by Frackville.

To determine if Frackville followed all policies and procedures pertaining to employee complaints, auditors selected and tested a combined sample of 28 employee complaints filed by the Pennsylvania State Correction Officers Association and the American Federation of State, County and Municipal Employees.

To determine the validity of inmate complaints against Frackville, auditors obtained and reviewed the bid proposal for supplying commissary services to the Department, obtained and analyzed a copy of the Commissary price lists as of October 2, 2006, and March 3, 2008, and selected a sample of 87 items from the population of 436 commissary items, to determine any increase or decrease in pricing.

To determine whether Frackville maintained and updated telecommunications equipment in accordance with Department procedures, auditors toured the Control Room and observed communication equipment, examined the vendor communication contract, and observed a simulated emergency exercise on March 13, 2008.

To access the adequacy of staffing levels at Frackville, auditors reviewed and analyzed the Department staffing level manpower survey dated October, 2007, and the Frackville “Complement and Wage Report” dated February 1, 2008.

Auditors also performed tests as part of, or in conjunction with, the current audit to determine the status of the implementation of recommendations made during the prior audit.

⁶ Governor’s Office, Management Directive, Labor Relations – Grievance Administration 590.7 Amended June 8, 2006.

⁷ Commonwealth of Pennsylvania, Department of Corrections Administrative Directive DC-ADM 815 Effective April 6, 2006.

⁸ Commonwealth of Pennsylvania Department of Corrections Facility Security Procedures Manual, Chapter 6.3.1, Section 27, “Radio Communications” dated May 11, 2004.

Objectives, Scope, and Methodology

The scope of the audit covered the period July 1, 2005 through May 16, 2008. Auditors conducted fieldwork from February 4, 2008 to May 16, 2008. All areas of audit were discussed with Frackville management during weekly updates.

Audit Results

Accreditation

The American Correctional Association and the Commission on Accreditation for Corrections are private, non-profit organizations that administer the only national accreditation program for all components of adult and juvenile correction facilities. The purpose of this voluntary accreditation program is to afford participating agencies such as the Department the opportunity to evaluate their operations against national standards and to identify deficiencies to help upgrade the quality of programs and services.

Finding 1 – Frackville responded appropriately to deficiencies noted in the most recent accreditation audit.

On January 29, 2006, Frackville was awarded a three-year accreditation by the Commission on Accreditation for Corrections and American Correctional Association. According to the Commission on Accreditation for Corrections and American Correctional Association compliance tally report Frackville complied with 100 percent of the 62 mandatory standards and 432 or 98.63 percent of the 438 non-mandatory standards. The six non-mandatory standards that Commission on Accreditation for Corrections cited Frackville for are as follows:

- #4-4129 – The number of inmates exceed the facility’s rated bed capacity.
- #4-4131 – Single cells are required for inmates assigned to maximum custody. All cells in which inmate confinement exceeds 10 hours per day, needs to have at least 80 square feet of total floor space.
- #4-4132 – Single cells and multiple occupancy cells may be used for housing inmates in medium/minimum custody when the amount of unencumbered space is 35 square feet for one occupant and 25 square feet for multiple occupants.
- #4-4146 – Lighting in inmate cells is at least 20 foot-candles at desk level and in personal grooming areas.
- #4-4150 – Noise levels in inmate housing units do not exceed 70 DBA (a scale) in daytime and 45 DBA at night.

- #4-4255 – Inmates held in disciplinary detention for periods exceeding 60 days are provided the same program services and privileges as inmates in administrative segregation and protective custody.

Frackville, in order to be 100 percent compliant, responded to the six non-mandatory standard findings. The Commission on Accreditation for Corrections, after review of Frackville's responses, granted discretionary compliance to Standards #4-4129, #4-4132, and #4-4255, and agreed to Frackville's plan of action for Standards #4-4146 and #4-4150. Standard, #4-4131 was deleted at the 135th Congress of Corrections in Baltimore, Maryland in August 2005, consequently compliance was not necessary.

Employee Complaints

Frackville employs nearly 400 personnel, including corrections officers, clerical staff, teachers, social services workers, and nurses. Eight different unions represent the Institution's employees. Job classification determines an employee's specific union affiliation. Each bargaining unit master agreement contains employee complaint resolution provisions that are specific to that particular bargaining unit.

Effective institution management requires the development of and compliance with a system that documents, responds to, and resolves employee complaints in accordance with applicable policies and procedures.

Finding 2 – Frackville complied with employee complaint policies and procedures.

Frackville implemented both an informal complaint process through an employee suggestion box and a formal employee complaint processes negotiated within the collective bargaining units. The collective bargaining agreements contain established formal policies and procedures for resolving employee complaints and/or grievances. These include an initial meeting between union representatives and SCI-Frackville management, monthly labor/management committee meetings at which employee complaints are heard and decided upon in accordance with the policies and procedures of the respective collective bargaining unit agreements. Employee complaints that are not resolved at the monthly labor-management meetings are referred to the Eastern Joint Area Committee (EJAC) or to the 2-A Committee, depending on the subject matter of the complaint. The EJAC, which is composed of an equal number of union representatives and Commonwealth personnel, has the authority to render final and binding decisions. The 2-A Committee has jurisdiction over staffing issues and health and safety issues that cannot be resolved between labor and management. Finally, each collective bargaining agreement provides for formal arbitration for all other issues not resolved by labor-management monthly meetings or the EJAC.

Audit Results

As of April 2008, Frackville had 383 employees represented by collective bargaining units. 308 of those employees were represented by the Pennsylvania State Correction Officers Association (PSCOA); 39 were represented by the American Federation of State, County and Municipal Employees (AFSCME) and the remaining 36 employees were represented by six other unions. During the audit period, 66 PSCOA members and six AFSCME members filed employee complaints, and for our audit, we judgmentally test sampled 22 of the PSCOA complaints and all six AFSCME complaints.

Our audit results revealed that the 28 sampled employee complaints were all received timely and processed properly in accordance with applicable policies and procedures, per the respective collective bargaining agreements. Frackville complied with each step in the grievance process, from the initial meetings between union representatives and Frackville management to referral to the 2-A Committee or the EJAC.

Inmate Complaints

On March 6, 2006, the Department issued an administrative directive to provide policy and procedures regarding personal property, basic and state issued items, inmate commissary privileges, commissary operations, and outside purchases at facilities operating a commissary⁹. On September 20, 2007, the Department of the Auditor General received several complaints from an inmate at Frackville. The complaints consisted of the following:

- The Department entered into an exclusive no bid contract with The Keefe Group effective January 1, 2005.
- PA Correctional Industries and The Keefe Group are overcharging and price gouging and have monopolized the commissary market to eliminate or severely reduce competition in violation of The Sherman Act.
- Inmates are no longer allowed to purchase televisions from the several approved outside vendors such as Jack L. Marcus or Union Supply, both sell products made exclusively for prisons. Department Policy¹⁰ states that all prisons are supposed to offer three different models and priced televisions.

⁹ Administrative Directive DC-ADM815 (Effective Date April 6, 2006).

¹⁰ Unsubstantiated policy statement included in inmate complaint.

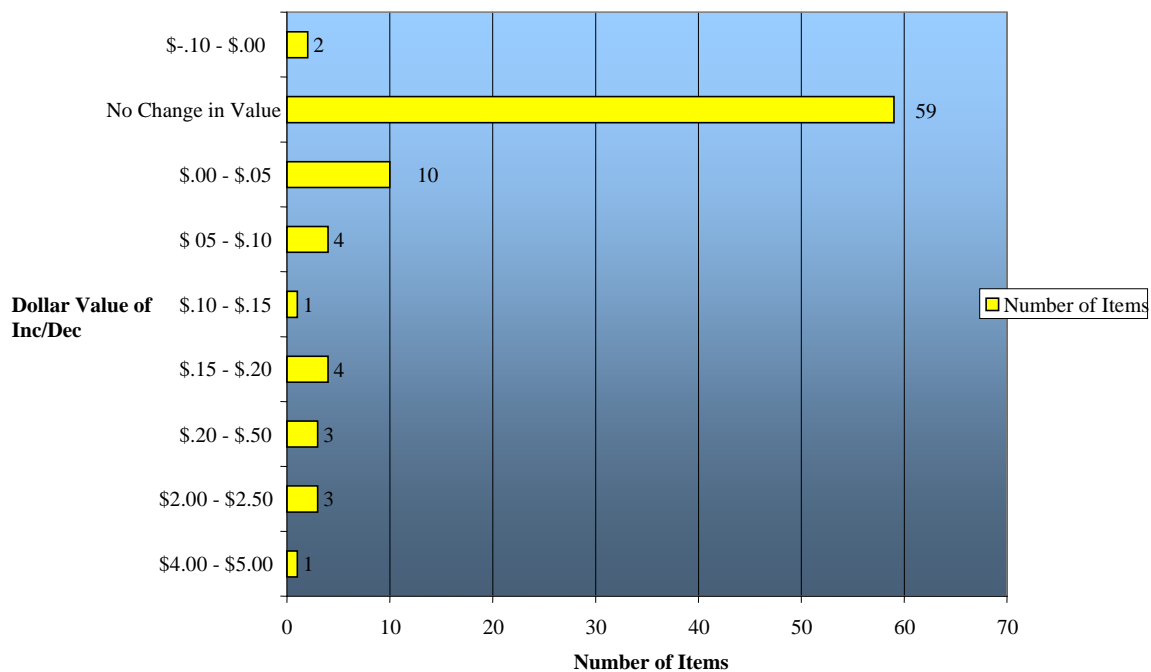
Finding 3 – Inmate commissary complaints were found to be unsubstantiated.

The results of our review disclosed the following:

- 1) Our audit of the commissary contract negotiated between the Department on behalf of Correctional Industries and The Keefe Group was found to be in compliance with department bidding policies.
 - The bid proposal was received before deadline.
 - The commissions were set at a predetermined rate.
 - The commission payments were to be received by a specific date.
 - The Department reserved the right to renew the contract for two additional one year periods.
 - All appropriate signatures were obtained from both the Commonwealth and the Contractor.

- 2) The results of testing the sample of 87 items from the commissary list showed that price changes were within contract guidelines:

Sample of Commissary Pricing Increases and Decreases



- 2 items had an actual decrease in price.
- 59 items had no increase in price.
- 10 items had an increase in price between \$.00 to \$.05.
- 4 items had an increase in price between \$.05 to \$.10.
- 1 item had an increase in price between \$.10 to \$.15
- 4 items had an increase in price between \$.15 to \$.20.

Audit Results

- 3 items had an increase in price between \$.20 to \$.50.
 - 3 items had an increase in price between \$2.00 to \$3.00
 - 1 item had an increase in price over \$4.00.
- 3) There is only one clear (see-through casing) television set that is manufactured in accordance with Department regulations.

From the results of our review, we concluded that the actions of the Department were in accordance with Department policies.

Communication Equipment

Frackville's mission in part is to protect the public by confining persons committed to its custody in a safe, secure facility. Communications equipment and services are an integral factor to the safety and security of the institution. The Department's Facility Security Procedures Manual¹¹ requires "every reasonable effort to protect life and property" under emergencies. Section 27 of the manual, entitled "Radio Communications," specifies the types of telecommunications equipment and services that each facility must maintain and periodically update. The required equipment includes telephone, radio, and digital data systems. Each facility must assign a person to oversee the equipment repair log to monitor the status of all equipment out for repair.

Finding 4 – Frackville maintained and updated the communication equipment according to applicable policies.

Frackville maintained and updated its telecommunication equipment in accordance with Facility Security Procedures Manual Radio Communications Section of the Manual. During the audit period, Frackville entered into a three-year contract with a private company to provide preventive maintenance on the High-Band/Low-Band Radios. According to Frackville officials, the preventive maintenance has cut down on radio breakage and repairs.

Finally, each year during the month of March, the Pennsylvania Emergency Management Agency, in conjunction with the National Weather Service, sponsors a Weather Emergency Preparedness Week. On March 13, 2008, SCI Frackville conducted a simulated emergency exercise to test the effectiveness of their radio communication equipment and employees' ability to use the radio communication equipment in the case of an emergency or critical incident. This test exercise, which was observed by auditors from the Department of the Auditor General, monitored and measured Frackville personnel's ability to use the radio communication equipment as well as verified that all radio communication equipment was

¹¹ Commonwealth of Pennsylvania Department of Corrections Facility Security Procedures Manual, Chapter 6.3.1, dated May 11, 2004.

in working order. Frackville's personnel and equipment passed the simulated emergency exercise successfully.

Staffing Levels

The Department periodically conducts manpower surveys in order to assess the security staffing requirements each institution. It most recently conducted its corrections officer manpower survey at Frackville in October of 2007. In addition, during 2006, The Department developed staffing requirements/plans for additional support staff, including maintenance, activities, chaplaincy, psychology, food service, dental, nursing, and corrections counselors.

Finding 5 – Frackville staffing levels were adequate.

The audit of staffing levels found that Frackville was generally commensurate with the staffing levels proposed in the individual department staffing survey conducted on November 18, 2007. The following table shows the individual departments included in the survey.

Department	Proposed	Current	Difference
Corrections Officers	289	288	1
Activities	4	4	0
Maintenance	25	22	3
Chaplaincy	2	1	1
Psychology	4	3	1
Food Service	16	16	0
Dental	3	3	0
Nursing	15	14	1
Correction Counselors	7	6	1

A comparison of the manpower survey report and detailed salary complement report shows that Frackville has one corrections officer position available. This position is currently being advertised and is expected to be filled by the end of 2008. The open positions in the non correction officer category's are currently being addressed by the Department of Corrections Organization Planning Section Supervisor, Bureau of Human Resources through position transfers from one facility to another and the sharing of services between facilities located near each other.

Status of Prior Audit Results and Recommendations

The following is a summary of the findings and recommendation presented in our audit report for the period July 1, 2003, to December 2, 2005.

Prior Finding I-I – The vending contractor was delinquent in remitting \$16,702 in commissions.

Our previous audit of the IGWF and ERA vending machine commissions' statements disclosed that General Vending Company commissions were in arrears. The IGWF at Frackville had not received commission payments of approximately \$16,059 from the General Vending Company from February 2005 through October 2005. Additionally, the Employee Recreation Association at Frackville had not received commission payments of approximately \$643 from September 2005 through October 2005.

We recommended Frackville management recover all delinquent commissions due from the vending company and immediately implement procedures to ensure commissions are calculated correctly and remitted timely. Frackville should maintain written documentation of beginning/ending counter numbers, amount of sales collected from each machine, and date of collections to verify the accuracy of commission statements.

Status:

Frackville did not implement our recommendation. Our follow-up audit disclosed that the Frackville IGWF and ERA did not receive any commissions from the General Vending Company since our last audit. On January 10, 2008, this issue was forwarded to the Department of Corrections' Office of Chief Counsel for further disposition. As of May 16, 2008 when we concluded fieldwork on this audit, the commissions have not been paid. As a result, we will follow-up on the disposition of the action taken by the institution during our next audit.

Prior Finding 1-2 – Frackville did not have a written contract with General Vending Company.

Our previous audit disclosed that on May 21, 2001, General Vending Company submitted a Vending Machine Service Proposal to Frackville for consideration to provide vending machine service to the institution. However, Frackville failed to negotiate a signed agreement with General Vending Company.

Status of Prior Audit Results and Recommendations

We recommended Frackville should immediately advertise and properly contract for vending services. Frackville management upon implementation of a new vending contract should immediately assign personnel the duties of monitoring the Vending Service Agreement to ensure that the vendor complies with the terms and conditions set forth in the agreement.

Status:

Frackville implemented our recommendation. On March 30, 2007, Frackville entered into a signed agreement with American Food & Vending Corporation to provide vending machine services to the institution. American Food & Vending Corporation was current with all commissions due Frackville during our audit period. As a result, the finding is cleared.

Prior Finding V-3 – The storeroom inventory function was not properly segregated or monitored.

Our previous audit disclosed the same individuals maintain the inventory records and perform the annual physical inventory of the storeroom. Furthermore, these inventories and related adjustments are not reviewed or approved by Frackville management.

We recommended Frackville management should ensure that physical inventories are completed by an employee from the business office who is independent of the storeroom. In addition, inventory adjustments should be reviewed and approved by the business manager or higher-level management employee.

Status:

Frackville implemented our recommendation. An Accountant II assigned to the Business Office now oversees the annual physical inventory, and reviews and approves all related adjustments. As a result, the finding is cleared.

Audit Report Distribution List

This report was initially distributed to the following:

Commonwealth of Pennsylvania

The Honorable Edward G. Rendell
Governor

The Honorable Jake Corman
Chair
Senate Appropriations Committee
Senate of Pennsylvania

The Honorable Jay Costa
Democratic Chair
Senate Appropriations Committee
Senate of Pennsylvania

The Honorable Dwight Evans
Chair
House Appropriations Committee
Pennsylvania House of Representatives

The Honorable Mario J. Civera Jr.
Republican Chair
House Appropriations Committee
Pennsylvania House of Representatives

The Honorable Robert M. McCord
State Treasurer
Pennsylvania Treasury Department

The Honorable Jeffrey A. Beard
Secretary
Pennsylvania Department of Corrections

Mary K. DeLutis
Comptroller
Public Protection and Recreation
Office of the Budget

State Correctional Institution at Frackville
Robert Shannon
Superintendent

This report is a matter of public record. Copies of this report may be obtained from the Pennsylvania Department of the Auditor General, Office of Communications, 318 Finance Building, Harrisburg, Pennsylvania 17120. If you have any questions regarding this report or any other matter, you may contact the Department of the Auditor General by accessing our Website at www.auditorgen.state.pa.us.