



Office of the Inspector General
U.S. Department of Justice



**Audit of the Federal Bureau of Prisons
Residential Reentry Center
Contract No. DJB200113
Awarded to Mirror, Inc.
Wichita, Kansas**

**AUDIT OF THE FEDERAL BUREAU OF PRISONS
RESIDENTIAL REENTRY CENTER CONTRACT NO. DJB200113
AWARDED TO MIRROR, INC.
WICHITA, KANSAS**

EXECUTIVE SUMMARY

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of the Federal Bureau of Prisons (BOP) Contract No. DJB200113, awarded to Mirror, Inc., to operate and manage a Residential Reentry Center (RRC) located in Wichita, Kansas (Wichita RRC). RRCs provide inmates with a structured, supervised environment, along with support in job placement, counseling, and other self-improvement services to facilitate successful reentry into the community after incarceration. The Wichita RRC contract has an estimated value of over \$10.5 million for 2 base years and three 1-year option periods. Actual contract costs through February 29, 2016, were \$6,361,821.

The objective of this audit was to determine whether the Wichita RRC was operating in accordance with BOP's Statement of Work (SOW) for RRC operations. To accomplish this objective, we assessed the contractor's performance in the following areas: general RRC operating procedures, programs and services, resident accountability, staffing, billing accuracy, and subsistence collection.

We examined the Wichita RRC's operating policies and procedures, monthly invoices, and a sample of staff and resident files, and found that the Wichita RRC did not consistently comply with BOP SOW requirements related to inmate progress reviews, release plans, and terminal reports; subsistence payments; employment verifications; staff clearance; and record keeping. Most significantly, we found the Wichita RRC did not always collect required inmate subsistence payments, report collected subsistence on invoices submitted to BOP, or administer inmate discipline for non-payment; resulting in questioned costs totaling \$9,636.

Our report contains eight recommendations to BOP which are detailed in the Findings and Recommendations section of this report. Our audit objective, scope, and methodology are discussed in Appendix 1 and our Schedule of Dollar-Related Findings appears in Appendix 2. We discussed the results of our audit with RRC officials and have included their comments in the report, as applicable. In addition, we requested written responses to our draft audit report from the RRC and BOP, which are appended to this report in Appendices 3 and 4, respectively. Our analysis of both responses, as well as a summary of actions necessary to close the recommendations can be found in Appendix 5 of this report.

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TABLE OF CONTENTS

INTRODUCTION	1
Background.....	1
OIG Audit Approach	2
FINDINGS AND RECOMMENDATIONS.....	3
Inmate Programming and Accountability.....	3
Inmate Individualized Program Plans	3
Inmate Release	3
Inmate Employment	4
Inmate Drug Testing.....	5
Inmate Security and Accountability.....	5
Escapes.....	5
Inmate Arrival and Intake	5
Employee Training and Background Checks.....	6
Billings and Invoices	6
Inmate Subsistence	7
Inmate Programming	8
Contract Solicitation and Award of Contract	9
Monitoring	9
Conclusion	10
Recommendations	10
APPENDIX 1: OBJECTIVE, SCOPE, AND METHODOLOGY.....	12
APPENDIX 2: SCHEDULE OF DOLLAR-RELATED FINDINGS.....	13
APPENDIX 3: MIRROR, INC.'S RESPONSE TO THE DRAFT REPORT.....	14
APPENDIX 4: FEDERAL BUREAU OF PRISONS' RESPONSE TO THE DRAFT REPORT.....	18
APPENDIX 5: OFFICE OF THE INSPECTOR GENERAL ANALYSIS AND SUMMARY OF ACTIONS NECESSARY TO CLOSE THE REPORT	22

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INTRODUCTION

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG), Audit Division, has completed an audit of the Federal Bureau of Prisons (BOP) Contract No. DJB200113, awarded to Mirror, Inc. The purpose of the contract is to operate and manage the Residential Reentry Center (RRC) located in Wichita, Kansas (Wichita RRC). A requirements contract was awarded for the Wichita RRC on June 11, 2012, which had an estimated award amount of over \$10.5 million for 2 base years and three 1-year option periods. Actual contract costs through February 29, 2016, were \$6,361,821, as shown in Table 1.

**Table 1
Contract Period and Costs**

CONTRACT PERIOD	FROM	TO	ESTIMATED MAN-DAYS	PER DIEM RATE	ESTIMATED COST	ACTUAL COST (through 02/29/15)
Base Period	09/01/12	08/31/14	43,800	\$92.00	\$4,029,600	\$3,404,625
Option Year 1	09/01/14	08/31/15	21,900	\$96.00	\$2,102,400	\$1,876,731
Option Year 2	09/01/15	08/31/16	21,960	\$99.00	\$2,174,040	\$1,080,465
Option Year 3	09/01/16	08/31/17	21,900	\$103.00	\$2,255,700	
Total:					\$10,561,740	\$6,361,821

Source: The contract and monthly invoices

Background

BOP utilizes RRCs to transition inmates into communities prior to their release from incarceration. Inmates participating in release programming at RRCs remain in federal custody while serving the remainder of their sentences. At the same time, the inmates are allowed to work, visit with family members, and engage in a limited range of activities. According to BOP, RRCs provide a structured, supervised environment, along with support in job placement, counseling, and other services to facilitate successful reentry into the community after incarceration. Generally, the RRCs operate under BOP's Statement of Work (SOW) for RRC operations.

The Wichita RRC provides services at two locations under the same contract. The Toben Street location is a 53-bed facility for male inmates, while the Pattie Street location is a 7-bed facility for female inmates. BOP pays the contractor a per diem rate, shown in Table 1 above, which is the price per inmate, per day based on the actual inmate count at both Wichita RRC facilities.

OIG Audit Approach

The objective of our audit was to determine whether the Wichita RRC was operating in accordance with BOP's SOW for RRC operations. We tested compliance with what we consider to be the most important conditions of the contract. Unless otherwise stated in this report, the criteria we audit against are contained in the SOW and the contract.

The results of our audit were based on interviews with essential personnel and documentation provided to us by both BOP and the Wichita RRC. Our audit included reviewing inmate files at the Wichita RRC, as well as the testing of accounting and billing records from the effective date of the contract, September 1, 2012, through February 29, 2016. Appendix 1 contains additional information on this audit's objective, scope, and methodology.

FINDINGS AND RECOMMENDATIONS

As discussed in this report, we found that the Wichita RRC did not consistently comply with BOP SOW requirements related to inmate progress reviews, release plans, and terminal reports; subsistence payments, employment verifications, staff clearance, and record keeping. Most significantly, we found the Wichita RRC did not always collect required inmate subsistence payments, report collected subsistence on invoices submitted to BOP, or administer inmate discipline for non-payment; resulting in questioned costs totaling \$9,636. Based on our audit results, we make eight recommendations to improve the management and oversight of the contract.

Inmate Programming and Accountability

To assess the Wichita RRC's compliance with the BOP SOW for RRC operations related to inmate programs and services, accountability, and subsistence collection, we selected a sample of 25 inmates that were placed in the Wichita RRC under BOP Contract No. DJB200113.

Inmate Individualized Program Plans

During an inmate's first 2 weeks at the RRC, the RRC must complete an Individualized Program Plan (IPP) that addresses all of the inmate's needs and includes a timetable for achievement of these goals. Additionally, these IPPs must be regularly updated, clearly indicating the inmate's progress in meeting their program goals. During an inmate's first 6 weeks at an RRC, staff must conduct weekly program planning meetings with each inmate focusing on reentry issues and discussing the inmate's progress. Subsequent to the inmate's first six weeks at the RRC these meetings are conducted bi-weekly until the inmate is released. We found that the Wichita RRC prepared IPPs for all 25 inmates in our sample. The IPPs generally contained measurable and achievable goals for the inmate's time at the RRC, and the RRC staff tracked the inmate's progress in achieving those goals. However, we found that the RRC staff was not consistently conducting timely program planning meetings and documenting the inmate's progress in the IPPs for 12 of the 25 inmates. Specifically, we identified 18 required weekly meetings during the inmate's first 6 weeks that were conducted between 4 and 13 days late and 5 required bi-weekly meetings after the first 6 weeks that were conducted between 5 and 14 days late. Therefore, we recommend that BOP ensures that the Wichita RRC conducts timely program planning meetings and updates inmate IPPs accordingly.

Inmate Release

RRCs are required to submit a proposed release plan to the U.S. Probation Officer for investigation and approval at least 6 weeks prior to the inmate's release

date.¹ Each release plan must include the inmate's verified residence, employment information, medication needs, and any follow-up appointments for medical, mental health, or substance abuse treatment. We found that the Wichita RRC did not have documented release plans for 2 of the 25 inmates in our sample. For the remaining 23 inmates there was no indication that the release plan for 1 inmate was ever sent to the U.S. Probation Officer and the release plans for 13 inmates were submitted between 1 to 5 weeks late. In one instance, the Wichita RRC did not provide the release plan to the U.S. Probation Officer until 4 days before the inmate was released. Therefore, we recommend that BOP ensures that the Wichita RRC prepares required release plans for all inmates and submits them to the U.S. Probation Officer in a timely manner.

The RRC must also complete a terminal report within 5 working days of an inmate's release. In addition to the inmate's basic information, terminal reports document the inmate's program participation, employment information, and disciplinary actions received during their time at the RRC. We found that the Wichita RRC did not have documented terminal reports for 3 of the 25 inmates in our sample. For the remaining 22 inmates, the terminal reports for 4 inmates were submitted to BOP between 4 and 10 working days late. Therefore, we recommend that BOP ensures that the Wichita RRC prepares terminal reports for all inmates and submits them to BOP in a timely manner.

Inmate Employment

Capable inmates are expected to be employed within 21 calendar days after their completion of the RRC's orientation program. The RRC must grant written approval for each job an inmate acquires. The RRC must also verify employment by conducting an on-site visit during the first 7 calendar days of employment. Thereafter, at least monthly, the RRC is required to contact the inmate's employment supervisor by phone or site visit to substantiate attendance and discuss any problems which may have arisen.

We found that 23 of the 25 inmates in our sample were employed while at the RRC. On average, these inmates found a job within 16 days after they completed the RRC's orientation program. The Wichita RRC properly provided written approvals of inmate employment for all 23 employed inmates. However, the required initial employment verifications were not conducted in a timely manner for four inmates. For one inmate, the RRC took 22 days to conduct an on-site verification of an inmate's employment and for the remaining three inmates the RRC took between 8 and 10 days to conduct on-site verification. We also found that for eight inmates the Wichita RRC did not conduct between one and four of the required monthly employment verifications. Therefore, we recommend that BOP

¹ Release plans are not required for inmates granted Full Term Release with no supervision subsequent to release from the RRC.

ensures that the Wichita RRC conducts all initial and monthly employment verifications in a timely manner.

Inmate Drug Testing

Inmates known to have a history of drug abuse, or who are suspected of illegal drug use, must be tested for illegal substances no less than four times per month. We found that all 25 inmates in our sample were randomly tested for illegal substances at least 4 times per month while at the RRC.

Inmate Security and Accountability

RRCs must be able to locate and verify the whereabouts of inmates at all times. To ensure that the RRCs adequately track inmate movement, the SOW requires that documentation of an inmate's movement in and out of RRCs must include, at a minimum: staff initials, the inmate's full name and register number, type of inmate, time out, destination, purpose, authorized return time, time in, and a section for special comments. We examined the sign-out logs for all 25 inmates in our sample and discovered no instances of sign-out logs being incomplete. Additionally, we found that according to the Facility Director, the Wichita RRC utilizes GPS tracking on all of its inmates as an added security measure, even though GPS tracking is not required by the SOW.

Escapes

If an inmate fails to return to the facility at their required time, the RRC must attempt to locate the inmate. Once all efforts to locate the inmate fail, the inmate is considered an escapee. The RRC is then required to contact the BOP Regional Reentry Manager to place the inmate on escape status. Once an inmate is placed on escape status, the RRC must prepare an incident report and conduct a disciplinary hearing. We reviewed the documentation related to an escape from the Wichita RRC that occurred in October 2014. We found that the Wichita RRC did not fully comply with SOW requirements for reporting the escape, or conducting disciplinary actions after the escape occurred. Specifically, the RRC could not provide evidence that or when the BOP Regional Reentry Manager was first notified of the escape. Additionally, there was no indication that an incident report was prepared following the escape and disciplinary documentation was incomplete. Therefore, we recommend BOP ensures that the Wichita RRC complies with SOW requirements for documenting and reporting escapes, as well as conducting appropriate disciplinary actions following an escape.

Inmate Arrival and Intake

Upon their arrival, RRC staff must conduct a private interview with each inmate to evaluate their general appearance, emotional, physical, and mental health conditions, and prescribed medication needs. Inmates are required to sign and date an orientation checklist. Inmates are also required to sign: (1) an initial intake information form, (2) an acknowledgment of receipt of the RRC's disciplinary

policies, and (3) a release of information consent form. Additionally, an acknowledgement of RRC rules and a subsistence agreement form must be completed and kept in the inmate's file. We found no indication that arrival and intake interviews were not conducted or that required documentation was missing.

Employee Training and Background Checks

The SOW requires all RRC staff to obtain clearance from the BOP Residential Reentry Manager before working with inmates. We reviewed a sample of 12 employee files, including the files for the RRC Facility Director and Social Services Coordinator. We found no indication in the files for three RRC employees that proper clearance had been granted by the BOP Residential Reentry Manager. We also found that one employee was allowed to work at the RRC without first obtaining a clearance. Further, even though the employee's clearance was denied; her file indicated that she remained employed for almost two months after being notified of the denial. Therefore, we recommend that BOP ensures that the Wichita RRC obtains proper clearance for all employees and maintains documentation supporting that employees have received clearance prior to working with inmates.

BOP requires all RRC staff to attend new employee training, as well as annual refresher training, to inform employees of the rules and regulations related to operating an RRC. Of the 12 employee files we examined, we found there was no documentation for 8 employees to support they had completed 20 hours of annual refresher training. In most of these instances the employee files had a checklist of training classes, but the checklist often did not show the employee's name or any evidence that the employee had completed the training. Therefore, we recommend that BOP ensures that the Wichita RRC documents and ensures that all staff have completed required training.

Billings and Invoices

BOP pays the contractor a per diem rate, which is the price per inmate, per day based on the actual inmate count at the Wichita RRC. We compared the inmate counts from the RRC billings with those in BOP's SENTRY database for a sample of five months selected from all invoices submitted to BOP between September 1, 2012, and January 31, 2016, and found no discrepancies related to the billings.²

Medical expenses for inmates are paid by the RRC. The RRC requests reimbursement from BOP during the next monthly billing. Supporting documentation is required to accompany the reimbursement request. For our sample of five monthly invoices, we examined all medical reimbursement requests and found they were properly documented.

² Developed in 1978, SENTRY is used to collect, maintain, and report all inmate information that is critical to the safe and orderly operation of the BOP facilities.

Inmate Subsistence

To promote financial responsibility, BOP requires employed inmates to make subsistence payments to the RRC each payday to help defray the cost of their confinement. Most inmates are required to pay 25 percent of their gross income, although waivers may be granted. RRCs are responsible for collecting the full subsistence payments and must reduce the monthly billings to BOP by the amount of subsistence payments collected.

For our sample of five monthly invoices, we found that the Wichita RRC did not consistently comply with SOW requirements for subsistence collection. Specifically, we found:

- 4 of the 5 invoices were missing various forms of supporting documentation such as pay stubs, money orders, subsistence receipts, or waiver documentation;
- all 5 invoices had instances where inmates did not pay the correct subsistence amount or the RRC did not accurately report the amount of subsistence collected; and
- 3 of the 5 invoices did not include supporting documentation to show that the RRC had properly collected pro-rated subsistence for offenders released during the month.

Based on our review, we identified \$1,254 in questioned costs related to uncollected inmate subsistence payments, and \$202 in questioned costs related to unreported subsistence payments.

In addition to the monthly invoices, we separately examined all subsistence records for the 24 inmates in our sample that were employed while at the RRC. We found that the RRC did not consistently collect, accurately calculate, or document subsistence payments for 14 inmates in our sample. As a result, we identified \$8,180 in questioned costs, including \$7,279 in uncollected subsistence payments and \$901 in unreported subsistence payments, as shown in Table 2.

Table 2
Individual Inmate Subsistence Findings

FINDING	NUMBER OF OCCURRENCES	ESTIMATED AMOUNT NOT COLLECTED/REPORTED
Subsistence unpaid/uncollected	48	\$6,659
Underpaid subsistence	3	\$269
Subsistence underpaid due to lack of supporting waiver documentation	3	\$351
Subsistence collected, but unreported	6	\$901
Totals:	60	\$8,180

Source: Wichita RRC invoices to BOP and individual inmate case files.

It is important to note that the Wichita RRC has housed over 400 inmates over the contract period through February of 2016; as a result, the impact of deficient subsistence collection and reporting is likely much greater. We also found that the Wichita RRC did not consistently administer disciplinary actions for inmates who underpaid or failed to pay required subsistence.

Therefore, we recommend BOP ensure that the Wichita RRC remedies the \$9,636 in total questioned costs related uncollected or unreported subsistence payments. Additionally, we recommend that BOP ensures that the Wichita RRC improves its processes for collecting and reporting required inmate subsistence by developing and implementing policies and procedures to:

- closely track inmate pay days and gross wages earned to ensure that inmate subsistence payments are collected in a timely manner;
- ensure that inmates are making required subsistence payments in a timely manner and that inmate disciplinary action is properly administered for each instance of non-payment or under payment;
- ensure that all required documentation related to subsistence payments is maintained including copies of pay stubs, money orders, subsistence receipts, and subsistence waiver approvals; and
- ensure that required documentation supporting subsistence receipts is submitted with monthly billings to BOP.

Inmate Programming

The SOW requires RRCs to foster collaborative relationships with a network of community resources, social service, and support providers that can assist inmates, based on their individual needs, in transitioning back into society. RRCs may also approve an inmate's participation in other program activities as long as they serve the public interest. All inmates transferring to a RRC are required to participate in either the Transition Skills program or the Transitional Drug Abuse Treatment (TDAT). The Transition Skills program is a 9-week interactive program designed to address common issues inmates encounter during their transition back into the community. The RRC is responsible for facilitating Transition Skills group sessions and ensuring offenders complete the program requirements.

The TDAT program provides drug abuse, mental health, and sex offender treatment to eligible inmates as determined by the regional TDAT coordinator. The program is operated by TDAT contract treatment providers who provide clinical oversight of the inmate's treatment and communicate at least monthly with the RRC staff to ensure continuous inmate accountability and public safety are maintained.

According to Wichita RRC staff, in addition to the Transition Skills and TDAT programs, the Wichita RRC also provides Moral Recognition Therapy (MRT) to all

inmates except sex offenders.³ MRT is cognitive behavioral group therapy utilizing curriculum that assists inmates in identifying and modifying their criminal thinking patterns and core beliefs to make better choices. The Wichita RRC provides three MRT groups at the Toben Street location and two MRT groups at the Pattie Street location.

Wichita RRC staff also stated that the RRC conducts weekly in-house Alcoholics Anonymous and Narcotics Anonymous 12-step programming for inmates subject to drug and alcohol aftercare. The RRC also employs a clinician who leads two substance abuse education groups available to all aftercare inmates.

Finally, Wichita RRC staff stated that the RRC has an employment placement specialist who assists inmates in obtaining jobs, and 3 of the 4 case managers on staff are certified Offender Workforce Development Specialists who are skilled at assisting inmates in career development and building their employability.

We found that the Wichita RRC complied with the SOW requirements for inmate programming and provided inmates with additional rehabilitative resources that were not required.

Contract Solicitation and Award of Contract

On June 11, 2012, BOP awarded a contract to Mirror, Inc., to provide community-based residential correctional services by operating the Wichita RRC. These services include employment, residence development, and other self-improvement opportunities to assist federal inmates during the transition from prison to the community.

The solicitation process used to acquire inmate residential reentry services for Wichita, Kansas, and the subsequent awarding of the contract to the Wichita RRC was in accordance with the Federal Acquisition Regulation (FAR).

Monitoring

BOP is required to conduct regular monitoring of all RRC contractors to ensure compliance with applicable laws, regulations, policies, contract requirements, and to ensure that fraud, waste, abuse, mismanagement, and illegal acts are prevented, detected, and reported. These monitoring visits include pre-occupancy inspections, unannounced interim monitoring inspections, and full monitoring inspections.

³ Sex offenders are excluded from MRT groups because it requires them to disclose their offense history, which causes safety concerns for those residents.

We reviewed 12 monitoring reports which occurred during the contract period. We found three repeat deficiencies identified in the monitoring reports, however, the Wichita RRC took steps to address all deficiencies identified by BOP.

Conclusion

The objective of this audit was to determine whether the Wichita RRC was operating in accordance with BOP's SOW for RRC operations. We examined the RRC's operating procedures, invoices, and a sample of staff and inmate files. We found that the Wichita RRC did not always: 1) conduct timely program planning meetings or update the inmate IPPS; 2) prepare or submit release plans to the U.S. Probation Officer timely; 3) prepare or submit terminal reports to BOP timely; 4) conduct timely initial and monthly employment verifications; 5) document and report escapes, or conduct appropriate disciplinary actions; 6) properly document employee clearances and required training; and 7) collect or report inmate subsistence, resulting in \$9,636 in questioned costs. As a result of our audit, we made eight recommendations to remedy questioned costs and improve the Wichita RRC's management and compliance with SOW requirements.

Recommendations

We recommend that BOP ensure that the Wichita RRC:

1. Conducts timely program planning meetings and documents the meetings in the inmate IPPS accordingly.
2. Prepares required inmate release plans and submits them in a timely manner to the U.S. Probation Officer.
3. Prepares terminal reports for all inmates and submits them in a timely manner to BOP.
4. Conducts initial and monthly employment verifications in a timely manner.
5. Documents and reports escapes, and conducts appropriate disciplinary actions following an escape.
6. Maintains adequate documentation clearly showing that all employees have received proper clearance prior to working with inmates, and have completed requisite refresher training.
7. Remedies the \$9,636 in uncollected and unreported subsistence payments.
8. Properly collects and reports subsistence payments by:
 - a. closely tracking inmate pay days and gross wages earned;

- b. enforcing subsistence payment by properly administering discipline for each instance of non-payment or under payment;
- c. maintaining all documentation of subsistence collection, including scans of pay stubs, money orders, subsistence receipts, and subsistence waiver approvals; and
- d. submitting all documentation supporting subsistence receipts with monthly billings to BOP.

OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of our audit was to determine whether the Wichita RRC was operating effectively and in accordance with BOP's SOW for RRC operations. To accomplish this objective, we assessed the contractor's performance in the following areas: general RRC operating procedures, programs and services, resident accountability, staffing, billing accuracy, and subsistence collection.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

BOP Contract No. DJB200113 was awarded to Mirror, Inc., to operate and manage the Wichita RRC. The Wichita RRC contract has an estimated value of over \$10.5 million for two base years and three 1-year option periods. Actual contract costs through February 29, 2016, were \$6,361,821. Our audit concentrated on the inception of the contract on June 11, 2012, through February 29, 2016.

To accomplish our objective, we tested compliance with what we consider to be the most important conditions of the Wichita RRC's activities related to the contract audited. We performed sample-based testing of inmate programming and accountability, as well as RRC staff requirements. In this effort, we employed a judgmental sampling designed to obtain broad exposure to the numerous requirements of the contract we audited. This non-statistical sample design does not allow projection of the test results to the universe from which the sample was selected. In addition, we reviewed all invoices submitted to BOP from September 1, 2012, through February 29, 2016, as well as all BOP monitoring reports of the Wichita RRC from September 1, 2012, through January 8, 2016. The criteria we audited against are contained in the BOP SOW for RRC operations and the contract.

During our audit, we obtained information from BOP SENTRY, and the Wichita RRC's financial management system specific to the contract billings during the audit period. We did not test the reliability of those systems as a whole, therefore any findings identified involving information from those systems was verified with documentation from other sources.

APPENDIX 2

SCHEDULE OF DOLLAR-RELATED FINDINGS

QUESTIONED COSTS:⁴	AMOUNT	PAGE
Subsistence Not Collected	\$8,533	7
Subsistence Not Reported	\$1,103	7
TOTAL QUESTIONED COSTS:	\$9,636	

⁴ *Questioned Costs* are expenditures that do not comply with legal, regulatory or contractual requirements, or are not supported by adequate documentation at the time of the audit, or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, or the provision of supporting documentation.

MIRROR, INC.'S RESPONSE TO THE DRAFT REPORT



M I R R O R

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316.283.6830

www.MirrorInc.org

August 30, 2016

David M. Sheeren
Regional Audit Manager
Denver Regional Audit Office
Office of the Inspector General
U.S. Department of Justice
1120 Lincoln Street, Suite 1500
Denver, CO 80203

Dear Mr. Sheeren:

The Wichita RRCs, contracted for RRC services with the U.S. Department of Justice/Federal Bureau of Prisons to provide RRC services in the Wichita, Kansas area (DJB200113), with an onsite audit by the Office of the Inspector General (OIG) during the week of March 21-25, 2016. The draft audit report was received by our office on 8/9/16 and has been shared with the corporate office and case management staff for review and for potential adjustments in policy, procedure and protocols.

Commentary below is in response to the draft document and the findings of the auditors and are offered for your information and comments in reference to this audit. This writer would like to personally thank the auditors for their professionalism and insight during the onsite portion of the audit and the pre and post audit discussions.

FINDINGS AND RECOMMENDATIONS

INMATE PROGRAMMING AND ACCOUNTABILITY

Inmate Individualized Program Plans

The auditors found that “several” program plans were not timely; “during the required weekly IPP meetings during the first six weeks of a client’s placement.” Without being able to look at specific cases, it is impossible to address particular issues, but, in meeting with the case managers it appeared to be a consensus that while the case managers did not necessarily attempt to schedule IPPs exactly seven days apart they were all aware of the weekly requirement and did in fact work diligently to meet the clients on a weekly basis during the first six weeks of a client’s placement at the RRC and meet on a weekly basis for a longer period of time at the direction of the Program Review Team if circumstances warranted it- (as would be discussed in

weekly PRT meetings). The concern regarding IPPs that took longer than 7 days, (noted between 7 and 13 days or 7 and 14 days) are without excuse and should not be tolerated. This issue was discussed at length with the case management staff and with the Social Service Coordinator and Director and corrective action has been implemented and will be monitored on a monthly basis by the Program Director with a report of any deviations from policy and the circumstances surrounding any deviation reported to the Vice President of Correctional Services. Any ongoing issue will be dealt with as necessary.

The RRC has in place an electronic records system that alerts the assigned Case Manager, the Social Service Coordinator, the Program Director and the Vice President of Reentry Services of late program reviews and all staff were alerted to the importance and necessity of timely program reviews. The RRC management staff appreciates the notation of this concern by the OIG staff and will move to rectify the issue at noted above.

Inmate Release

The OIG audit reports that they were unable to document release plans on a variety of clients. Once again, without being able to ascertain which clients are in question it is impossible to address specific issues but this writer can say with the greatest confidence that release planning is a priority topic of constant conversation with both the individual clients in the RRC during IPP meetings and with the clients' assigned U.S. Probation Officers. The RRC holds very detailed weekly Program Review Team meetings and each client's progress towards (or lack of progress) toward developing a release residence and any barriers existing is thoroughly discussed and information is forwarded to each client's assigned USPO. In many cases, the client may have difficulty in developing or saving for a release plan and the RRC utilizes all available resources: i.e., seeking financial waivers, seeking low cost housing in the community, familial support. These efforts at times impede the "six week" window however when that happens the RRC, the RRM office and the USPO are fully aware of the concern, including the last option of considering a potential Public Law extension when all other alternatives are exhausted. Release Plans are immediately forwarded to the USPO as soon as they are developed and communication with the probation officer and the assigned RRC case manager is constant throughout the development phase. Communication regarding release plan development (between the case manager and the client, community resourcing and with RRM staff and USPO staff) is available for review in the client's case management record.

Inmate Employment

The OIG report found that they were not able to document initial (physical) employment verifications on some inmate employment. Again, as is a recurring theme throughout this report, some verifications are kept electronically as the agency moves towards an electronic records system and relies less on paper files and it appears to be the case that the auditors were unable to locate paper records on some cases. The agency takes employment verification very seriously and does have "most" of the documentation in hand but cannot provide that documentation without specific information regarding missing reports from inmate paper files. The agency keeps not only electronic records but also monitors the timeliness of attained employment, initial

approvals, onsite verification and monthly checks. Program reviews by the RRM office have demonstrated in the past that employment checks are conducted in a timely manner and any deviation is noted in the client file. On the rare occasion with a deadline is missed, the staff responsible for employment checks (initial on-sites or monthly checks thoroughly documents the issue in the case notes). As a result of the OIG audit, any further missed deadlines will be documented by the Program Directed and the rationale for any missed employment checks will be forwarded to the Vice President of Correctional Services for review and remedy as necessary.

Escapes

The OIG auditors, following their physical audit, requested information on a specific inmate who escaped. Documentation was provided but in this report the auditors' report that the RRC was unable to provide specific evidence as to when or if the BOP RRM was notified and that disciplinary action followed. That documentation is present and available for review. The Acting RRM was notified in a timely manner (and it is documented in the Duty Officer Report) and a Disciplinary Report was written and filed appropriately. The documentation is available for review. (Of note, in this particular escape, community partners, specifically, the Wichita Transit Authority notified the RRC immediately when the inmate cut his GPS unit and escaped). The agency makes inmate accountability a high priority in all cases and in no circumstance would fail to notify authorities of an escape in a timely manner. Once again, in this particular instance, the documentation is available for review and the proper protocols were followed for the escape procedures in this case.

EMPLOYEE TRAINING AND BACKGROUND CHECKS

The OIG auditors, in a review of employment files, found in their report that "one employee was allowed to work at the RRC without first obtaining a clearance", and, at first glance it might appear so. But as sometimes occurs, the BOP staff allowed the RRC staff member to continue for some period of time while she attempted to get documentation related to her alleged issues that had showed up on her NCIC. The RRC has documentation in the employee's record that documents the continued efforts on the part of the employee and the RRC to work toward her clearance and the BOP staff's allowance for her to continue to work until the RRC staff deemed it time to let her go. She did have initial clearance from the BOP. She was not allowed to work without the BOP's knowledge or approval. She was terminated when the BOP and the RRC determined that she was going to be unable to adequately explain her legal issues. She

The OIG auditors also found some lack of clarity in the employee files regarding staff training documentation.... Once again, much of this training is online on the agency's intra-net and therefore available for review electronically. The OIG reviewed only the paper files.

INMATE SUBSISTENCE

The review of subsistence took place independent of the onsite audit so the onsite RRC staff was not available to respond to concerns or provide answers or qualifications to concerns raised by

the auditing staff. Nonetheless, in a review of the documentation that has been provided post audit, it is apparent that there is a lack of clarity on the part of the RRC case management staff and it is clear that the agency needs to make improvements.

There also appears to be some issues in subsistence collection that are answerable and do have explanations that are logical and rational and should be noted. Several of the client concerns questioned in the OIG audit did in fact have waivers that had been granted. It is current policy that waivers should be attached to every billing to document the approval for a partial or full waiver.

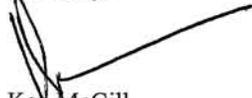
There was also a lack of clarity on prorated subsistence collection in that direction was given by a staff person in the RRM office (and was not documented in writing) that appears to be contrary to the SOW and a further conversation for training and clarification purposes was clearly needed. That clarification has been provided by RRM staff as of 8/30/16 and will be implemented immediately.

The RRC staff did not always utilize the disciplinary process as directed by the SOW and once again received differing direction from some staff and that issue again needs clarification. Once again, clarification has been received from BOP regarding discipline and none payment from RRC clients and the clarified policy will be implemented immediately. Both of these clarifications will put us back in compliance with the current SOW and with the findings of the OIG audit.

Overpayment and underpayment of subsistence is an issue that clearly falls on the RRC staff and this writer has and will address this both with the RRC staff and corporately to ensure that this concern is no longer an issue.

The Agency values the opportunity to partner with the Department of Justice/Bureau of Prisons and endeavors always to do our very best for our client and our offenders in our efforts to aid in the reentry efforts we share in transitioning persons from incarceration to the community.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ken McGill', with a long horizontal stroke extending to the right.

Ken McGill
Vice President of Correctional Services
Mirror, Inc.

FEDERAL BUREAU OF PRISONS' RESPONSE
TO THE DRAFT REPORT



U.S. Department of Justice

Federal Bureau of Prisons

Office of the Director

Washington, D.C. 20534

September 8, 2016

MEMORANDUM FOR DAVID M. SHEEREN
DENVER REGIONAL AUDIT MANAGER
OFFICE OF THE INSPECTOR GENERAL

Thomas R. Kane

FROM: Thomas R. Kane, Acting Director

SUBJECT: Response to the Office of Inspector General's (OIG)
DRAFT Report: Audit of the Federal Bureau of Prisons
Residential Reentry Center Contract No. DJB200113
Awarded to Mirror, Inc., Wichita, Kansas

The Bureau of Prisons (BOP) appreciates the opportunity to respond to the open recommendations included in the above draft report. Therefore, please find the Bureau's response to the recommendations below:

Recommendations

We recommend that BOP ensure that the Wichita RRC:

Recommendation 1: Conducts timely program planning meetings and documents the meetings in the inmate IPPs accordingly.

BOP's Response: The BOP agrees with the recommendation. The contractor is required to provide timely updates to inmates' Individualized Program Plans, using sufficiently detailed information, as required by the Statement of Work. The BOP continues

to monitor compliance and will increase emphasis in this area during future contract monitoring activity.

Recommendation 2: Prepares required inmate release plans and submits them in a timely manner to the U.S. Probation Officer.

BOP's Response: The BOP agrees with the recommendation. The contractor is required to submit the inmates' proposed release plans to the U.S. Probation Officer at least six weeks prior to their release dates. The BOP has recently implemented an electronic system to track and monitor this contract requirement. The BOP continues to monitor compliance and will increase emphasis in this area during future contract monitoring activity.

Recommendation 3: Prepares terminal reports for all inmates and submits them in a timely manner to BOP.

BOP's Response: The BOP agrees with the recommendation. The contractor is required to submit a terminal report within five working days of an inmate's release, using sufficiently detailed information. The BOP has recently implemented an electronic system to track and monitor this contract requirement. The BOP continues to monitor compliance and will increase emphasis in this area during future contract monitoring activity.

Recommendation 4: Conducts initial and monthly employment verifications in a timely manner.

BOP's Response: The BOP agrees with the recommendation. The contractor will verify inmate employment by an on-site visit during the first seven calendar days. The contractor is required to contact the place of employment at least monthly. The BOP continues to monitor compliance and will increase emphasis in this area during future contract monitoring activity.

Recommendation 5: Documents and reports escapes, and conducts appropriate disciplinary actions following an escape.

BOP's Response: The BOP agrees with the recommendation. The contractor is required to report all escapes immediately to the RRM. Staff will prepare an incident report and conduct a disciplinary hearing for inmates classified as being on escape. The BOP continues to monitor compliance and will increase emphasis in this area during future contract monitoring activity.

Recommendation 6: Maintains adequate documentation clearly showing that all employees have received proper clearance prior to working with inmates, and have completed requisite refresher training.

BOP's Response: The BOP agrees with the recommendation. The contractor will submit a signed request for background investigation form to the Residential Reentry Manager. The applicant will not begin working with federal inmates before clearance is obtained from the RRM. The BOP continues to monitor compliance and will increase emphasis in this area during future contract monitoring activity.

Recommendation 7: Remedies the \$9,636 in uncollected and unreported subsistence payments.

BOP's Response: The BOP agrees with the recommendation. The contractor is required to develop and use an inmate's subsistence agreement form which documents the inmate's obligation and responsibility to pay subsistence. The BOP's Residential Reentry Contracting Section and the Residential Reentry Management Branch will work with the contractor to remedy the \$9,636 in uncollected and unreported subsistence payments. Once a final determination is made as to any contested amounts with the contractor, a contract withholding will be completed to remedy the uncollected and unreported subsistence payments.

Recommendation 8: Properly collects and reports subsistence payments by:

- a. closely tracking inmate pay days and gross wages earned;
- b. enforcing subsistence payment by properly administering discipline for each instance of non-payment or under payment;
- c. maintaining all documentation of subsistence collection, including scans of pay stubs, money orders, subsistence receipts, and subsistence waiver approvals; and
- d. submitting all documentation supporting subsistence receipts with monthly billings to BOP.

BOP's Response: The BOP agrees with the recommendation. The contractor is required to develop and use an inmate's subsistence agreement form which documents the inmate's obligation and responsibility to pay subsistence. The contractor will provide a collection record to include copies of the inmate's paystubs, subsistence waivers if applicable, and collection receipts with every monthly bill. The BOP continues to monitor compliance and will

increase emphasis in this area during future contract monitoring activity.

If you have any questions regarding this response, please contact Steve Mora, Assistant Director, Program Review Division, at (202) 353-2302.

**OFFICE OF THE INSPECTOR GENERAL ANALYSIS AND SUMMARY
OF ACTIONS NECESSARY TO CLOSE THE REPORT**

The Office of the Inspector General (OIG) provided a draft of this audit report to the Federal Bureau of Prisons (BOP) and to Mirror, Inc. BOP's response is incorporated in Appendix 4 and Mirror, Inc.'s response is incorporated in Appendix 3 of this final report. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

Recommendation:

1. Conduct timely program planning meetings and document the meetings in the inmate IPPs accordingly.

Resolved. BOP concurred with our recommendation. BOP stated in its response that it will continue to monitor IPP compliance with the Statement of Work (SOW) and will increase emphasis in this area during future contract monitoring activity.

In its response, Mirror, Inc., concurred with our recommendation and stated that the Wichita RRC has an electronic records system that alerts appropriate staff of late program reviews. The Program Director will also monitor implementation of this corrective action monthly and report any deviations from policy.

This recommendation can be closed when we receive documentation supporting that BOP has ensured during its monitoring that Mirror, Inc., complies with the SOW requirements to conduct timely program planning meetings and document them in the inmate IPPs accordingly.

2. Prepare required inmate release plans and submit them in a timely manner to the U.S. Probation Officer.

Resolved. BOP concurred with our recommendation. BOP stated in its response that it has recently implemented an electronic system to track and monitor release plan submittals. BOP also stated it will increase emphasis in this area during future contract monitoring activity.

In its response, Mirror, Inc., neither agreed nor disagreed with our recommendation but stated that in many cases the inmate has difficulty saving for a release plan, which at times impedes timeliness. Mirror, Inc., also stated inmate release plans are immediately forwarded to the U.S. Probation Officer as soon as they are developed.

This recommendation can be closed when we receive documentation supporting that BOP has ensured during its monitoring that Mirror, Inc., complies with the SOW requirements to ensure that inmate release plans are submitted to the U.S. Probation Officer in a timely manner.

3. Prepare terminal reports for all inmates and submit them in a timely manner to BOP.

Resolved. BOP concurred with our recommendation. BOP stated in its response that it has recently implemented an electronic system to track and monitor terminal report submittals. BOP also stated it will increase emphasis in this area during future contract monitoring activity.

Mirror, Inc., did not respond to this recommendation.

This recommendation can be closed when we receive documentation supporting that BOP has ensured during its monitoring that Mirror, Inc., complies with the SOW requirements to ensure that inmate terminal reports are submitted to BOP in a timely manner.

4. Conduct initial and monthly employment verifications in a timely manner.

Resolved. BOP concurred with our recommendation. BOP stated in its response that it will increase emphasis in the area of employment verification during future contract monitoring activity.

In its response, Mirror, Inc., neither agreed nor disagreed with our recommendation but stated that the Program Director would document the rationale for any future missed employment checks and forward them to the Vice President for Correctional Services. Mirror, Inc., also stated that some employment verifications are kept electronically instead of in hardcopy format. However, at the initiation of our audit, we specifically requested that Mirror, Inc., make all employment verifications available to us for inmates housed in the facility during the contract period, if not maintained in the inmate case files. Additionally, we discussed this finding with Mirror, Inc., during our audit close-out meeting. However, we were not told of or provided any additional records or information concerning employment verifications.

This recommendation can be closed when we receive documentation supporting that BOP has ensured during its monitoring that Mirror, Inc., complies with the SOW requirements to conduct initial and monthly employment verifications in a timely manner.

5. Document and report escapes, and conduct appropriate disciplinary actions following an escape.

Resolved. BOP concurred with our recommendation. BOP stated in its response that it will increase emphasis in the area of escape reporting and subsequent disciplinary actions during future contract monitoring activity.

In its response, Mirror, Inc., neither agreed nor disagreed with our recommendation and stated that inmate accountability is a high priority and in no circumstance would it fail to notify authorities of an escape in a timely manner. Mirror, Inc., also indicated it has available documentation that it properly followed protocol and notified appropriate BOP officials. However, during our audit, we requested all available documentation related to the escape. Based on our review of the documentation provided, we found that the escape checklist, and disciplinary documentation provided to us was incomplete, often unsigned and/or undated, and did not give a satisfactory indication that the required escape procedures were properly followed.

This recommendation can be closed when we receive documentation supporting that BOP has ensured during its monitoring that Mirror, Inc., complies with the SOW requirements for reporting escapes and conducting appropriate disciplinary actions following an escape.

6. Maintain adequate documentation clearly showing that all employees have received proper clearance prior to working with inmates, and have completed requisite refresher training.

Resolved. BOP concurred with our recommendation. BOP stated in its response that it will increase emphasis in the area of employee clearance and refresher training during future contract monitoring activity.

In its response, Mirror, Inc., neither agreed nor disagreed with our recommendation and stated that, for the employee whose clearance was denied, the Wichita RRC maintained documentation of their continued efforts work toward obtaining proper clearance and BOP's consent to allow the employee to continue working at the RRC. We reviewed the available documentation and found that Mirror, Inc., allowed the employee to work with inmates for 2 months after the employee failed the background check. Mirror, Inc., also stated that much of the staff training documentation is maintained electronically and noted that the auditors only examined the hardcopy files. However, at the initiation of our audit, we specifically requested that Mirror, Inc., provide employee files containing documentation of completed training, which would include any documentation maintained electronically. Additionally, we discussed this finding with Mirror, Inc., at the audit close-out meeting. As of the date of this final report, Mirror, Inc., has not provided us additional evidence supporting that the employees completed the required training.

This recommendation can be closed when we receive documentation supporting that BOP has ensured during its monitoring that Mirror, Inc., complies with the SOW requirements to obtain clearance for all employees prior to working with inmates and ensures all employees complete required refresher training.

7. Remedy the \$9,636 in uncollected and unreported subsistence payments.

Resolved. BOP concurred with our recommendation. BOP stated in its response that BOP's Residential Reentry Contracting Section and the Residential Reentry Management Branch will work with the contractor to remedy the \$9,636 in uncollected and unreported subsistence payments. Once a final determination is made as to any contested amounts with the contractor, a contract withholding will be completed to remedy the uncollected and unreported subsistence payments.

In its response, Mirror, Inc., agreed with our recommendation and stated that there is an apparent lack of clarity on the part of the Wichita RRC case management staff and it is clear Mirror, Inc., needs to make improvements in the area of subsistence collection. Mirror, Inc., also stated that BOP provided clarification to the Wichita RRC staff on the subsistence policies in the contract SOW and improvements were implemented immediately. Finally, Mirror, Inc., indicated in its response that several inmates had waivers that would reduce or eliminate required subsistence payments and stated that waivers are attached to every monthly invoice. However, during our audit we reviewed all subsistence documentation attached to the monthly invoices and did not identify any waivers for inmates with associated subsistence questioned costs. Further, we provided a listing of all inmates associated with the uncollected and unreported subsistence questioned costs, and as of the date of this final report, Mirror, Inc., has not provided us with any waivers for these inmates.

This recommendation can be closed when we receive documentation supporting that BOP has remedied the \$9,636 in uncollected and unreported subsistence payments.

8. Properly collect and report subsistence payments by:

- a. closely tracking inmate pay days and gross wages earned;**
- b. enforcing subsistence payment by properly administering discipline for each instance of non-payment or under payment;**
- c. maintaining all documentation of subsistence collection, including scans of pay stubs, money orders, subsistence receipts, and subsistence waiver approvals; and**

d. submitting all documentation supporting subsistence receipts with monthly billings to BOP.

Resolved. BOP concurred with our recommendation. BOP stated in its response that it will increase emphasis in the area of subsistence collection and reporting during future contract monitoring activity.

In its response, Mirror, Inc., agreed with our recommendation and stated that there is an apparent lack of clarity on the part of the Wichita RRC case management staff and it is clear Mirror, Inc., needs to make improvements in the area of subsistence collection. Mirror, Inc., also stated that BOP provided clarification to the Wichita RRC staff on the subsistence policies in the contract SOW and improvements were implemented immediately.

This recommendation can be closed when we receive documentation supporting that BOP has ensured during its monitoring that Mirror, Inc., complies with the SOW requirements to collect and report subsistence payments.

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