

LIFER'S GROUP INC.

A REPORT ON THE INCOME AND EXPENSES FROM
THE MASSACHUSETTS DEPARTMENT OF
CORRECTION'S:

CENTRAL INMATE BENEFIT FUND

CENTRAL LAW LIBRARY FUND

AND

CENTRAL PROGRAM ACCOUNT

For The Period of July 1, 2021 Through June 30, 2022

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A REPORT ON THE INCOME AND EXPENSES IN THE MA DEPARTMENT OF CORRECTION'S CENTRAL INMATE BENEFIT FUND, THE LAW LIBRARY FUND, AND THE PROGRAM ACCOUNT FOR FISCAL YEAR 2022 (JULY 1, 2021 - JUNE 30, 2022)

1. Introduction

The Central Office of the Massachusetts Department of Correction (DOC) pursuant to internal DOC Regulation 103 DOC 476, maintains two separate accounts of funds. the Program Account (103 DOC 476.10) and the Law Library Fund (103 DOC 476.11). These accounts, along with the Central Inmate Benefit Fund (CIB) or Z-1 Account, were established to provide services and benefits to prisoners. The Program Account and the Law Library Fund are financed by assessments paid by each correctional institution as a percentage of the total revenue received each month in the respective correctional institutions. The Law Library Fund receives 20% of said revenue; the Program Account receives 10%. Interest is also earned on the account balances.

Institutional revenue consists of commissions paid to an institution by the Keefe Commissary Network (KCN) as a percentage of sales to prisoners for commissary, appliance, and clothing items. Over 90% of any institution's revenue is generated from such commissions. The remaining revenue sources include: locker fees, soda bottle refunds, vending machine commissions, and bank interest. KCN also pays commissions on sales of tablets, tablet accessories, emails, subscription fees for downloading movies, games, and music, as well as Secure Pak orders. These commissions, however, are paid directly into the CIB and are not shared with institutions.

The DOC established the Program Account as "as effort to identify and utilize all available resources ... to supplement existing programs or funding of new programs throughout the Department." [103 DOC 476.10(11)]. The DOC does not indicate why the Law Library Fund was established or any guidelines as to how or where funds are to be expended from that account. The Law Library Fund was used to pay for the computerization of the law libraries in each institution, which was completed over a decade ago. The 20% assessments remain despite the fact that the ending balance in the Law Library Fund for each of the past several fiscal years has exceeded well over \$1,000,000.

The CIB appears to be an extension of the individual Z-1 (Inmate Benefit Accounts) maintained in each institution. Individual superintendents have 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 to 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 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 must receive written approval from the Central Office. [103 DOC 476.12(5)] Sources of income for the CIB are: Secure Pack Commissions, MP3 & Email Commissions, Bank Interest, and Returned Funds.

2. Total Income and Expenses of Each Fund/Account For Fiscal 2022

Account/Fund	Total Income	Total Expenses	Differences
CIB	233,564.00	202,493.80	+31,070.20
Law Library Fund	312,646.21	369,260.83	-56,614.62
Program Account	<u>154,097.16</u>	<u>28,910.43</u>	<u>+125,186.73</u>
Totals	700,307.37	600,665.06	+99,642.31

Total Income increased by 21% and Total Expenses increased .8% from Fiscal Year 2021.

3. Central Inmate Benefit Fund (CIB)

a) Balance Sheet

Beginning Balance (7/1/21)	514,819.30
+ Income	<u>233,564.00</u>
Subtotal	748,383.30
- Expenses	<u>202,493.80</u>
Ending Balance (6/30/22)	545,889.50

b.) CIB Sources of Income (7/1/21 - 6/30/22)

Secure Packs	84,571.91
MP3, Subscriptions and Email Commissions	81,730.74
SM Commissions	61,904.27
Returned Funds	4,693.97
Interest	<u>663.11</u>
Total	233,564.00

Commissions on Secure Packs decreased by 7% and Interest decreased by 10% from Fiscal Year 2021. Commissions on MP3, Subscriptions, Emails, increased by 181% and SM

Commissions increased by 174% from Fiscal Year 2021. Assuming a 14% Commission Rate as reported by the DOC, sales of Secure Packs totaled \$604,085.07; MP3 and Subscriptions totaled \$583,791.00, and sales generating SM Commissions totaled \$442,173.35. Combined sales for commissions contributing to the CIB in Fiscal Year 2022 totaled \$1,630,049.42.

c. CIB Expenses (7/1/21 - 6/30/21)

Keefe Commssary Network (KCN)*	66,836.30
Transfer to MCI-S IBF**	38,460.00
Swank	36,849.00
Books	25,000.00
MassCor.	16,825.64
Lionbridge Global Solutions	12,555.03
Internal Corp.	3,680.00
Barnes & Noble	1,824.70
W.B. Mason	300.07
Charm Tex	<u>163.06</u>
Total	202,493.80

* This was a 6094% increase over the \$1,079.05 spent in Fiscal Year 2021.

** This expenditure equalled 40% of the cost to resurface the basketball court at MCI-S.

4. Central Law Library Fund (Z-176)

a.) Balance Sheet

Beginning Balance (7/1/21)	1,335,027.01
+ Income	<u>312,646.21</u>
Subtotal	1,647,673.22
- Expenses	<u>369,260.83</u>
Ending Balance (6/30/22)	1,278,412.39

b.) Sources of Income (7/1/21 - 6/30/22)

1) Institutional Assessment

		% Change From FY2021
MCI-Norfolk	62,006.77	+17%
MCI-Shirley	42,862.44	-15%

A Report on Three DOC Central Accounts for Fiscal 2022

NCCI	36,350.13	+ 3%
OCCC	32,583.35	+12%
MCI-Concord	28,014.20	+16%
Souza-Baranowski	21,665.95	+11%
MTC	21,432.78	+64%
MCI-CJ	21,282.57	+34%
NECC	13,905.86	+47%
MCI-F	9,675.58	+ 2%
Pondville	8,439.40	+35%
BSH	4,748.39	+40%
Boston Pre.	3,297.04	----
Bridgewater Complex	2,228.88	-10%
MASAC	1,407.73	+25%
So. Middlesex	946.54	-53%
MCI-Plymouth	<u>408.86</u>	----
Total Assessments	311,256.47	
2) Interest	<u>1,389.74</u>	-24%
Total Sources of Income	312,646.21	+ 9%

c.) Law Library un Expenses (7/1/21 - 6/30/22)

Mathew Bender	109,450.00	- 8%
ComCast	105,440.01	+157%
Thomas Reuters - West	63,372.90	+121%
Intra Systems	40,843.57	+118%
Integration Partners	36,984.35	- 21%
Lawyers Weekly	8,379.00	- 5%
Lawyers Diary	<u>4,791.00</u>	- 7%
Total Expenses	369,260.83	- 26%

The DOC continues to maintain a balance in the Law Library Fund of over \$1.2 million. Why does the DOC not utilize a large portion of the ending balance for programs, reimbursing the various institutions for Law Library expenses paid for on the institutional level, or lower the monthly assessment percentage which could be lowered to 10% and still maintain sufficient funds to cover the Law Library Fund's expenses. Simply stockpiling funds is a waste of financial resources which could be utilized in much more productive ways.

5. Central Program Account

a. Balance Sheet

Beginning Balance (7/1/21)	404,243.47
+ Income	<u>154,097.16</u>
Subtotal	558,340.63
- Expnses	<u>28,910.43</u>
Ending Balance (6/30/22)	529,430.20

b. Source of income - the 10% monthly assessment paid by each institution remains the source of funds for the Program Account. The DOC does not provide a breakdown by institution of the 10% assessment. In Fiscal Year 2022, the total amount of the assessments amounted to \$154,097.16, a 9% increase over Fiscal Year 2021.

c. Program Account Expenss (7/1/21 - 6/30/22)

Pondville Gardening Project	9,870.71
MCI-Norfolk Barber Chairs	6,750.00
Virtual Volunteering Program	6,444.84
Journaling Program	3,729.64
Apology Letter Bank Brochure	993.64
Recovery Books	408.00
Deaf Inmate Program	99.90
Indirect Charges	<u>613.70</u>
Total Expensses	28,910.43

The total expended from the Program Account in Fiscal 2022 was 225% greater than that spent in Fiscal Year 2021.

6. Total of Ending Balances For Each Central Office Fund/Account

CIB	545,889.50
Law Library Fund	1,278,412.39
Program Account	<u>529,430.20</u>
Total Ending Balances on 6/30/22	2,353,732.09

The total of the Ending Balances for Fiscal Year 2022 was 6% higher than for Fiscal Year 2021. The Ending Balance for the CIB was 6% higher; the Law Library Fund was 4% less; and the Program Account was 31% higher than for Fiscal Year 2021. Once again, the question arises, as with the Law Library Fund: Why does the DOC continue to maintain an exceedingly high total balance in these three accounts, over \$2.3 million? Conversely, why does the DOC not spend funds to provide an art program in each institution, to improve mental health services, to provide programs for the ever increasingly aged population in our prisons, for higher education, or for preparing prisoners for their releases to the street, to name just a few areas that could utilize the funds more productively than simply stockpiling funds in the three Central Accounts? In the alternative, the DOC could eliminate temporarily or cut in half the monthly assessments so that each institution would have more funds to be used for any of the above mentioned areas. Yet, the DOC does none of the above and for years has let languish millions of dollars. Legislators and the tax-paying public should be demanding answers to the questions raised in this report.

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The Lifer's Group Inc. continues to thank Lois Ahrens, Founding Director of the Real Cost of Prisons Project for her generous, much valued, and continuous support. This report as well as many other Lifer's Group Inc. reports can be found at: www.realcostofprisons.org/writing. Copies of this report and others found on the Real Cost of Prisons website can be obtained upon request to the Lifer's Group Inc.