

INTRODUCING THE

NO

KICKBACKS

CAMPAIGN

A **PAROLE** ILLINOIS Project

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Thanks to conscientious State legislators, concerned citizens, and activists both inside and out of prison in Illinois, our State became one of the leaders in the fight to curb exploitative prison phone rates.¹ State law now caps phone calls at 7¢ per minute², but in actuality, people in Illinois prisons pay 1¢ per minute.³ (This does not apply to rates for international calls, which are both capped and charged at 23¢ per minute.)⁴ That same law also prohibits ancillary charges and service fees for phone calls.⁵ This made Illinois the state with the lowest phone rates in the nation for people in prison.⁶

Just two years after this victory, however, we see that there is much more to be done to stop the exploitation of incarcerated Illinoisans and their loved ones. New York City showed us that even 1¢ per minute phone rates are too high when they “passed legislation to no longer charge people in jail costs for phone calls, and the policy specifically stipulated that the jurisdiction could not generate any revenue from phone calls”.⁷

Even as the lower phone rate has been a boon to maintaining relationships across prison walls and provided significant financial relief to the loved ones of the incarcerated, it has done nothing to stop the exploitation of them by the IDOC via other services and products.

Over the last two years that exploitation has grown by leaps and bounds with the signing of the contract between the Illinois Department of Corrections (IDOC) and Global Tel Link (GTL) to sell tablet computers and related services to incarcerated Illinoisans. Each service purchased by an individual in the IDOC requires a percentage of the selling price to be kicked back to the IDOC. When the kickbacks from Western Union and JPay are added into the equation, incarcerated Illinoisans and their loved ones shelled out **over one-million dollars more** in 2019 alone just to cover the kickbacks.

STOP THE EXPLOITATION OF INCARCERATED ILLINOISANS AND THEIR LOVED ONES.

If nothing is done, this amount will continue to grow. Last year (2019) was the first year that GTL video visits and tablets reached all IDOC facilities, with most services not being rolled out until the second half of the year. Thus, GTL will see even greater sales and profits during 2020 and years to come; the IDOC will see even greater kickbacks; and the incarcerated and their loved

ones will see even greater exploitation. If one simply takes December 2019 figures as a conservative indication of the average monthly sales for 2020, we see kickbacks (from GTL, JPay and Western Union to IDOC) projected to grow by about 50% to \$1,965,592.40. That’s without including vending machine commissions, tablet sales, or potential kickbacks on new services like movie streaming, publication subscriptions and legal apps that have yet to roll out.

People confined in the IDOC probably constitute the most impoverished group of people in the state, both as a measure of income and in real property. The IDOC prohibits any business ventures unless a warden expressly authorizes a person to engage in such ventures⁸- the granting of which is nearly unheard of. Thus, for incarcerated men and women, the only employment opportunities are largely “assignments” offered by the State. Those assignments are neither plentiful nor lucrative, nor do they provide an employable skill upon release.

Most people in IDOC custody receive just \$10 per month for “unassigned pay”⁹ (also known as “State Pay”) to live on. This amount has not increased in the last 40 years despite: A) inflation; B) the IDOC drastically reducing the amount of basic necessities it provides to the people it confines; and C) the IDOC increasingly tacking on “surcharges” and “commissions” (i.e. kickbacks) on products and services purchased by the incarcerated. The result is that this \$10 is extremely inadequate to cover the cost of purchasing clothes, toilet paper, and food (to supplement the meager, poor quality fare the State provides) for an entire month.

“The growth of public expense associated with mass incarceration has led many carceral systems to push certain costs onto the people who are under correctional supervision. In the case of prisons and jails, this frequently takes the form of charges and fees associated with telecommunications, food, basic supplies, and access to information.”

– STEPHEN RAHER¹⁰

PRISON SLAVERY

Slavery is alive and well in the Illinois Department of Corrections. Incarcerated men and women are paid pennies per hour and are often required to work 7 days per week for months on end. Most jobs are menial labor that fail to teach a single skill or trade that is useful for obtaining employment upon release. Thousands of men and women, however, have no release date, or have one that is so far into the future that they will not live to see it.

In prison, there are no paid vacations, no year-end bonuses, and definitely no retirement plan, pensions or 401ks. The latter of which are extremely inhumane. Imagine working day-in and day-out for slave wages, then when your body breaks down and you can no longer work a job you are unceremoniously dumped back in your cell to die of old age or medical neglect, all while being further impoverished as your “pay” is again reduced from an already measly \$28.80 back to the \$10 per month for “unassigned pay.”

The IDOC does this to hundreds, possibly thousands of men and women. Why? Because they can; because society not only allows it, but encourages the mistreatment of people in prison; and because this part of the carceral state (mass incarceration) cannot be maintained without slave labor.

Imagine if the State was required to hire people at prevailing union wages, or hell, even at minimum wage for every job currently done by people in prison.

The cost of operating the IDOC is already unsustainable (thus all the talk of sentencing reform, decriminalization of marijuana, etc.) The primary expense of a prison system is staff - correctional officers (guards) and administrators. Now imagine if each of the thousands of incarcerated workers were paid not only \$2,000 or more per month, but also all the benefits correctional staff currently receive. You're talking about hundreds of millions of dollars in additional expenses for the IDOC to operate.

Even the \$28.80 that the vast majority of "assignments" pay does not equate to a living wage in prison. That's because, not only does the IDOC deprive people in its custody of adequate basic necessities, but the IDOC jacks up the price to purchase such items on prison commissaries by 25% or more, and demands kickbacks for all services.

So, why do people in prison agree to work for slave wages? Partly because, for extremely destitute people, \$28.80 is still nearly three times better than \$10 per month. Mostly, however, it is because the IDOC has an immense ability to coerce incarcerated people to work for the state. Some people can earn good time credit through working for the State.¹¹ For others it is just through sheer desperation. For instance, in maximum security prisons where people are mostly forced to spend 22-24 hours per day in tiny cells with another person, people are willing to be slaves just to get out of their cells.

Moreover, people in prison have been oppressed, dehumanized, and devalued to the point that their labor is often seen as both forfeit by society, and valueless to the incarcerated themselves in the sense that they view it as a privilege bestowed upon them by the State rather than their own personal asset that can be leveraged for their benefit.

Whether they are paid the \$10 "unassigned pay" or the \$28.80 "assigned pay" each month, people in the IDOC are unable to afford the products and services offered by GTL without outside assistance.

This trifecta of the IDOC: 1) Denial of a living wage or other economic opportunities; 2) refusal to provide basic necessities like food, clothing and hygiene items; and 3) constant charging of surcharges and kickbacks - means that there is an increased need for incarcerated men and women to rely on family and friends in the community for financial assistance. Therefore, the vast majority of money spent in prisons and thus the vast majority of the kickbacks and surcharges going to the IDOC are not being paid by the incarcerated themselves but rather by their innocent families and friends.

So, even if I work full-time for the IDOC at \$28.80 per month (and facilitate mass incarceration with my labor), I would still need to save for 5 months to purchase a tablet, and then forego buying hygiene items if I want to listen to music?



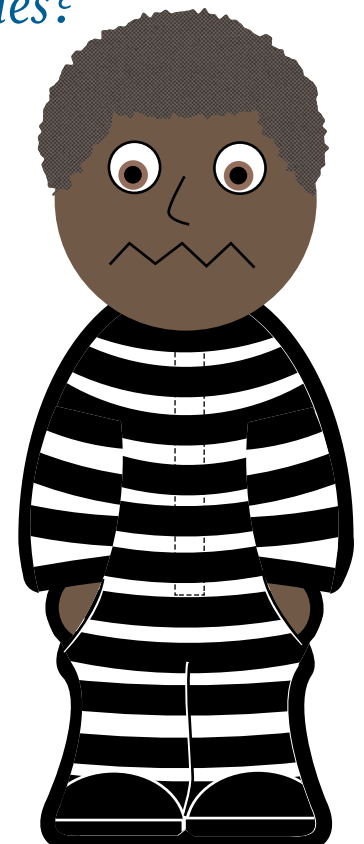
These are people who are already paying taxes which are supposed to cover the cost of incarcerating people. Moreover, it is no secret that the vast majority of people in prison came from economically depressed communities¹², and their incarceration may have greatly increased their loved ones' economic distress.

That's because, when a family member becomes incarcerated, that person may have been the primary breadwinner, or at least someone who contributed to the financial stability of the family. That income is now lost upon incarceration. Add to that the fact that incarceration often brings financial expenditures for the family – hiring a lawyer, travel costs for visits, time off from work to attend court dates and visit, commissary, and more – all of which leaves the family even more financially strapped.

Thus, each increased cost to a family member to assist or communicate with their loved one in prison not only adds to the economic burden imposed by their loved one's incarceration, but also increases both their resentment towards their incarcerated loved one and their resentment towards the State which is exploiting their situation.

That resentment works directly against the Illinois Department of Corrections' professed goal of rehabilitation¹³, because "family contact has been consistently shown to lower recidivism¹⁴." Whether that increased resentment manifests itself in damaged familial relationships or a refusal to pay the fees to maintain contact with their incarcerated loved one, the result is the same - decreased family contact and potentially increased recidivism (which translates into increased crime and increased costs for the state).

Why does the Illinois Department of Corrections feel it is okay to exploit our friends and families?



KICKBACKS TO IDOC FOR MONEY TRANSFERS

In order to help their loved ones survive prison, the friends and family members of incarcerated Illinoisans collectively send tens of millions of dollars into Illinois prisons each year. This is done in hundreds of thousands of transactions, the vast majority of which require a processing fee with a kickback for the IDOC. For instance, in 2019 JPay processed 386,162 money transfers and Western Union processed another 250,181 where they charged a fee, and where the IDOC received a kickback. GTL alone processed thousands of money transfers totaling \$7,342,173.50 and kicking back \$146,843.47 to the IDOC ¹⁵.

Prior to 2013, money transfers were done by simply mailing a cashier's check or money order to the prison holding their loved one. There was no fee or kickback, or even any third-party involved, other than the cost of the money order or cashier's check. Once the IDOC signed its contract with JPay, the IDOC refused to permit this anymore. This saved the IDOC untold thousands of man hours and dollars associated with staff processing incoming money orders and cashier's checks at each prison.

The only way people could continue to mail in money was to mail money orders to JPay's headquarters in Florida and pay a \$3 processing fee with a 50¢ kickback going to the IDOC. After an uproar by incarcerated people and their loved ones, the contract with JPay was amended to take out both the processing fee and kickback on

money orders mailed to JPay¹⁶. This remains the only way to send money to someone incarcerated by the IDOC without paying a fee or kickback. Thus, JPay has always worked to discourage this practice – first by making it difficult to obtain the required form needed to accompany the money order; and then by delaying the processing of money orders for weeks.

All other means of sending money to someone in the IDOC involve electronically wiring it through one of the three approved companies and paying a fee to the company (see table on p.7). Each time someone does so, the IDOC collects a kickback (or "commission" as the IDOC likes to call it) from the company¹⁷.

When one adds up all of the kickbacks to the IDOC, they cost the senders a total of \$590,070.47 in 2019 alone. When we consider that the vast

majority of the tens of millions of dollars sent into IDOC facilities each year is spent at commissaries where the IDOC added a 25% surcharge (meaning the IDOC is taking ~\$2.5 million of every \$10 million sent in), these kickbacks on money transfers are especially heinous and exploitative.

Through its "surcharges", "kickbacks", and denial of basic necessities, the IDOC is effectively siphoning millions of dollars from largely low income communities by preying on people's love for their incarcerated friend or family member.

Total Kickbacks to IDOC in 2019 FOR MONEY TRANSFERS:

GTL:	\$146,843.47
JPAY:	\$193,081.00
WUnion:	\$250,146.00

Total: \$590,070.47

COST TO TRANSFER FUNDS: BY COMPANY

COMPANY	AMOUNT OF \$ TRANSFERRED	COMPANY FEE	KICKBACK TO IDOC	FEE IF THERE WERE NO KICKBACK
GTL	\$.01 - \$30.00	\$3.50	2% of amount wired ¹⁸	\$3.50 - \$2.90*
	\$30.01 - \$100.00	\$5.75		\$5.15 - \$3.75*
	\$100.01 - \$200.00	\$6.75		\$4.75 - \$2.75*
	\$200.01 - \$300.00	\$8.95		\$4.95 - \$2.95*
JPay	\$.01 - \$9.99	\$2.95	50¢ per transaction ¹⁹	\$2.45
	\$10.00 - \$19.99	\$3.95		\$3.45
	\$20.00 - \$49.99	\$6.95		\$6.45
	\$50.00 - \$99.99	\$7.95		\$7.45
	\$100.00 - \$300.00	\$10.95		\$10.45
Western Union	Online	\$1.00 - \$30.00	\$3.95	\$2.95
		\$31.00 - \$75.00	\$6.95	\$5.95
		\$76.00 - \$200.00	\$8.95	\$7.95
		\$201.00 - \$300.00	\$9.95	\$8.95
	Phone	\$1.00 - \$30.00	\$5.95	\$4.95
		\$31.00 - \$100.00	\$7.95	\$6.95
		\$101.00 - \$200.00	\$9.95	\$8.95
		\$201.00 - \$600.00	\$11.95	\$10.95

* - GTL is the only company that makes less money as the amount transferred increases. That is because it is the only company that provides a higher kickback as the amount transferred increases - all of which comes out of GTL's fee.

ZERO INTEREST FOR RESIDENTS

Once an incarcerated person receives money (either from the IDOC as "state pay" or slave wages, or from a loved one on the street, etc.) he or she cannot simply spend it right away. Instead, they either have to wait days or weeks to spend it at the commissary, or wait weeks or months to mail it out.²¹

While the money sits in the account it draws interest, which is then taken by the IDOC for the "Residents' Benefit Fund"²². Unfortunately, there is very little accountability as to how these funds are spent and to what extent the residents actually "benefit" from them.

IDOC SURCHARGES ON COMMISSARY: 25%

Due to the fact that there is only one place for incarcerated people to purchase necessities and other small items for their personal use, the vast majority of the money people receive will be spent at the prison commissary. There the IDOC places a minimum 25% surcharge on all items sold. (State law allegedly caps the surcharge at 25%²³, but the IDOC has repeatedly exceeded this, garnering the department millions of dollars in ill-gotten gains²⁴ at the expense of people in prison, their families, and friends. Illinois courts have ruled that people in prison have no right to enforce the cap²⁵.) This surcharge reduces purchasing power by at least 25%; effectively reduces "unassigned pay" to \$7.50 or less per month (from \$10); and reduces "assigned pay" to \$21.60 or less per month (from \$28.80).

KICKBACKS TO IDOC FOR VIDEO VISITS (2019)

Beginning in 2018, GTL began installing kiosks in IDOC facilities to allow people outside of prison to pay to "visit" someone who is incarcerated via an interactive online video system similar to Skype, but with much more cumbersome security procedures, and of much poorer quality.

"The Department shall not make a commission or profit from video calling services."

- 730 ILCS 5/3-7-2(f)
(effective January 1, 2019)

In order to try to prevent the exploitative practices seen for decades with prison phone companies, activists and others succeeded in getting a law passed to bar the IDOC from: A) replacing contact visits with video visits²⁶; and B) receiving kickbacks or "commissions on fees charged for video visits."²⁷ The law became effective on January 1, 2019.

Nevertheless, since then, the IDOC has continuously received a nearly 25% commission for each video visit in violation of State law, and at the expense of the incarcerated's family and friends paying for the visits. (All video visits must be initiated and paid for by the non-incarcerated). Thus, once again, it is the innocent loved one being exploited by the IDOC.

As confirmed by both the IDOC and GTL, for every paid video visit the person is being charged 25¢ per minute, with 6¢ per minute being kicked back to the IDOC.²⁸ In 2019 alone, these unlawful commissions on video visits totaled \$77,041.84²⁹ in ill-gotten gains for the Illinois Department of Corrections. Had the IDOC followed the law, GTL could have reduced charges as follows:

Visit Length	Price with Kickbacks	Price without Kickbacks
25 minutes	\$6.25	\$4.75
55 minutes	\$13.75	\$10.45

\$77,041.84

AMOUNT THE IDOC RECEIVED AS COMMISSIONS FROM VIDEO CALLING SERVICES DURING 2019 IN VIOLATION OF THE ABOVE STATE LAW.

GTL 2.0 TABLETS

The arrival of GTL tablets gave the IDOC an additional product to sell in its commissaries and reap a 25% surcharge off of. (See box on p.7) So, while GTL provides the 2.0 tablets to the IDOC at \$99.99 each³⁰, the IDOC turns around and sells them to incarcerated individuals at \$124.99³¹. This \$25 markup garnered the IDOC \$239,525.00 in 2019 (they sold 9,581 tablets that year)³².

The IDOC is not required to place any surcharge on any item. They choose to do so. Just as they choose to request kickbacks or “commissions”, and choose to award the vendor that provides the best kickback rather than the best product or service for the IDOC population.

As the Prison Policy Initiative noted in its review of best practices for tablet procurement:

“The power to determine whether a tablet program will be exploitative rests with a correctional agency’s procurement officials, because they negotiate the contract with the tablet vendor.”³³

Therefore, if the IDOC wanted to stop exploiting the incarcerated population, their families, and their friends, they could easily negotiate contracts that don’t demand any kickbacks or “commissions”. They could also stop adding the \$25 surcharge on tablets any time they wanted to. After all, the statute states “up to” 25%³⁴.

Currently, for someone whose only income is “unassigned pay,” they would have to forego hygiene items, snacks, writing their family, etc. for over an entire year just to save up enough money to be able to purchase a 2.0 tablet. For someone whose only income is “assigned pay”, they would need to work full time for the IDOC for at least 4½ months to purchase a tablet. Neither one of whom would be able to then afford the services available each month.

**IDOC
ADDS
\$25⁰⁰**

**to the price of
each 2.0 tablet,
reaping nearly
a quarter of a
million dollars
in 2019 alone**

KICKBACKS TO THE IDOC FOR GAMES

\$22,864.53

With the rollout of the 2.0 tablets, GTL also began offering a video game streaming service. The games offered are of extremely poor quality and are mostly offered as free apps in the free world to non-incarcerated people. (Games like Solitaire and Mahjong). While they are poor quality by today’s gaming standards, for people in prison they can become highly addictive, causing people to waste hours upon hours playing them. Thus, they are commonly referred to by prison guards as the “electronic babysitter.”

Nevertheless, these games are not free. GTL requires one to rent (or stream) them like it does music (see box on p.10); and the IDOC demands a 20% kickback on any game streaming as well³⁵.

In 2019, the IDOC reaped \$22,864.53 in kickbacks from GTL game streaming sales.

Term	Price	Kickback	Price w/o Kickback
30 Days	\$5.99	\$1.20	\$4.79
90 Days	\$16.20	\$3.24	\$12.96
180 Days	\$26.95	\$5.39	\$21.56
365 Days	\$43.25	\$8.65	\$34.60

KICKBACKS TO IDOC FOR “EMAILS”: \$187,385.00

As noted previously, maintaining contact with family and friends outside of prison while incarcerated is extremely important for a successful reentry into society upon release. Thus, the introduction of an electronic messaging system (or “email”) for people in prison has the potential to contribute greatly to reducing recidivism.

Unfortunately, two things hinder its full potential:

1. The horrendous quality of the GTL system; and
2. The IDOC’s demand of a 50% kickback on each message sent in or out of its facilities.

GTL’s system prohibits the incarcerated from initiating contact with anyone in the free world through its messaging system. Instead, if anyone wants to contact someone in an Illinois prison, they must first set up an account of their own with GTL, purchase message credits and add the incarcerated person as a contact on their account. This cumbersome process alone discourages many people from “emailing” anyone in prison via GTL.

Moreover, GTL’s service is so poorly created and operated that trying to send messages is extremely frustrating as users are:

- Constantly denied access to the system
- Constantly frustrated when, after typing out their messages, they are arbitrarily erased prior to being sent due to technical glitches
- Unable to send the same message to several people at once without having to cut and paste the message for each recipient
- Often not notified when a message is sent to them from an incarcerated person.

GTL has also thus far failed to allow for the sending of any attachments like pictures, which was supposed to be an available option.

(Additionally, although State law prohibits the IDOC from using denial of mail as a disciplinary method,³⁶ the IDOC bans messaging while in disciplinary segregation, B-grade, or C-grade. This policy would seem to violate that same law – as “emails” are essentially mail – as well as incarcerated men’s and women’s constitutional rights to free speech.³⁷ This policy also disrupts continuity of communications, especially where this is the only means the incarcerated has of contacting someone.)

Add to all that the fact that the IDOC is intentionally discouraging families and others from using the regular postal system to mail letters (where the IDOC does not receive a kickback), as a way to encourage the use of the GTL system (where the IDOC does receive kickbacks). After the signing of the contract with GTL, the IDOC implemented new rules about mail coming into Illinois prisons.

Not only do the new rules prohibit letters with anything written in marker, crayon, or highlighter, but they also took away any ability to challenge the denial of any letter or package, by allowing IDOC staff to just return it to the sender prior to any notice to the recipient or sender. So, while many people write letters in colored ink pens (which is still allowed) they will often be unceremoniously and unjustly returned to the sender under the false claim that they were written in “marker”.

Moreover, the rules prohibiting crayons, markers, and highlighters means that many of the letters and drawings arriving from incarcerated men’s and women’s young children, grandchildren, nieces, nephews, etc. are sent back.

On top of all of that, either intentionally or due to a lack of competent staff, IDOC facilities routinely delay delivering regular mail by weeks, which has the effect of increasing use of the messaging system, as “emails” are usually only delayed by days. This all garners widespread resentment of both GTL and the IDOC (and its staff) by both loved ones and the incarcerated. Especially when it is done in an effort to exploit people financially and not out of any true security concerns.

As Stephen Rahe notes:

“When facilities receive commissions from an electronic messaging

system, they may boost commission revenue by either banning postal mail or implementing policies that may make mail cumbersome and impractical.”³⁸

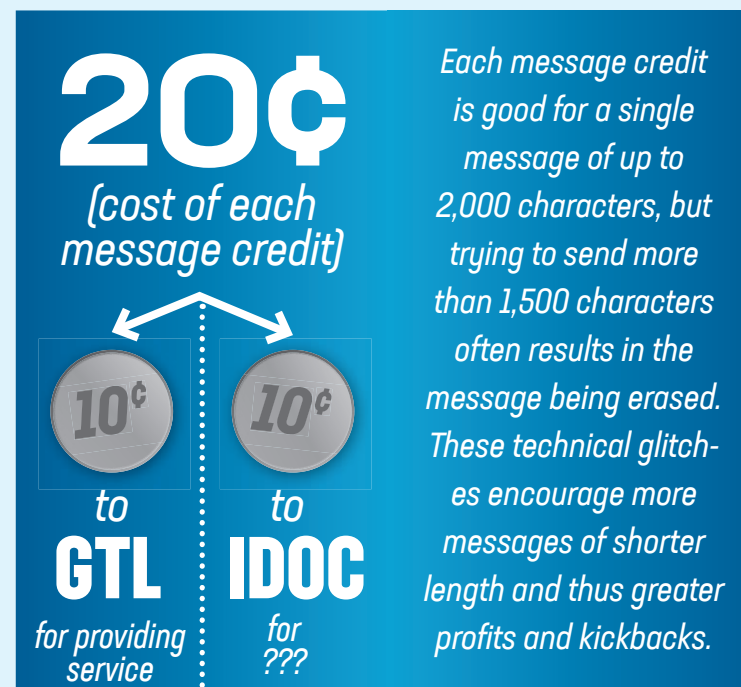
Theoretically, the kickback for both incoming and outgoing messages is either 33% or 50% of the purchase price. The actual amount of the kickback

is the same however every time a message is sent: 10¢. GTL sells “message credits” either for 30¢ each, or bundles of 20 for \$4.00 (i.e. 20¢ each).³⁹ Since the IDOC demands a 10¢ kickback on each message, this equates to a 33% kickback on sales of individual credits or a 50% kickback on sales of bundles.

Hardly anyone purchases individual credits, however, instead choosing to save money by purchasing bundles. Thus, nearly everyone is paying a 50% kickback to the IDOC to send each “email”.

While it is possible for people with a GTL account in the free world to purchase message credits and then transfer them to their friends and family on the inside, many of the credits used by people inside are purchased at the prisons’ commissaries. Thus, the 33% or 50% kickback (or “commission”) would seem to violate the same state law that was supposed to cap commissary surcharges at 25%.⁴⁰ (See box on p.7). Regardless of where they are purchased or by whom, the IDOC receives their kickback.

During 2019, the IDOC received \$88,477.80 in kickbacks on incoming messages, and \$98,907.20 in kickbacks on outgoing messages. If the IDOC would stop exploiting people by demanding its kickbacks on “emails”, the cost to the incarcerated and their loved ones would be 10¢ - a fraction of what it is now (20¢ or 30¢). Like the reduced cost of phone calls, this would not only collectively save people hundreds of thousands of dollars per year, but also facilitate strengthening relationships which helps reduce recidivism and increase public safety - alleged goals of the IDOC.⁴¹



Each message credit is good for a single message of up to 2,000 characters, but trying to send more than 1,500 characters often results in the message being erased. These technical glitches encourage more messages of shorter length and thus greater profits and kickbacks.

KICKBACKS TO IDOC FOR MUSIC IN 2019 = \$272,067.45

IN 2019, as the IDOC and GTL began expanding tablet accessibility to all IDOC facilities, GTL also began transitioning from offering music downloads (*sales of individual songs*) to solely offering a music streaming service.

Previously, people in the handful of IDOC facilities that sold GTL 1.5 “MP3 players” were able to purchase songs that they could keep on their devices permanently. The songs cost \$1.80 each, or 20 songs for \$32, and the IDOC received a 20% kickback (*11% or 12.5% respectively*) on each song purchased. During 2019, the IDOC received \$133,291 .00 in kickbacks on music downloads.

People in IDOC facilities that only offer the GTL 2.0 “tablets” can only “rent” the music, which they pay to stream on a monthly basis at exorbitant prices (*see box to the left below.*) GTL offers four purchase plans for its streaming services (*see box to the right below*). Each of which includes a 20% kickback to the IDOC⁴². Thus, the IDOC’s kickback on music sales effectively increased from around 12% to 20%.



Compared to music streaming services offered in the free world (*which offer a wider variety of music, and don't constantly deny streaming service for hours or days at a time like GTL does.*) GTL charges more than 2-5 times as much (*see box to the left below.*) Some of this additional cost is to cover the kickbacks to the IDOC.

In the first half of 2019, music streaming was only available in two facilities (*Decatur and Kewanee*). By November, streaming services had reached all IDOC facilities except Joliet Adult Treatment Center. Despite limited availability overall, the IDOC received \$138,776.45 in kickbacks from GTL for music streaming services last year.

In total, the IDOC demanded over a quarter of a million dollars (*\$272,067.45*) in kickbacks in 2019 in return for incarcerated men and women to be able to listen to music at inflated and exploitative prices.

FREE-WORLD MUSIC STREAMING COMPARED TO GTL

30 DAY SUBSCRIPTION

Pandora Plus	\$4.99
iHeartRadio	\$5.99
Amazon	\$9.99
SoundCloud	\$9.99
Google Play	\$9.99
Tidal	\$10.00
YouTube Music	\$11.99
GTL	\$24.99
GTL w/o kickback	\$19.99

GTL MUSIC STREAMING PRICES WITH & WITHOUT IDOC KICKBACKS

Term	Price	Kickback to IDOC	Price w/o kickback
30 days	\$24.99	\$5.00	\$19.99
90 days	\$67.50	\$13.50	\$54.00
180 days	\$119.95	\$23.99	\$95.96
365 days	\$199.99	\$40.00	\$159.99

KICKBACKS TO THE IDOC FOR VENDING MACHINE SALES

(2019):⁴³

\$576,638.21

Similar to the 25% surcharge the IDOC attaches to items purchased at the commissaries the incarcerated shop at; 25% of all profits derived from any vending machines in IDOC visiting rooms are likewise kicked back to the IDOC⁴⁴. Thus, every soda or snack bought by a visitor to an IDOC facility is an additional point of exploitation by the IDOC.

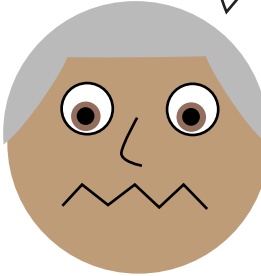
These “commissions” add up quickly. In 2019, the plethora of vending machine contractors kicked back a total of \$576,638.21 to the IDOC.⁴⁵ If visitors wonder why the prices are so outrageous, that is ¼ of the reason right there.

TOP 10 PRISON VISITING ROOMS PROVIDING THE MOST KICKBACKS:

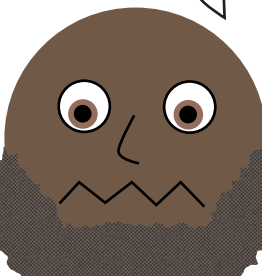
1. Stateville	\$48,522.91
2. Dixon	\$43,253.37
3. Logan	\$39,722.91
4. Peoria ATC	\$37,811.29
5. Sheridan	\$37,742.41
6. Centralia	\$25,642.78
7. Hill	\$25,287.95
8. Taylorville	\$24,835.85
9. Western Illinois	\$24,310.85
10. Illinois River	\$19,753.43

“LET US GET THIS STRAIGHT, THE IDOC...”

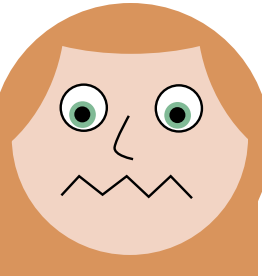
intentionally keeps us impoverished to coerce us into slave labor;



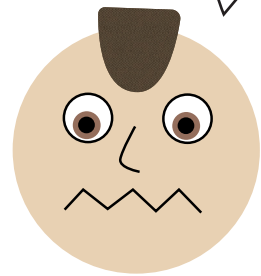
exploits our labor to facilitate our over-incarceration;



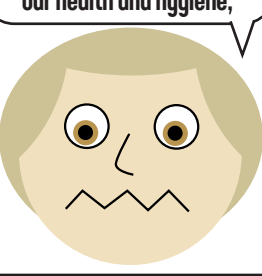
exploits our friends' and families' love for us;



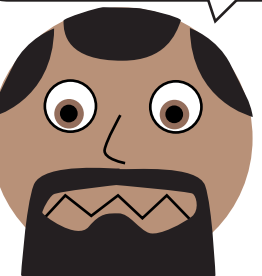
demands a kickback whenever someone wires us money;



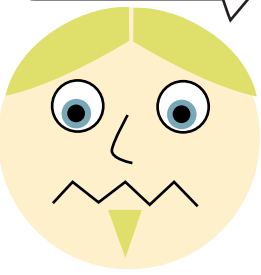
denies us adequate basic necessities to maintain our health and hygiene;



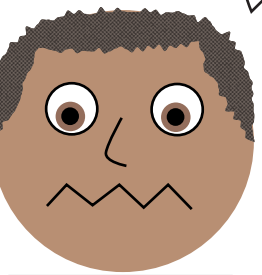
...charges us a minimum 25% surcharge to purchase basic necessities that the IDOC is supposed to supply us;



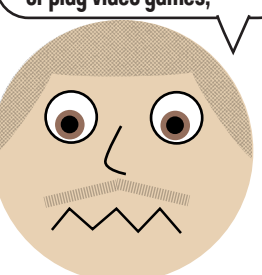
adds \$25 to the price of each 2.0 tablet;



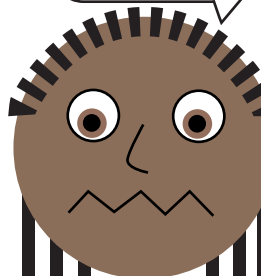
demands a 50% kickback anytime we want to communicate via "email" with our loved ones;



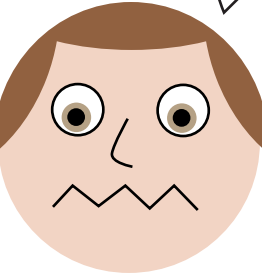
demands a 20% kickback if we want to listen to music or play video games;



demands a 25% kickback on snacks to our visitors;



and unlawfully demands an almost 25% kickback on video visits...



...and we're supposed to respect the government?"



CONCLUSION

In 2019, the incarcerated and their non-incarcerated loved ones spent nearly two million dollars (\$1,965,592.40) paying the IDOC's lawful and unlawful kickbacks (commissions and surcharges on tablets). That does not include the additional millions of dollars in surcharges they paid on non-tablet-related commissary purchases. (Parole Illinois hopes to produce a more detailed report in the future documenting not only those additional surcharges but also attempting to track how the IDOC is spending those funds).

The IDOC has never explained why it feels it is necessary to receive any of the kickbacks from the above-mentioned products or services; or how exploiting incarcerated people and their friends and families helps achieve any penological goal. We know that several other correctional departments that contract with GTL for tablet services - such as those in Vermont, Delaware, Maine, and South Carolina - do not receive any portion of tablet revenue.⁴⁶ Therefore we demand that the IDOC: cease violating state law; renegotiate all contracts with vendors to remove any kickbacks or "commissions" from being paid to the IDOC; and negotiate commensurately lower prices on all services.

WHAT YOU CAN DO:

Governor J.B. Pritzker claims to want to make Illinois "a beacon for humanity," and IDOC Director Rob Jeffries has repeatedly talked of increasing access to communications between incarcerated people and their families. Therefore, in an effort to give them the benefit of the doubt, the first step of the No Kickbacks Campaign will consist of simply asking them to voluntarily cease exploiting people in prison, their families, and friends.

If you would like to help in that effort, please write, call, and email the Governor and IDOC Director and ask them to stop the exploitation by: A) cease accepting commissions from GTL, JPay, and Western Union; B) renegotiate the contracts with all three companies to reduce their prices for all services commensurately; and C) cease adding surcharges to tablets and other products.

Illinois Governor J.B. Pritzker

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Director Rob Jeffries

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If the Governor and IDOC choose to keep exploiting people, the next steps will be litigation (to stop the unlawful commissions), and legislation (to bar IDOC from A) accepting kickbacks/commissions, and B) charging surcharges at its commissaries).

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NOTES/CITATIONS/RESOURCES/REFERENCES

1. Brian Dolinar, "Illinois Prison Phone Rates are Lowest Following Grassroots Activism," Truth-Out, Feb. 24, 2019.
2. 730 ILCS 5/3-4-1 (a-5).
3. Securus phone contract.
4. 730 ILCS 5/3-4-1(a-5).
5. Ibid.
6. Dolinar supra, note 1.
7. Alex Harris, Tyler Smith, and Emmi Obara, "Justice 'cost points': Examination of privatization with public systems of justice". *Criminology & Public Policy*, 2019; 18:343-359, at 356.
8. 20 Illinois Administrative Code Section 445 (Unauthorized Business Ventures).
9. IDOC Administrative Directive 05.03.103A.II.E.9.
10. Stephen Raher (Abstract), "The Company Store and the Literally Captive Market: Consumer Law in Prisons and Jails," 17 *Hastings Race & Poverty L. J.* 3-86 (2020), at p.3.
11. 730 ILCS 5/3-6-3.
12. See e.g. Peter Wagner, "Incarceration Is Not an Equal Opportunity Punishment" Prison Policy Initiative, August 28, 2012.
13. See e.g. 730 ILCS 5/1-1-2 "The purposes of this Code of Corrections are to: a)... permit the recognition of differences in rehabilitation possibilities among individual offenders:... and d) restore offenders to useful citizenship" as well as 730 ILCS 5/3-2-2 (1)(a) and (d) (West 2020).
14. Drew Kukorowski, "The Price to Call Home: Sanctioned Monopolization in the Prison Phone Industry," *Prison Legal News*. October 2012. p.20-24, at p.20 citing Nancy G. Lavigne, Rebecca L. Naser, Lisa E. Brooks, and Jennifer L. Castro, "Examining the Effect of Incarceration and In-Prison Family Contact on Prisoners' Family Relationships." 21 *Journal of Contemporary Criminal Justice* 314, 316 (2005).
15. Illinois Department of Corrections (response to requests under the Illinois Freedom of Information Act).
16. State of Illinois Contract Amendment JPAY Inc. TFE4261, TFE425-1 (July 19, 2013).
17. "State of Illinois Contract Amendment" between GTL and the IDOC dated September 27, 2017 (#0115021) p. 3, section 2.2; Dec. 2, 2009 contract between IDOC and Western Union, p.41; and Contract between JPAY and the IDOC, Section 3, 1 (2011).
18. "State of Illinois Contract Amendment" between GTL and the IDOC dated Sept. 27, 2017 (#0115021) p. 3, section 2.2.
19. Contract between JPAY and the IDOC, Section 3.1 (2011).
20. Dec. 2, 2009 contract between IDOC and Western Union, p.41 ("Per transaction incentive payment to the Agency: \$1.00).
21. The IDOC is supposed to process outgoing checks within 10 business days (20 Ill. Admin. Code 205.40) but certain prisons lack competent staff, so the wait can extend for several months.
22. 730 ILCS 5/3-4-3(a).
23. 730 ILCS 5/3-7-2a.
24. In 2007, the Illinois Auditor General reported that the IDOC was unlawfully exceeding the statutorily allowed surcharge by an additional 7%-9%. Illinois Department of Corrections, Department-Wide Audit, For the Year Ended June 30, 2006, released June 20, 2007; State of Illinois, Department of Corrections "Compliance Examination for the Two Years Ended June 30, 2018." See also Joseph R. Dole "Illinois Prisoners Bilked Out of Millions Through DOC Commissary Surcharges," *Prison Legal News*, March 2010, p.24.
25. See e.g. *Dole v. Randle*, 406 Ill. App. 3d 1221 (Feb. 28, 2011) ("Internal regulations such as restrictions on commissary pricing are not intended to confer private right of action, based on either statutory or constitutional claims upon inmates."); *Jackson v. Randle*, 354 Ill. Dec. 256, 259 (Sept. 9, 2011) ("DOC regulations and the Unified Code were designed to provide guidance to prison officials in the administration of prisons, not to create more rights for inmates than those that are constitutionally required."); and *Ruhl v. DOC*, 2015 IL App (3d) 130728, ¶ 25 (same).
26. 730 ILCS 5/3-7-2(f-10)(eff. Jan 1, 2019).
27. 730 ILCS 5/3-7-2(f)(eff. Jan 1, 2019).
28. See e.g. "State of Illinois Contract Amendment" between Global Tel Link Corporation and the IDOC dated September 27, 2017 (#0115021) p. 3 section 2.2, and monthly Vispay statements for 2019 recording commission payments to IDOC for video visits.
29. Simple FOIA requests for all monthly Vispay statements for 2019 showed that the IDOC received more than \$6,000 per month in commissions for video visits.
30. "State of Illinois Contract Amendment" (0115021) dated Sept. 27, 2017.
31. Stateville Correctional Center commissary price list.
32. IDOC response to FOIA request made in July 2020.
33. Stephen Raher, "Best practices for prison and jail tablet procurement." *Prison Policy Initiative*, Feb. 7, 2020.
34. 730 ILCS 5/3-7-2a.
35. "State of Illinois Contract Amendment" between GTL and the IDOC dated Sept. 27, 2017 (#0115021), p.3, section 2.2.
36. 730 ILCS 5/3-8-7(b)(1).
37. United States Constitutional Amendment 1; Illinois Constitution of 1970, Article I, Sections 4 and 6.
38. Stephen Raher, "The Company Store and the Literally Captive Market: Consumer Law in Prisons and Jails," 17 *Hastings Race & Poverty L.J.* 3-86 (2020), p. 14.
39. "State of Illinois Contract Amendment" between GTL and the IDOC dated Sept. 27, 2017 (#0115021), p.3, Section 2.2.
40. 730 ILCS 5/3-7-2a ("If a facility maintains a commissary or commissaries serving inmates, the selling prices for all goods shall be sufficient to cover the costs of the goods and an additional charge of up to... 25% for non-tobacco products.").
41. See note 13 supra.
42. "State Contract Amendment" between GTL and the IDOC dated September 27, 2017 (#0115021), p.3, section 2.2.
43. We had originally intended to include all vending machine kickbacks in the overall calculation of this report as well as make a projection for 2020. However, the IDOC's complete ban on in-person visits due to the COVID-19 pandemic has likely decimated vending machine sales from April 2020 until visits resume, and thus decimated the kickbacks on those sales as well.
44. E.g. the contract between Stateville Correctional Center and Donnie Boy Vending (2013-MOU-020-DRS, May 28, 2013), like that for each facility states "The VENDOR shall pay to Stateville Correctional Center, DOC where the services are provided a commission of 25% for visitors and 10% for employees on all net sales, less taxes and cost of goods, from the vending machines each month. The commission rates are statutory mandates set forth in Section 30(e) of the Blind Vendors Act, 20 ILCS 2421/30 (e)." (Attachment 1, Section 2 Vendor, Subsection (d)).
45. FOIA requests made to IDOC for commissions received during 2019 for vending machine sales in all facilities.
46. Mack Finkel and Wanda Bertram, "More States are signing harmful "free prison tablet" contracts." March 27, 2019.

This report was researched and written by Joseph Dole, Policy Director and Co-Founder of Parole Illinois.

PAROLE ILLINOIS

Parole Illinois is a non-profit corporation founded by men in Stateville Prison and their allies outside of prison. Parole Illinois seeks to end death-by-incarceration, drastically reduce the long-term prison population in Illinois, and stop the exploitation of people in prison, their friends, and families.

If you like this report or believe in our cause, please consider making a tax-deductible donation at www.ParoleIllinois.org

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