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County of Los Angeles
INTERNAL SERVICES DEPARTMENT

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August 18, 2021

To: Supervisor Hilda L. Solis, Chair
Supervisor Holly J. Mitchell
Supervisor Sheila Kuehl
Supervisor Janice Hahn
Supervisor Kathryn Barger

From: Selwyn Hollins  for,
Director

REMOVING FINANCIAL BURDENS FOR FAMILIES: PROVIDING FREE TELEPHONE CALLS AND ELIMINATING PROFITS AND MARK-UPS ON COMMISSARY ITEMS IN THE LOS ANGELES COUNTY JAILS AND JUVENILE CAMPS AND HALLS (ITEM #13, AGENDA OF MAY 18, 2021)

On May 18, 2021, the County of Los Angeles (County) Board of Supervisors (Board) adopted a motion, as revised and submitted by Supervisor Solis, directing specific County Departments to submit a report back to the Board as follows:

1. The Internal Services Department (ISD), the Chief Executive Office (CEO), in collaboration with the Sheriff's Department (Sheriff), the Office of Inspector General, and other relevant Departments to address the following directives and report back to the Board in writing in 90 days:
 - a. Fiscal impact of making telephone calls from Los Angeles County jails and the Probation Department's (Probation) camps and halls at no cost to people in custody and their support network.
 - b. Other no-cost telephone call options for people in custody, like Voice over Internet Protocol (VoIP).
 - c. Analysis of policy changes in other jurisdictions, including those of San Francisco and San Diego regarding no-cost telephone calls in the jails, and applicability to Los Angeles County.
 - d. The annual amount of revenue generated by the Sheriff from telephone fees for the fiscal years (FY) 2017-18, 2018-19, 2019-20, and 2020-21.

- e. Fiscal impact of offering commissary and vending machine items at cost to people in custody in the County jails, camps, and halls.
 - f. The annual amount of revenue that the Sheriff has generated from commissary and vending machine items mark-ups and profits for FY 2017-18, 2018-19, 2019-20, and 2020-21.
 - g. Recommendations on how Los Angeles County can provide no-cost calls to people in custody, including an analysis of moving to a fixed-rate contract.
 - h. Recommendations on how Los Angeles County can offer commissary and vending machine items at cost to people in custody.
 - i. An itemized statement of the Sheriff's expenditures of Inmate Welfare Fund revenues on "maintenance of county jail facilities" (as defined in California Penal Code 4025), including a description of each expenditure and the amount allocated.
2. The CEO and the Auditor-Controller (A-C) to perform a financial and compliance audit of the Inmate Welfare Fund covering FYs 2017-18, 2018-19, 2019-20, and 2020-21, and report back to the Board in writing in 120 days. The CEO and the A-C will provide a separate response to this directive.
 3. ISD, the CEO, the Office of County Counsel (County Counsel) with the Sheriff and Chief Probation Officer to report back to the Board in 90 days with a scope of work draft and other relevant Request for Proposals (RFP) language to help ensure that the County contracts for phone or tablet services to be provided at no cost to justice involved population and their families.
 4. The CEO and County Counsel to include in their report back to the Board in 90 days whether the Board can use the budget process to make adjustments and enter into contracts to allow free phone calls to inmates with funds allocated through the Sheriff's budget, and whether the Board can assert additional authority over the Inmate Welfare Fund (IWF).

This report addresses directive number one (1) above to the Directors of the ISD, and the CEO, in collaboration with the Sheriff, the Office of Inspector General and other relevant Departments, concerning the fiscal impact of providing no-cost telephone services to the justice involved population and their families, as well as providing commissary items at cost, with a report back due to your Board in 90 days. Directive number three (3) pertaining to the solicitation process for telephone services will be reported back to your Board separately by October 18, 2021.

Definitions

This report was prepared based on the definitions of the following terms:

AT COST: The price for goods or services, negotiated between the contractor and the County without a commission or other markup added by the County, that is charged to the justice involved population by the contractor.

CUSTODY FACILITY: Includes jails, juvenile camps, juvenile halls, Sheriff's station jails, and/or courthouse lockups.

JUSTICE INVOLVED POPULATION: Persons in custody and/or housed within a custody facility.

MARK-UP: The margin [or difference] between "at cost" and the amount charged to the justice involved population for commissary and vending machine items.

NO-COST: Goods or services for which the contractor is paid a negotiated price directly by the County and there is no charge to the justice involved population.

Background

Current Environment

Telephone Services at County Custody Facilities:

In addition to patrol station jails and courthouse lockups, the Sheriff operates seven separate adult custody facilities housing an average daily population ranging from 15,000 to 17,000, and Probation operates five juvenile camps and two halls with a current population of 390. The Sheriff contracts for telephone services within the custody facilities, with each minute costing \$0.25 for all Intrastate Calls, \$0.25 for Interstate (Collect) Calls, and \$0.21 for Interstate (Debit Account/Cardless) and Pre-Paid Account Calls. In May 2020, the Sheriff was able to secure one free five-minute COVID-19 courtesy call per justice involved person each week. The courtesy calls are due to conclude when the contract expires on October 31, 2021.

Commissary Services at County Custody Facilities:

The Sheriff's currently contracts with two separate vendors for commissary and for vending machine services for the seven custody facilities located throughout the County. The Sheriff's commissary services contract provides the justice involved population with

an opportunity to purchase a variety of commissary-style goods on a weekly basis. These service contracts generate revenue that is deposited into the Inmate Welfare Fund (IWF) and spent on rehabilitative programming, education, and other services provided for the benefit of the County’s justice involved population. The existing contracts limits the prices charged by the vendors to be equal to or less than prices charged in the local retail marketplace. There is no express or implied “mark-up” charged by the vendors, the Sheriff’s, or the County beyond the retail market price of the goods. Additionally, the Sheriff’s vending services contract provides debit card vending machines that utilize RFID technologies, and which are made available to the justice involved population to purchase commissary-style goods at any time.

Market Survey and Results

To provide a thorough and comprehensive report back to the Board, on June 14, 2021, ISD released a *Removing Financial Burden for Families* Request for Information (RFI). The purpose of the RFI was to obtain information from firms that can provide telephone services (or other telephone call options) and/or commissary services for the justice involved population (and their families) and to enhance rehabilitative outcomes for these individuals. The RFI requested firms address specific questions which included identifying recommended approaches to providing the requested services, any limitations and restrictions, specific costs, and list cities for which they currently provide similar services.

Below is a list of firms that responded to the RFI.

No.	Firms	Type of Services Offered
1.	GTL (bought PCS- the current LA County Sheriff provider)	Telephone and Commissary Partner such as Keefe or Aramark
2.	Keefe Group (bought phone company ICSolutions)	Telephone and Commissary
3.	Network Communications International Corp., DBA NCIC Inmate Communications	Telephone and Commissary Partner
4.	Securus Technologies, LLC.	Telephone and Commissary Partner
5.	T-Mobile	Cell Phones only

Summary of Responses

- **Phone Call Costs** - The firms recommended phone call cost options which included providing minute restricted calls (i.e., five minutes) per justice involved person per week at no cost, fixed monthly rate per minute based on actual usage, and fixed monthly rate per device per month.
- **Mobile Devices** - One firm indicated that tablets would be at an additional cost per device per month, while another stated that tablets would be at no additional cost. The two other firms stated that tablets will be supported with no additional details, and the remaining firm had no response.
- **Commissary Services** - The Keefe Group indicated they are the current provider for County's custody facilities. If revenue sharing with the County is reduced or eliminated, the price to justice involved persons will be reduced. One firm did not provide a response while the other three firms stated they would partner with a company to provide this service.

After analyzing the RFI responses, conducting the market research and consulting with the relevant departments, the following data, information and recommendations are provided to address the nine directives outlined in this motion.

1a: Fiscal Impact of Making Telephone Calls from Los Angeles County Jails and the Probation Department's Camps and Halls at No Cost to People in Custody and Their Support Network

Through Board-approved delegated authority, the Sheriff currently contracts with Public Communications Services, Inc. (PCS) for telephone services for the justice involved population in custody facilities. The contract is revenue-generating. The revenue is deposited into the Sheriff's IWF to support inmate educational programs, vocational training, and other services as indicated in the revenue and expenditure documents provided by the Sheriff and attached hereto as Exhibit A, IWF Spending Plan. The County's commission is 67.5 percent of the Total Billable Amount, or a Minimum Annual Guarantee (MAG) of \$15 million for the Sheriff and a MAG of \$59,000 for Probation, whichever is greater, for each year of the Agreement, and deposited into the Sheriff's IWF.

If the County ultimately decides to relieve its justice involved population (and their families/loved ones) of the financial burdens associated with the cost of making telephone calls from the County's custody facilities and authorize implementation of telephone calls at a no cost model, then the Sheriff's IWF will no longer receive the approximate

\$15.0 million MAG. As such, the loss of the \$15.0 million MAG may necessitate a County-led assessment of potential funding options to support the programs dependent upon existing telephone revenue. The following are the potential impacts of the loss of telephone revenue:

- Elimination of rehabilitative programming, education, and services for the benefit of the County's justice involved population;
- Deferral or suspension of jail facility modifications/improvements necessary to support the successful provision of the aforementioned programming/education;
- Diminishment of budgeted positions and County employment opportunities that are directly responsible for facilitating the custody programming and services for the benefit of the County's justice involved population;
- Substantial one-time and ongoing technology/equipment and infrastructure costs resulting from increased call volumes throughout the County's custody facilities.

In response to item 1c of this motion, a discussion was convened with representatives from the City and County of San Francisco, including members of the San Francisco Sheriff's Office. Effective August 1, 2020, the City and County of San Francisco made domestic and international phone calls from its County custody facilities, and video visitation at designated terminals, free for the justice involved population and their families. The Welfare Services Program fund, which was strictly used for programs benefiting the justice involved population, is now 80% funded by the Mayor's Office, and 20% funded by the San Francisco Sheriff's Office reallocation of funding from within their departmental budget.

San Francisco shared their experiences and statistics and stated the call volume amongst their justice involved population increased by approximately 50 percent subsequent to converting to a no-cost call model. San Francisco's justice-involved population is approximately 700-800, which is roughly 5 percent of Los Angeles County's current average daily population of approximately 15,000.

If the justice involved population no-cost call model results in the need for increased County investments in technology/equipment and infrastructure to meet the call demands similar to those experienced by San Francisco, this will be an added cost/obligation that the County will need to address. The Sheriff does not believe it has the ability to absorb the additional costs within its existing budget. Given the unknown nature of the full impact a potential increased call volume will have on related technology, equipment, personnel, and infrastructure needs, the County's workgroup recommends that these potential costs (one-time and ongoing) be further assessed.

Recommendations:

If a no-cost custody telephone call model is implemented, the County should consider the following recommendations:

- A. Explore alternative funding options for the loss of telephone revenue to ensure the ongoing ability to provide vital rehabilitative and family connectivity and community reentry programs.
- B. Convene a work group to assess the impact on existing capacity to handle the technological and financial needs.

In addition to the loss of the MAG, the County would also incur the cost associated with providing free phone services to the justice involved population. Due to the anticipated increase in phone usage, if San Francisco has approximately 700-800 in justice involved population and required \$1 million in funding, then the corresponding costs for Los Angeles County is estimated roughly over \$18 million. More precise costs will need to be obtained through the RFP process.

Probation moved to free telephone calls for youth as reductions in family visiting were necessarily implemented due to the emergence of the COVID-19 pandemic. Probation's experience since then supports their conclusion and current practice that all youth calls will remain free.

Probation believes offering exclusively free calls elevates youth and family connectivity and serves as a vital component of enhancing youth readiness for community reentry and as such, Probation agrees to do away with collect call phones, and the department can absorb the revenue reduction within their existing appropriation.

1b: Other No Cost Telephone Call Options for People in Custody, like Voice Over Internet Protocol (VoIP)

The Sheriff concurs with Probation and the other members of the County workgroup that there are several other options for the County to consider/pursue that will help enhance and support the communication needs of the County's justice involved population. The Sheriff recommends that the County consider all potential options and that whatever options are ultimately pursued including, but not limited to, the introduction of tablets and voice over internet protocol (VoIP) communication within the County's jail facilities that the County carefully consider both the necessary safety protocols (that will need to accompany this technology) and the existing infrastructure capabilities/needs of the County's custody facilities. The Sheriff agrees that the potential benefits of enhanced

and no-cost communication mediums amongst the County's justice involved population (and their families/loved ones) may result in priceless, long-lasting benefits/outcomes for this population, as well as the County; however, the County must also ensure that these options are pursued in a safe and secure manner with a dedicated, sustainable/ongoing funding commitment from the County.

Probation is utilizing iPhones and tablet devices within custody facilities to connect youth with family members and community service providers. These calls are free of charge.

Other no-cost telephone call options for people in custody include:

- 1. Voice over Internet Protocol (VoIP – computer internet calling services through the County's existing AT&T contract.** Voice over Internet Protocol (VoIP), is a technology that allows a person to make voice calls using a broadband internet connection instead of a regular (or analog) phone line. A broadband (high speed Internet) connection is required, and some VoIP services do not work during power outages. This solution would require the County to procure new devices and upgrade the County facilities network and security infrastructure. Communications connections would need to be accessed through the Sheriff's Data Network or be permitted to be accessed through an alternate network such as a vendor data network.
- 2. Application calling services through tablets, iPads, desktop computers, and laptops.** Mobile devices and desktop computers can include a phone dialer that enables secure inmate calling. Mobile devices can also offer additional communication options including email/text messaging and other inmate self-service tools such as educational resources, commissary ordering, grievance, forms, sick call, and law library access. Security issues should be considered such as whether to connect to a secure in-facility intranet system and whether to block access to outside internet content. This solution would require the County to procure new devices and upgrade the County facilities network and security infrastructure. Communications connections would need to be accessed through the Sheriff's Data network or be permitted to be accessed through an alternate network such as a vendor data network. The approximate pricing for this solution is as follows: iPad Gen 8 32GB cost of \$459.99 per device plus a monthly unlimited data plan of \$19.74 per month per device.
- 3. Video conferencing services platforms such as Microsoft Teams, Zoom, WebEx, Skype, etc.** Remote video visitation provides an alternative to face-to-face visits in which participants typically are separated by panes of glass. In addition to speaking to family members and friends, virtual visits can also be

applied to visits with healthcare and mental health providers, to court appearances thereby eliminating travel costs, and to private and secure inmate and lawyer meetings. A broadband high-speed internet connection is required and in some cases software related issues can cause interruptions. This solution would require the County to procure new devices and upgrade the County facilities network and security infrastructure. Communications connections would need to be accessed through the Sheriff's Data Network or be permitted to be accessed through an alternate network such as a vendor data network.

Cell phone – unlimited calling plans (calls, texts, data), including free international calls to Mexico and Canada. This recommendation was proposed by one of the RFI respondents, however, California Penal Code § 4576 and 18 U.S. Code § 1791 prohibits the providing or possession by individuals housed in jails/prisons of contraband including cell phones.

1c: Analysis of Policy Changes in Other Jurisdictions, including those of San Francisco and San Diego regarding no-cost phone calls in the jails, and applicability to LA County

ISD researched policy changes in other jurisdictions regarding no-cost phone calls in the jails. Below is a summary of the findings and the applicability to the County:

San Francisco City and County

The Board of Supervisors of the consolidated City and County of San Francisco passed the "People Over Profits Ordinance" in July 2020 amending the Administrative Code - Goods or Services Contracts for Incarcerated Persons, prohibiting the City from entering into an agreement to provide goods or services to the justice involved population of a custody facility that allows the City to collect some or all of the revenue paid for those goods or services.

San Diego City and County

The Board of Supervisors (BOS) directed the Chief Administrative Office to create a board policy prohibiting San Diego County from entering into contracts for communication services that charge the justice involved population or their families, and from generating operating revenue from fees charged for communication services. In May 2021, the BOS approved a Motion making communications free, as well as Policy B-73: No Cost Communications Services for Incarcerated Persons, effective 7/1/2021.

State of California

No policy changes were made. The governor rejected a proposal by the state legislature to make telephone calls free for the justice involved population in California state custody facilities setting forth his concern that making calls free might result in insufficient funding for welfare programs and services being provided to the justice involved population in custody facilities. Instead, the California Department of Technology (CDT), in partnership with the California Department of Corrections and Rehabilitation (CDCR), entered into a new contract with GTL effective 3/19/2021, for significantly reduced national and international telephone call rates for the adult justice involved population. Phone calls remain free of charge for the youth justice involved population.

The new contract with reduced rates results in no cost to taxpayers, and the welfare programs continue to be funded with monies generated by the GTL contract.

New York City

In 2018 the City of New York passed Local Law 144 amending its Administrative Code to provide that the justice involved population shall not be charged fees for telephone calls made from its custody facilities.

State of Connecticut

In 2012 Connecticut entered into Information Processing Systems Agreement Number 10ITZ0119MA with Securus Technologies (Securus) for a term ending in 2022. Since then, the Connecticut Legislature passed SB 972 with bipartisan support, and the governor signed it into law on June 16, 2021. The justice involved population will be provided a minimum of 90 minutes per day of free calls effective 2022.

State of Illinois

Effective 1/1/2017, Illinois passed Public Act 099-0878, which, among others, amended Section 3-4-1 of the Illinois Unified Code of Corrections, codified at 730 ILCS 5/3-4-1. The amendment to the Illinois Unified Code of Corrections, which is applicable to any new or renewed "inmate calling services" contract effective 1/1/2018, prohibits vendors that provide domestic or international telephone services, from charging called parties or the justice involved population any discretionary fees. Vendor expenses are not allowed.

Applicability to the County

If a final determination is made by the Board for no-cost telephone services for the justice involved populations in custody facilities, the Board may follow San Diego's example and direct the relevant departments to develop a policy prohibiting the County from entering into contracts for communication services that charge the justice involved population or their families, and from generating operating revenue from fees charged for communication services.

1d: The Annual Amount of Revenue Generated by the Sheriff from Telephone Fees for the FYs 2017-18, 2018-19, 2019-20, and 2020-21

The amount of revenue generated for telephone services on an annual basis from the Board-approved telephone contract is approximately \$15.0 million. The following provides the actual receipts for FY 2017-18 through FY 2020-21:

- FY 2017-18: \$15,335,124
- FY 2018-19: \$15,060,468
- FY 2019-20: \$15,052,405
- FY 2020-21: \$15,001,846

It should be noted that telephone fees are a subcomponent of the phone business that are collectable by the contractor not the County.

1e: Fiscal Impact of Offering Commissary and Vending Machine Items At Cost to People in Custody in the County Jails, Camps, and Halls

Similar to the result of implementing a no-cost to the justice involved population telephone call model, should the County decide to also relieve its justice involved population (and their families/loved ones) of the financial responsibility for Board-approved revenue generation on commissary and vending machine items, the Sheriff's IWF will no longer receive the approximate \$20.0 million in gross annual revenue the commissary program generates. This proposed action may necessitate a County-led assessment of potential funding options in order to continue the important client-focused programs these funds support. The loss of this revenue and potential consequences to the County resulting from the proposed action are outlined in Section 1a Fiscal Impact of Making Telephone Calls from Los Angeles County Jails and the Probation Department's Camps and Halls at No Cost to Incarcerated Persons and Their Support Network.

During the County workgroup's communication with San Francisco, the San Francisco Sheriff's Office explained that aside from the loss of revenue/funding to their IWF, no

additional costs were realized with the reduction in mark-ups to their commissary menu items. San Francisco also shared that the challenges they foresee ahead are maintaining the continued support of their Mayor and the Board of Supervisors to fund both the existing and potentially new justice involved population programs with the city/county's General Fund resources. Whereas San Francisco experienced an increase in call volume upon moving to a no-cost telephone call model, San Francisco did not indicate whether they experienced a similar increase in the consumption of commissary items by their justice involved population after the commission was eliminated from the prices charged for the items.

Should the County decide to move forward with discontinuing commissary/vending revenue sharing and/or making these items available to its justice-involved community "at cost" the County's workgroup recommends an assessment whether or not this change would result in increased volume of commissary/vending purchases, and if so, identify the impacts this may have on the County's finances, human resources, equipment, and infrastructure. This could potentially lead to a reduction/elimination in commissary and vending features and/or services, which could ultimately have a negative impact on the wellbeing of the justice-involved population.

Recommendation:

The County should consider the following recommendation, if moving towards a model of providing commissary and vending machine items at cost to the justice involved population:

- A. Assess if the elimination of commission on commissary items would result in increased purchasing volume, and identify the impact on funding, human resources, and infrastructure.

Probation does not provide commissary services and does not currently have vending machines in any facilities. Further, snacks and sundry items (e.g., writing materials, personal care items, etc.) at the Probation custody facilities have always been provided to youths at no charge.

1f: The Annual Amount of Revenue that the LA Sheriff's Department has Generated from Commissary and Vending Machine Item Mark-Ups and Profits for Fiscal Years (FYs) 2017-18, 2018-19, 2019-20, and 2020-21

Over the last four FYs (2017-18 through 2020-21), the average amount of gross commissary revenue received and deposited annually to the Sheriff's IWF has been

approximately \$20.0 million. The following provides the actual receipts for FY 2017-18 through 2020-21:

- FY 2017-18: \$20,697,773
- FY 2018-19: \$19,888,587
- FY 2019-20: \$21,200,931
- FY 2020-21: \$29,179,647

Regarding the above dollar amounts, over fifty percent are paid to the commissary and vending services contractors per the terms of the Board-approved contracts. As such, less than half of each the above amounts remain in the IWF and are available for the County's justice involved population. In addition to the gross revenue deposited to the Sheriff's IWF, it should be noted that over the last four fiscal years these revenues have generated approximately \$0.5 million in interest that have also been deposited to the IWF to support the benefits and needs of the County's justice involved population.

1g: Recommendations on How LA County can Provide No-Cost Calls to People in Custody, Including an Analysis of Moving to a Fixed-Rate Contract

Based on the analysis conducted on how the County can provide no-cost calls to the justice involved population, the County workgroup's recommendations on contracting options are as follows:

1. Telephone Services through Fixed Monthly Cost per Device Payment Structure Contract:

Based on the San Francisco model, the County can provide no-cost telephone calls to the justice involved population by requiring the Contractor to provide the services based on a fixed monthly per-device lease cost structure contract paid by the County. The services will include without limitation, furnishing, installation, operation and maintenance of the inmate telephones, visitor telephones, and related equipment. The Contractor would be required, without expense to County beyond a monthly per-device lease cost, to include all labor, materials, equipment, actions and other requirements to enable the justice involved population housed at the custody facilities to complete, without limitation, unlimited free local, long distance and/or international calls. In addition, fixed device pricing will allow the County to modify device counts as needed resulting in cost effectiveness.

Additional rate structure options for consideration are as follows:

- A. Fixed monthly fee per inmate, unlimited calling plans
 - B. Fixed rate monthly fees per minute, rates to be established based on justice involved population
2. Telephone and Video Conferencing Services through Fixed Monthly Cost per Device and per license Payment Structure Contract:

The County can provide no-cost telephone calls and video conferencing (remote video visitation capabilities) to the justice involved population by requiring the Contractor to provide the services based on a fixed monthly per-device lease cost paid by the County (tablets/iPads and phone services). The services would include without limitation, furnishing, installation, operation and maintenance of the telephones, visitor telephones, video visitation devices (tablets and/or iPads) and related equipment. The Contractor would, without expense to County beyond a monthly per-device lease cost, include all labor, materials, equipment, data circuits, wiring, network connection services, labor, hardware and software, and other requirements to enable the justice involved population at the custody facilities to complete, without limitation, unlimited free local, long distance and/or international calls and video visitation. In addition, fixed device lease pricing will allow the County to modify device counts as needed resulting in cost effectiveness. It is important to note that the recommendations for a no-cost telephone service are not currently funded within the Sheriff's budget.

Both options would include the development of a tablet infrastructure. If these were pursued, the County would need to determine the additional services (games, movies, music, etc.) chosen to implement along with the cost model for providing these services to the justice involved population.

1h: Recommendations on How LA County can Offer Commissary and Vending Machine Items at Cost to People in Custody

Two respondents to the RFI indicated that they could provide commissary and vending machine items to people in custody, which were Keefe Group and Securus Technologies, LLC. The recommendations are as follows:

1. Keefe Group can provide the hardware, banking interface, software and labor for delivery and vending replenishment at no cost to the County for a period agreed upon by the County and Keefe Group. Keefe has a wide selection of items to

include in the commissary and vending operation that can be offered on the County's current menu or a separate menu of items. Under this option, the cost of commissary and vending machine items would be tied directly to the commission paid to the County. Reducing or eliminating the commission enables lower pricing to those in custody. As noted above, reducing or eliminating the commission impacts the Sheriff's ability to provide beneficial services to the justice involved population.

2. Securus Technologies, LLC, subcontracts with commissary and vending machine vendors and assists in streamlining the ordering process, reducing the staff time involved in processing the orders, with direct interfaces to commissary vendors. Under this option, ordering applications can be placed on Securus devices at no additional cost to the County. This includes ordering via telephone or via visible menu on tablets or multi-function devices. This option does not include costs associated with the commissary and vending machine items as this option is for the application of ordering only.

Notwithstanding the representations made by the respondents to the RFI, there is no certainty that the elimination of the shared revenues deposited to the IWF will result in a proportional reduction in the price charged to the justice involved population. Future prices charged will be subject to a competitive RFP for both the commissary/vending items and the associated services needed to comprehensively support the County's operations.

1i: An Itemized Statement of the Sheriff Department's expenditures of IWF Expenditure Revenues on "Maintenance of County Jail Facilities" (as Defined in California Penal Code 4025), Including a Description of Each Expenditure and the Amount Allocated

Facility-related expenses currently supported by the IWF, which include staffing, supplies, and equipment, indirectly provide support for the programming and educational needs of the County's justice involved population as well as assist in preserving the health, safety, and security of this population. Over the years, facility-related activities and expenses have included the installation of, or upgrades, to:

- Classrooms,
- Mezzanine guards to help reduce and/or prevent falls,
- Complaint boxes (The Sheriff's Facilities Service Bureau has built complaint boxes through the years and continues to do so when an area is discovered to be in need of one, or is destroyed)

- Outdoor recreation
- Repair of air conditioning systems, restrooms, and shower facilities

A summary report with further descriptions of the program and facility/maintenance needs supported by the IWF, including the proposed costs for FY 2021-22, is depicted on Exhibit A, IWF Spending Plan.

Additionally, the CEO and the Auditor-Controller (A-C) will be performing a financial and compliance audit of the Inmate Welfare Fund covering FYs 2017-18, 2018-19, 2019-20, and 2020-21, and report back to the Board on this item, pursuant to directive two in the Board Motion.

Conclusion

Providing no-cost telephone calls to the County's justice involved population and their families/loved ones will result in the shift of these costs from the IWF to the County and will potentially result in the reduction and/or elimination of programs and services, and maintenance of the custody facilities.

Providing "at cost" commissary and vending machine services will result in the partial or full elimination of commissary and vending machine services to the County's justice involved population. Dependent upon the availability of alternative funding streams, there may also be insufficient funding to support the overhead costs related to managing the contracts, personnel, and other associated costs.

Due to the complexity of the technical and security requirements within the multiple County locations that are included in the Statement of Work (SOW), additional time is needed to further analyze the County's network and infrastructure requirements. Additional time is also needed to properly address each of the items included in the Board motion's directive number three, specifically, to develop a draft SOW and other relevant RFP language that will help ensure that the County contracts for phone or tablet services that come at no cost to people who are incarcerated and their families to enhance rehabilitative outcomes. ISD will continue to hold workgroup meetings with the responsible departments to ensure a proper response to the Board motion directive number three by October 18, 2021.

If you have any questions, please contact me at (323) 267-2101, via email at SHollins@isd.lacounty.gov, or your staff may contact Christie Carr, of my staff at (323) 267-3101, via email at CCarr@isd.lacounty.gov.

The Honorable Board of Supervisors
August 18, 2021
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Attachment

c: Board Justice Deputies
Board of Supervisors, Executive Office
Chief Executive Officer
Auditor-Controller
County Counsel
Sheriff Department
Probation Department
Office of the Inspector General

**EXHIBIT A - Inmate Welfare Fund Spending Plan
FY 2021-22**

Line	Line Item Program Plan	Adopted Budget (Recommended)
1	Services & Supplies	
2	PROGRAM SERVICES:	
3	Transfer of funds to General Fund for fees, computer baseline, and other misc. expenses	\$ 10,000.00
4	Various business operations expenses to maintain daily operations for justice-involved population (program supplies, office supplies/equipment/other related expenses for education, etc.)	\$ 300,000.00
5	Newspaper _ justice-involved population newspapers	\$ 350,000.00
6	Cable TV / internet - justice-involved population TV programs	\$ 160,000.00
7	Metropolitan Transit Authority (MTA) - METRO tap cards for released justice-involved population to travel home	\$ 35,000.00
8	Portable toilets	\$ 1,000.00
9	Hygiene admission kits (service cost for hygiene kits)	\$ 500,000.00
10	Movie videos for justice-involved population	\$ 10,000.00
11	Clippers for justice-involved population hair cuts	\$ 7,000.00
12	Health Right 360 Gender-Responsive Rehabilitation Program for female offenders contract	\$ 300,000.00
13	Five Keys Charter Schools - education & life skills courses for justice-involved population contract	\$ 2,400,000.00
14	Phone service charges for pro-per individuals (justice-involved population to represent themselves in court)	\$ 40,000.00
15	As-needed travel and training expenses related to identifying improvements in justice-involved population programming.	\$ 11,000.00
16	Audit of the Inmate Welfare Fund	\$ 50,000.00
17	Justice-involved population Birth Certificate Program	\$ 51,000.00
18	Annual maintenance agreement for the tattoo removal machines used for justice-involved population tattoo removal program	\$ 1,000.00
19	Justice-involved population data network, iPad deployment & anticipated contingencies	\$ 655,000.00
20	Moral Reconciliation Therapy Program to provide courses to the justice-involved population to reduce antisocial thinking and behavior	\$ 8,000.00
21	Men's Central Jail (MCJ) TV's	\$ 3,000.00
22	Replace current CISCO Unified Contact Center project to improve justice-involved population visiting booking system at each jail facility	\$ 91,000.00
23	Gender Response Rehabilitation Program	\$ 800,000.00
24	Service contract with Just Detention International, Inc. for Prison Rape Elimination Act education	\$ 92,000.00
25	Overtime for tattoo removal machine for Nurses and Custody Assistants	\$ 155,000.00
26	First Class Vending contract	\$ 2,000,000.00
27	Keefe Commissary contract	\$ 12,000,000.00
28		
29	SUB-TOTAL Services & Supplies - Program	\$ 20,030,000.00
30	FACILITIES SERVICES:	
31	Installation and implementation of Jail Information Management System (SYSCON - contract)	\$ 23,000.00
32	Union Hall staff employee benefit costs	\$ 2,300,000.00
33	Internal Service Department fees for processing purchase orders	\$ 30,000.00
34	As-needed repairs and maintenance	\$ 5,500,000.00
35	Pitchess Detention Center (PDC) North glass replacement in dorms	\$ 1,000,000.00
36	Twin Towers Correctional Facility (TTCF) - heating ventilation and air conditioning (HVAC) control system	\$ 700,000.00
37	SUB-TOTAL Services & Supplies - Facilities Service	\$ 9,553,000.00
38	TOTAL Services & Supplies -IF	\$ 29,583,000.00
39	Capital Assets	
40	FACILITIES SERVICES:	
41	TTCF water system upgrade to plumbing	\$ 400,000.00
42	PDC intercom access control upgrade	\$ 296,000.00
43	MCJ toilet and pipe renovation	\$ 295,000.00
44	TOTAL Capital Assets	\$ 991,000.00
45	Other Financing Uses	
46	PROGRAM SERVICES:	
47	Education-Based Incarceration salary and employee benefits (S&EB) for 25 Employees	\$ 2,500,000.00
48	Inmate Services Unit S&EB for 25 Employees	\$ 3,200,000.00
49	Population Management / Community Transition Unit S&EB for 28 Employees	\$ 3,455,000.00
50	Jail Enterprise Unit S&EB for 2 employees	\$ 225,000.00
51	Special Funds Accounting Unit S&EB for 6 employees	\$ 300,000.00
52	Data Systems Bureau S&EB for 1 employee	\$ 200,000.00
53	SUB-TOTAL Other Financing Uses - Program	\$ 9,880,000.00
54	FACILITIES SERVICES:	
55	S&EB for Facilities Services Personnel	\$ 4,053,000.00
56	TOTAL Other Financing Uses - IF	\$ 13,933,000.00
57	Appropriation for Contingencies	
58	Appropriation for Contingencies	\$ 324,000.00
59	TOTAL Appropriation for Contingencies	\$ 324,000.00
61	TOTAL FINANCING USES	\$ 44,831,000.00



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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CHIEF DEPUTY AUDITOR-CONTROLLER

**PETER HUGHES
KAREN LOQUET
CONNIE YEE**

September 16, 2021

TO: Supervisor Hilda L. Solis, Chair
Supervisor Holly J. Mitchell
Supervisor Sheila Kuehl
Supervisor Kathryn Barger
Supervisor Janice Hahn

FROM: Arlene Barrera *Arlene Barrera*
Auditor-Controller

SUBJECT: **EXTENSION REQUEST FOR SHERIFF'S DEPARTMENT INMATE WELFARE
FUND FINANCIAL AND COMPLIANCE REVIEW (May 18, 2021, Board Agenda
Item 13)**

On May 18, 2021, your Board instructed the Auditor-Controller (A-C), in conjunction with the Chief Executive Office, to perform a financial and compliance audit of the Inmate Welfare Fund (IWF), covering Fiscal Years 2017-18 through 2020-21 containing: a) an evaluation of the Sheriff's Department's (Sheriff or Department) usage of IWF revenues and whether expenditures complied with California Penal Code 4025, and b) an evaluation of the Sheriff's efficiency and effectiveness in reaching the IWF purpose, goals, and objectives.

To address part (a) of your directive, we requested that a private auditing firm, BCA Watson Rice LLP (BCA), conduct their routine financial and compliance audit of the IWF and issue their compliance report separately. BCA's audit is in progress, and they anticipate issuing their compliance audit report to the A-C by November 30, 2021. We will issue the results to your Board under a separate cover by December 14, 2021.

To address part (b) of your directive, we conducted follow-up reviews of two recent audit reports since the recommendations in these reports addressed the efficiency and effectiveness in reaching the IWF purpose, goals, and objectives. While we have completed this review and have drafted our written report to the Board, additional time is needed to clear the report with the appropriate parties prior to issuance. We anticipate issuing our report no later than October 6, 2021.

If you have any questions please call me, or your staff may contact Mike Pirolo at mpirolo@auditor.lacounty.gov.

AB:OV:PH:MP:JU:jd

c: Fesia A. Davenport, Chief Executive Officer
Celia Zavala, Executive Officer, Board of Supervisors
Alex Villanueva, Sheriff
Dardy Chen, Principal Analyst, Chief Executive Office
Audit Committee
Countywide Communications