

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, 2022 THROUGH JUNE 30, 2023

Prepared For The Lifer's Group Inc.

By

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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 2023 (JULY 1, 2022 - JUNE 30, 2023)

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 each account balance.

Institutional revenue consists of commissions paid to each institution by the Keefe Commissary Network (KCN) as a percentage (11%) of all sales to prisoners for commissary, appliance and clothing items. Over 90% of each 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. Those commissions are paid directly into the CIB and are not shared with institutions.

The DOC established the Program Account as "an 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 assessments began in 2005 (1). The completion of the computerization of all institutional law libraries dates back to 2009. The 20% assessments remain despite the fact that ending balance in the Law Library Fund at the end of each of the past several fiscal years has exceeded 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 expenditures, i.e., those in excess of \$1,000, from either the Program Account of the CIB on a case-by-case basis.

Per the MA Fiscal Year 2025 budget, beginning on 7/1/24, the DOC will no longer receive commissions from any vendors with whom the DOC has contracted to provide services to inmates. How or where the DOC will make up this shortfall has yet to be determined. The loss of commission income will decrease the income to each Central Account by more than 90%.

2. TOTAL INCOME AND EXPENSES OF EACH FUND/ACCOUNT FOR FISCAL 2023

Account/Fund	Total Income	Total Expenses	Differences
CIB	291,370.11	321,598.89	-30,228.78
Law Library Fund	321,732.10	576,143.23	-254,411.13
Program Account	<u>138,903.81</u>	<u>6,457.60</u>	<u>132,446.21</u>
Totals	752,006.02	904,199.82	-152,193.80

Total Income increased by \$51,698.65 or 7.5% and Total Expenses increased by \$299,534.76 or 49.9% from Fiscal Year 2022.

3. CENTRAL INMATE BENEFIT FUND (CIB)

a) Balance Sheet

Beginning Balance (7/1/22)	545,889.50
+ Income	<u>291,370.11</u>
Subtotal	837,259.61
- Expenses	<u>321,598.99</u>
Ending Balance (6/30/23)	515,660.62

b) CIB Sources of Income (7/1/22 - 6/30/23)

MP\$, Subscriptions and Email Commissions	154,736.45
Secure Pak Commissions	65,313.62
SM Commissions	43,267.92
Interest	12,372.20

CIB Sources of Income (7/1/22 - 6/30/23) cont.

Returned Funds	7,999.75
Razors	7,030.95
Restitution	<u>649.22</u>
Total	291,370.11

Commissions on quarterly Secure Paks decreased by 22.8% and interest increased by 1765.8% from Fiscal Year 2022. Commissions on MP3, subscriptions, emails increased by 80.3% and SM Commissions decreased by 30.1% from Fiscal Year 2022. Assuming an 11% commission rate (2) as reported by the DOC, sales of Secure Paks totaled \$593,760.18; MP3 and subscriptions totaled \$1,406,695.00, and sales generated SM commissions totaled \$393,344.72. Combined sales for commissions contributing to ther CIB in Fiscal Year 2023 totaled \$2,393,799.90, an increase of 46.9% from Fiscal Year 2022.

c. CIB Fund Expenses (7/1/22 - 6/30/23)

Keefe Commissary Network (3)	216,182.50
Swank	31,800.00
Books	25,000.00
Cormer Electric	14,265.00
Lionbridge Global Solutions	9,381.67
BPRC Gym Equipment	7,275.44
RMV	6,875.00
APDS	5,000.00
SHI	2,940.00
Curbill Medical	1,894.63
Restitution	649.22
Birth Certificates	200.00
W. B. Mason	99.43
Mass Corr.	<u>36.00</u>
Total	321,598.89

The Keefe Commissary expense was 223.5% over the \$66,836.30 spent in Fiscal 2022. Total expenses increased by 58.9% over Fiscal Year 2022.

4. CENTRAL LAW LIBRARY FUND (Z-176)

a) Balance Sheet

Beginning Balance	1,278,412.30
+ Income	<u>321,732.10</u>
Subtotal	1,600,144.40
- Expenses	<u>576,143.23</u>
Ending Balance	1,024,001.17

b) Sources of Income (7/1/22 - 6/30/23)

1) Institutional Assessments

MCI-Norfolk	62,922.24
MCI-Shirley	44,965.93
NCCI	36,187.68
Souza-Baranowski	36,732.31
MCI-Concord	27,763.55
OCCC	26,558.33
MTC	18,026.64
NECC	13,031.63
MCI-F	12,615.32
Pondville	6,365.77
MCI-CJ	6,253.17
BSH	5,955.24
Boston Pre	2,400.50
MASAC	1,615.17
So. Middlesex	165.53
Error Correction	<u>145.12</u>
Total Assessments	301,704.13

2) Interest

20,027.97

Total Sources of Income

321,732.10

c) Law Library Expenses (7/1/22 - 6/30/23)

Dell Marketing	231,604.98
Matthew Bender	119,403.00

Law Library Expenses (7/1/22 - 6/30/23) cont.

ComCast	94,164.99
Thomas Reuters - West	69,719.00
Integration Partners	35,573.46
Lawyers Weekly	8,778.00
Lawyers Diary	5,134.00
Keefe Commissary Network	2,293.80
Posting Errors	<u>9,472.00</u>
Total Expenses	576,143.23

The DOC continues to maintain a balance in the Law Library Fund of over \$1.0 million. Why the DOC does not utilize a large portion of the ending balance for programs, reimbursing the various institutions for Law Library expenses incurred at the institutional level, or lowering the monthly assessment percentage, at least to 10%, is an unanswered question posed by the Lifer's Group Inc. for several years. If the DOC did cut the assessment in half, there would still be sufficient funds to cover the Law Library expenses for at least two years. Simply continuing to stockpile funds is a waste of financial resources which could be better utilized in much more productive ways.

5. CENTRAL PROGRAM ACCOUNT

a. Balance Sheet

Beginning Balance (7/1/22)	529,430.20
+ Income	<u>138,903.81</u>
Subtotal	668,334.01
- Expenses	<u>6,457.60</u>
Ending Balance (6/30/23)	661,876.41

b. Sources of Income - the 10% monthly assessment paid by each institution remains the sole source of funds for the Program Account. The DOC does not provide a breakdown by institution of the 10% assessments. In Fiscal Year 2023, the total amount of the assessments amounted to \$138,903.81, a 10% decrease from Fiscal

Year 2022. Despite that 10% decrease in income, the ending balance on June 30, 2023 of \$661,876.41 was an increase of \$132,446.21 or 25% over June 30, 2022. Program Account expenses in 2023 were a mere \$5,457.60 or \$22,452.83 below 2022 (\$28,910.43) or a decrease of 77.7%. (4)

c. Program Account Expenses (7/1/22 - 6/30/23)

MCI-Norfolk Project Youth Booklets	2,155.58
MCI-Concord BRAVE workbooks	1,506.96
Pondville Barber Chairs	1,298.00
Journaling Program	705.35
Reentry Automotive Fair	238.50
Indirect Charges	<u>553.21</u>
Total Expenses	6,457.60

Once again, the question needs to be asked: Why does the DOC maintain a continuing balance of over \$660,000 in the Program Account while spending a paltry 1.3¢ of every dollar from its own budget on programs for prisoners? (5)

6. TOTAL OF ENDING BALANCES FOR EACH CENTRAL OFFICE FUND/ACCOUNT

CIB	515,660.62
Law Library Fund	1,024,001.17
Program Account	<u>661,876.41</u>
Total Ending Balances (6/30/23)	2,201,538.20

7. DISCUSSION

The total of the Ending Balances for Fiscal Year 2023 was 6.5% lower than in Fiscal Year 2022. The Ending Balance for the CIB was 5.5% lower, the Law Library Fund was 19.9% lower, while conversely, the Ending Balance for the Program Account was 25% higher than for Fiscal Year 2022. (6)

Why does the DOC insist on continuing to maintain an exceedingly high total balance in these three accounts of over \$2.2 million? An alternative question would be: Why does the DOC not

spend funds to provide an art program in each institution, or to improve mental health services, particularly in light of the recent suicide at MCI-Norfolk, or to provide programs for an ever increasing elderly population, or for increased higher education, or for skills training to prepare prisoners for their releases to the street, to name just a few areas which could utilize funds far more productively than simply stockpiling funds in those three Central Accounts? In the alternative, the DOC could eliminate temporarily or cut in half the monthly assessment 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.

The window of opportunity for the DOC to implement progressive programming to address the diverging needs of the prisoner population and to fulfill its mission to prepare prisoners to return to society as productive citizens is closing. Beginning on December 1, 2023, prisoners and family members no longer have to pay for phone calls, video calls, and emails. The cost to the DOC in lost commissions exceeds \$2,500,000 annually. In addition, the DOC will also no longer receive commissions from vendors, including, but not limited to, the 11% received from Keefe Commissary Network for commissary, appliance, clothing and SecurePak sales. (7) In Fiscal Year 2023, over 90% of the total income received by the DOC's three Central Accounts covered in this report came from commissions. The Lifer's Group Inc. has queried the DOC as to its plan to fund the programs and services paid for from commission income once that source is eliminated. To date, the Lifer's Group Inc. has not received a response indicating the steps the DOC plans to take.

Any and all information contained in this report may be reproduced or copied without permission as long as the proper attribution to the Lifer's Group Inc. is made. Any and all questions, comments, or corrections concerning this report are welcome and should be directed to Gordon Haas, Chairman, Lifer's Group Inc., MCI-Norfolk, P.O. Box 43, Norfolk, MA 02056 who is solely responsible for the contents. (8)

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.

8. END NOTES

1. Letter from Gary C. Temple, Director of Support Services, for the DOC to Gordon Haas dated November 7, 2023.
2. The DOC agreed to lower the commission from 14% to 11% to compensate KCN for increased costs of goods sold.
3. Of this \$216,182.50 expense, \$66,560.00 was spent on tablets. The Lifer's Group Inc. has requested an accounting for what the remaining \$149,622.50 was spent, as well as the number of tablets purchased. As of the date of the publication of this report, the DOC has not responded to the request.
4. "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", Lifer's Group Inc., September 2022, at p. 5.
5. "Report On The MA DOC Expenditures And Staffing Levels For Fiscal 2023", Lifer's Group Inc., December 2023 at p. 1.
6. "A Report On The Income and Expenses...", supra at p.5.
7. An Act Making Appropriations For Fiscal Year 2024, c. 28, sec. 51 referencing House Bill No. 4052.
8. An balances, institutional income and expense amounts to the Law Library Fund and the Program Account and the CIB and percentages throughout this report were calculated by the author extrapolated from data supplied by the DOC pursuant to public records requests.