



LIFERS' GROUP INC.

A REPORT ON THE SOURCES AND USES OF
FUNDS FROM THE MASSACHUSETTS
DEPARTMENT OF CORRECTION'S

CENTRAL INMATE BENEFIT FUND
CENTRAL LAW LIBRARY FUND
And
CENTRAL PROGRAM ACCOUNT

For The Period July 1, 2018 – June 30, 2019

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A REPORT ON THE SOURCES AND USES OF FUNDS IN THE DOC'S THREE CENTRAL INMATE ACCOUNTS FOR THE PERIOD OF JULY 1, 2018 – JUNE 30, 2019

1. Introduction

The Central Office of the Massachusetts Department of Correction (DOC), pursuant to 103 DOC 476, maintains two separate accounts, the Program Account (476.10) and the Law Library Fund (476.11). These accounts, along with The Central Inmate Benefit Fund (CIB) or Z-1 Account, have been established ostensibly to provide services and benefits to prisoners. The Program Account and the Law Library Fund are funded almost entirely by monthly assessments paid by each correctional institution.¹

In the time period covered by this report, the Law Library received 20% of all income received by each institution, while the Program Account received 10% of that revenue.² Commissions paid to the DOC from the Keefe Group on sales of music, videos, tablets, accessories and e-mail, as well Secure Paks to prisoners and family members, go directly to the CIB and are not shared with the institutions.

The DOC established the Program Account as “an effort to identify and utilize all available resources ... to supplement existing programs or funding for new programs throughout the Department.” [103 DOC 476.10(11)] The DOC does not indicate in 103 DOC 476 the reason for establishing the Law Library Funds or any guidelines as to how the funds are to be expended from the Law Library Fund.

The CIB is not referenced in 103 DOC 476. The CIB appears to be an extension of the individual Z-1 institutional accounts over which each superintendent has the authority to expend funds within broad guidelines. According to 103 DOC 476.12(2): “Expenditures of such funds shall benefit the general inmate population or be for any goods or services determined by the Commissioner to be necessary to maintain and/or enhance the delivery of services to inmates.”

Superintendents from each institution may petition the Central Office for payment of major institutional expenditures from either the Program Account or the CIB on a case-by-case basis. Any expenditure exceeding \$1,000 at the institutional level, however, must receive written approval from Administrative Services in the Central Office. [103 DOC 476.12(5)]

¹ The other source of income for the Law Library Fund is interest earned on the balance in the fund. Interest is not noted for the Program Account.

² It is important to note that over 90% of the funds in the monthly assessments are generated from sales of products by Keefe Group to prisoners in each of the institutions

2. Total Sources and Uses of Funds – Fiscal Year 2019

Account/Fund	Total Sources	Total Uses	Differences
CIB	137,533.22	109,477.39	28,055.83
Law Library Fund	344,368.15	311,037.11	33,331.04
Program Account	165,186.63	460,571.45	-295,384.82
Total	647,088.00	881,085.95	-233,997.95

As shown in the table above, both the CIB and the Law Library Fund combined received \$61,387.16 more than was spent; the Program Account, however, spent \$295,384.82 more than it received in income. The net decrease in the three funds combined for FY 2019 was \$233,997.95, as compared to a net decrease in FY 2018 of \$28,778.86.

3. Central Inmate Benefit Fund (CIB)

a) Balance Sheet

Beginning Balance (7/1/18)	412,231.14
+ Sources of Funds	<u>137,533.22</u>
Subtotal	549,764.36
- Uses of Funds	<u>109,477.39</u>
Ending Balance (6/30/19)	440,286.97

b) CIB Sources of Funds (7/1/18 – 6/30/19)

Music Downloads / E-Mail Commissions	63,429.02
Secure Pak Commissions	50,978.86

Access Commissions	12,787.81
Interest	9,251.53
Game Commissions	996.00
Convertor Boxes	90.00
Total Sources of Funds	137,533.22

c) CIB Uses of Funds (7/1/18 – 6/30/19)

Swank	46,725.00
Books	29,999.20
Phone Interpreting	14,120.15
Lentrine Electronics	5,985.00
Concourse Network	3,609.00
Speaker Pillows	2,698.51
Advance Technology	2,178.05
Train Tickets	962.50
Relocation of Antenna	916.71
Transfers	840.00
HP Inc.	693.00
CharmTex	408.30
Office Supplies	209.47
Mass. Cor.	132.50
Total Uses of Funds	109,477.39

4. Central Law Library Fund (Z-176)

a) Balance Sheet

Beginning Balance (7/1/18)	1,551,609.09
+ Sources of Funds	<u>344,368.44</u>
Subtotal	1,895,977.53
- Uses of Funds	<u>311,037.11</u>
Ending Balance (6/30/19)	1,584,940.42

b) Law Library Sources of Funds (7/1/18 – 6/30/19)

MCI-Shirley Assessment	61,268.67
MCI-Norfolk Assessment	49,959.09
MCI-Gardner Assessment	35,472.67
Souza-Baranowski Assessment	28,136.12
MCI-Framingham Assessment	25,471.70
MCI-Concord Assessment	24,597.82
Old Colony Assessment	24,027.18
MCI-Cedar Junction Assessment	22,431.66
Treatment Center Assessment	14,026.03
Concord Farm Assessment	10,201.74
Pondville Assessment	8,040.91
So. Middlesex Assessment	6,690.75
Boston Pre-Release Assessment	5,062.51

Bridgewater State Hospital Assessment	3,825.37
MASAC Assessment ³	2,448.95
Interest ⁴	21,222.24
Unattributed	1,485.03
Total Sources of Funds	344,368.44

c. Law Library Uses of Funds

Matthew Bender / Nexis	119,400.00
Comcast	94,675.65
West Publishing / Thomas Reuters	35,517.80
Integration Partners	31,840.39
Citrix	18,700.00
Lawyers' Diary	5,143.00
Lawyer's Weekly ⁵	3,145.67
JM Brown	1,116.00
Apple Seed ⁶	1,093.50
CDW	405.10
Total Uses of Funds	311,037.11

³ Includes MCI-Plymouth

⁴ This averages \$1,768.52 per month, an increase of 53.1% from FY 2018.

⁵ The annual subscriptions for Lawyer's Weekly were paid once for the Fiscal Year. The savings from FY 2018 were \$3,477.33 or 52.5%.

⁶ Equipment for SBCC.

The Sources of Funds for the Law Library Account exceeded Uses of Funds by \$33,331.33. The Ending Balance as of June 30, 2019 in the fund was over \$1.5 million. The DOC needs to consider why so much is left unused in this fund and has been for years, as reported by the Lifers' Group Inc. in previous reports.⁷ A further indication of excessive funds remaining in the fund is that on average, it earns \$1,768.52 in interest each month, a significantly high amount given that interest rates in bank accounts is miniscule, i.e., approximately .125% per month.

The funds stockpiled in the Law Library Fund can be used to meet needs at the institutional level. If the DOC is not willing to apportion some of the funds held in this Fund back to the individual institutions, then the DOC should consider reducing the 20% assessment which is clearly excessive. If the DOC dropped the assessment to 10% of the revenue received in each institution and assuming annual Uses of Funds remains around \$350,000 each year, then the DOC would have sufficient funds to cover eight years of the Fund's operations. After eight years, the assessment could be re-evaluated for any necessary adjustments.

5. Central Program Account

a) Balance Sheet

Beginning Balance (9/8/18) ⁸	501,416.36
+ Sources of Funds	<u>165,186.63</u>
Subtotal	666,602.99
- Uses of Funds	<u>460,571.45</u>
Ending Balance (6/30/19)	206,031.54

⁷ Those reports can be accessed at: www.realcostofprisons.org/writing.

⁸ This Beginning Balance is as reported by the DOC as of September 8, 2018. The difference from the FY 2018 ending Balance in the Lifers' group Inc. report for the three Central Accounts in FY 2018 is accounted for due to the slightly different timing for the Fiscal Year. Thus, the Beginning Balance has been adjusted to that reported by the DOC.

b) Program Account Sources of Funds⁹

as of 9/8/18	39,517.64
9/8/18 – 10/22/18	33,023.60
10/23/18 – 4/1/19	55,216.06
4/2/19 – 7/5/19	37,429.33
Total Sources of Funds	165,186.63

c) Program Account Uses of Funds

MATRI Program (Spectrum Health)	197,041.70
MCI-Concord Furniture Shop	144,323.55
Automotive Division	50,894.00
Milford Auto Program	20,992.61
MCI-Concord CRA	4,742.50
MCI-Concord Barber Shop	4,014.00
CALM Math Curriculum	3,910.64
RHU Radios	2,444.50
Recovery Pathfinder Program	1,696.32
Beautifying Milford Hdqtrs	439.33
Indirect Expenses ¹⁰	30,072.30
Total Uses of Funds	460,571.45

⁹ The primary source of income for this account is the monthly 10% Assessment paid by each institution from its monthly revenues. The DOC does not break down how much each institution contributes to the Central Program Account or the amount of interest which was earned each month on the balance in this account.

¹⁰ Indirect expenses are not delineated by the DOC.

6. Total of Ending Balances of Each Account

Central Inmate Benefit Account (Z-1)	440,286.97
Law Library Fund (Z-176)	1,584,940.42
Central Program Account	206,031.54
Total of Ending Balances	2,231,258.93

While the total of the Ending Balances in the three Central Accounts decreased by \$233,997.95 from FY 2018 (see page 2), the question remains, as with the Central law Library Fund: Why does the DOC continue to maintain over \$2.2 million sitting in those accounts, rather than increasing spending for programs proven to reduce recidivism, such as education, or return the funds to individual institutions for their use?¹¹

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The Lifers' Group Inc. continues to thank Lois Ahrens, Founding Director of Real Cost of Prisons Project for her generous, much valued and appreciated support.

¹¹ As noted in the October 2019 Lifers' Group Inc. report on the Expenditures and Staffing Levels in the DOC for Fiscal Year 2019, the DOC spent a mere \$1.15 on Inmate Programs for every dollar the DOC spent in FY 2019. That report can be accessed at www.realcostofprisons.org/writing or copies will be provided by the Lifers' Group Inc., MCI-Norfolk, P.O. Box 43, Norfolk, MA 02056 upon request.